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THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2019



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

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) LAMU
WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LAMU WEST CONSTITUENCY

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

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

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Lamu West Constituency Headquarters

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

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(f) NGCDF Lamu West Constituency Contacts

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

(g) NGCDF Lamu West Constituency Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

It gives me great pleasure to thank the people of Lamu West Constituency for giving me the opportunity to serve them in this transformative, people driven and Nation building position. It is great with great joy that I present to you the unaudited accounts and collaborative annual report for the year ended 30th June, 2019.

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

We are in the process of developing our Strategic Plan 2017- 2022 in a transparent Public participatory forums and inclusivity; this will ensure us rich out all 7 Wards and the team well visit all Stakeholders in the Constituency to get their development agenda and needs assessments. This shall be compiled to form a working document known as Ward Report and provide a direction for our development agendas for the 5 years parliamentary term to 2022.

We are guided by a budget proposal in the implementation of our project. At the moment we are implementing projects falling in budget proposal FY 2015/16, 2016.17, 2017/2018 and 2018/19 based on the Ward Report, while giving priority on on-going projects, extend of need and marginalisation. Currently we are in the process of starting one of the biggest Girls Secondary School in Coast Region, Mpeketoni Girls Secondary School. We shall work in collaboration with Kenya Ports Authority in ensuring our learners get the best they haven't had in generations.

Project Management Committees were trained and prospective contractors were invited to learn on project implementation and government working procedures. This was a unique experience and one of kind that won us positive feedback from all quarters. NGCDFB has also introduced a Risk Management Department, the new Morden idea helps in understanding our constituency risks and challenges, mitigation actions and ways of improving and curbing unforeseen future risks.

We closed the year with our largest single project; bursary which for the first time was done in a transparent manner besides offering over 30 scholarships, full sponsorship to orphans, venerable and marginalized children. We handled bursary using best practices including support for the girl child and children living with disability. Bursary is personal and emotive project; but this time around only few cases of those who did not apply came to our notice claiming they were overlooked.

Summary of Key Achievements

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

Risk Management Integration & Mitigation Strategies In The Constituency Operation

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LAMU WEST CONSTITUENCY

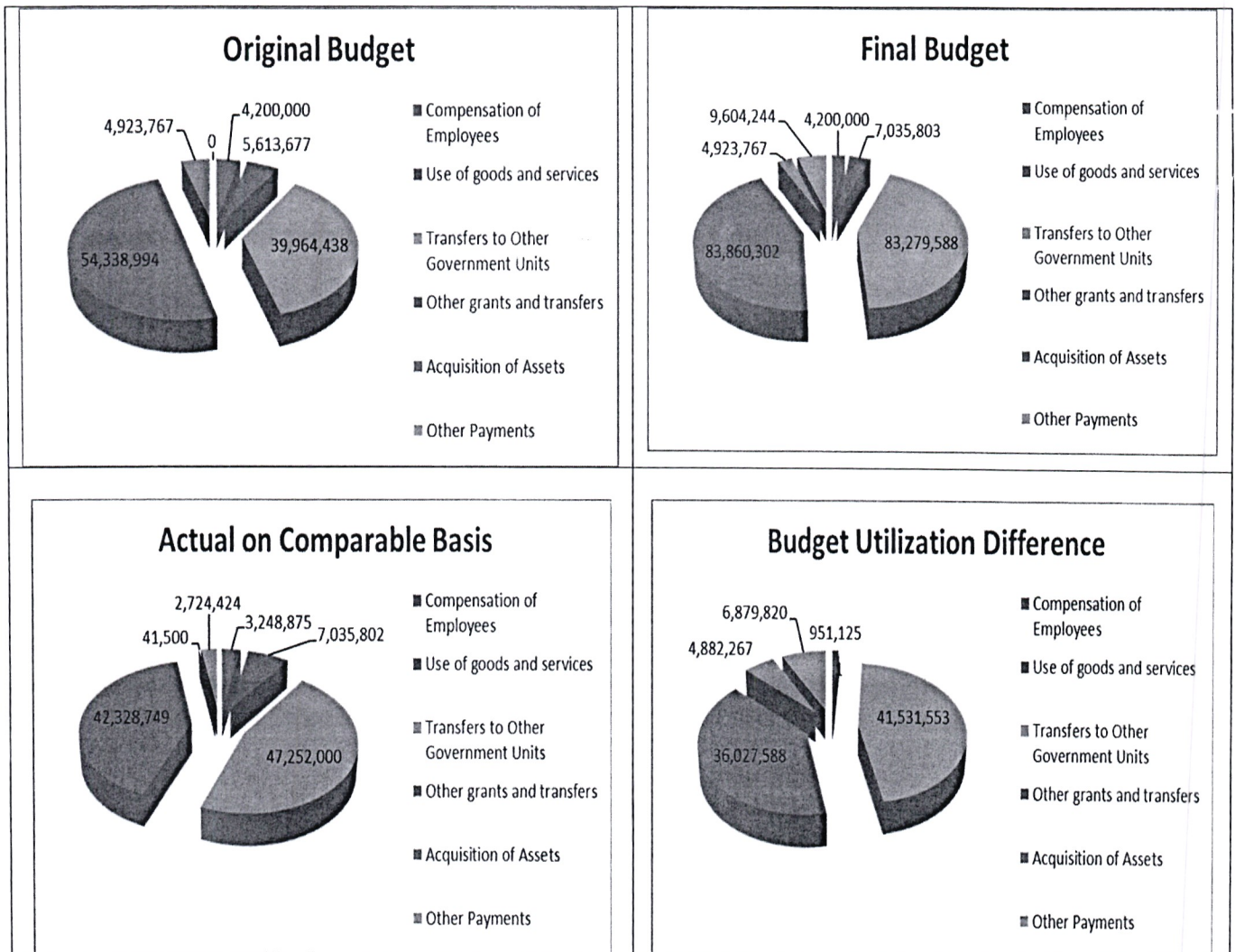
Reports and Financial Statements

For the year ended June 30, 2019

OBJECTIVES OF RISK MANAGEMENT



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

GRAPHICAL SUMMARY STATEMENT OF APPROPRIATION

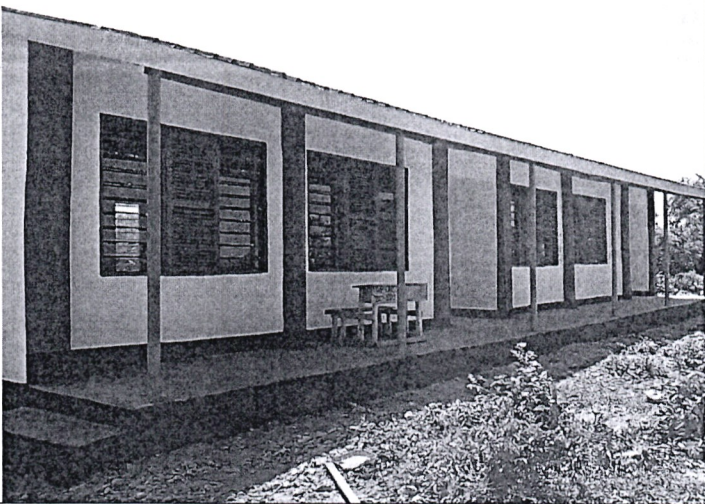



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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SUCCESS STORIES FOR THE CONSTITUENCY

Project name	Image of the project	Financial Year	Impact of the project
a) Education Projects			
<p>Bomani Secondary School- Construction of 2 Classrooms</p>		<p>FY 2017/18</p>	<p>This is the 1st Block classroom at Bomani Secondary School. The School has 168 Students. The rest of the classrooms are built of Iron sheets and Mad</p>
<p>Manda Maweni Primary School- Construction of 2 Classrooms</p>		<p>FY 2017/18</p>	<p>The School started in 2011 with only 3 Classrooms. With the completion of these two classrooms, residents of Manda Island in Lamu can heave a sigh of relief and smile all the way. Manda Island has 2 Primary Schools and 1 Secondary School. Learners no longer need to cross over to Lamu Island or walk for long to Manda Primary School for next level of</p>

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			<p>learning.</p>
	<p>d) Security Projects</p>		
<p>Muhamarani Police Post</p>	 <p>NG CDF Chairman during handover of the project</p>	<p>FY 2016/17-2018/19</p>	<p>Muhamarani Police Post (Now Gazzeted as Kibaoni Police Station) was built to strengthen security around Boni Forest and its surroundings. Having built the station, the government found it necessary to make it a Complete police station with and OCS already allocated with 20 Police officers to work at the station. The People of Hongwe Ward will benefit from the security reinforcement.</p>

Sign



CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
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For the year ended June 30, 2019**

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF- Lamu West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

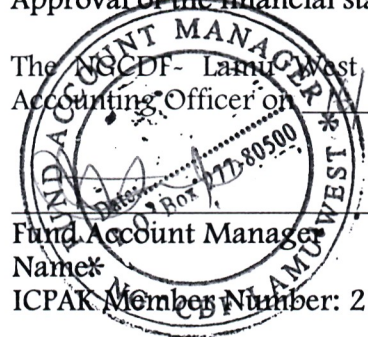
The Accounting Officer in charge of the NGCDF- Lamu West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the fund financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the fund financial position as at that date. The Accounting Officer charge of the NGCDF- Lamu West Constituency further confirms the completeness of the accounting records maintained for the fund, which have been relied upon in the preparation of the fund financial statements as well as the adequacy of the systems of internal financial control.

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

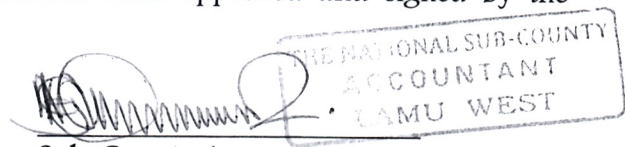
Approval of the financial statements

The NGCDF- Lamu West Constituency financial statements were approved and signed by the Accounting Officer on 09/07/2019 2019.

Fund Account Manager
Name: _____
ICPAK Member Number: 23656

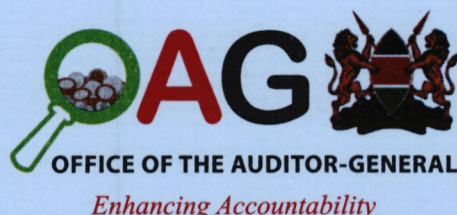


Sub-County Accountant
Name: _____
ICPAK Member Number: 12536



REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LAMU WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Lamu West Constituency set out on pages 9 to 37, which comprise the statement of assets and liabilities as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 – Lamu West Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers balance of Kshs.42,328,750 which as disclosed under Note 7 to the financial statements, includes bursaries of Kshs.15,968,000 and Kshs.8,091,192 disbursed to various secondary schools and tertiary institutions respectively, both totaling to Kshs.24,059,192. However, minutes of the bursary committee meetings showing how the bursaries were awarded were not provided. Further, acknowledgement letters by the beneficiary institutions of bursaries amounting to Kshs.22,577,192 were not provided.

Consequently, the accuracy of expenditure of Kshs.24,059,192 on bursaries could not be confirmed.

2. Accuracy of the Financial Statements

The statement of receipts and payments reflects Kshs.42,328,750 for other grants and transfers which differs with the balance of Kshs.43,853,174 for other grants and transfers reflected under Note 7 to the financial statements by a difference of Kshs.1,524,424 which has not been explained.

In addition, the summary statement of appropriation - recurrent and development combined reflects a budget under-utilization of Kshs.90,105,353 which differs with the unutilized funds balance of Kshs.90,272,353 reflected under Note 15.3 to the financial statements and Annex 3 by Kshs.167,000. The difference has not been explained or reconciled.

In the circumstances, the accuracy of the financial statements 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 – Lamu West Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects budgeted receipts and actual receipts on comparable basis of Kshs.192,736,702 and Kshs.105,992,377 respectively, resulting into under-funding of Kshs.86,744,325 or 45%. Further, the Fund had a budgeted expenditure of Kshs.192,736,703 while the actual expenditure by the Fund was Kshs.102,631,350 resulting to an under-expenditure of Kshs.90,105,353 or 47% of the budget.

The under-funding may have negatively affected service delivery to the constituents of Lamu West.

2. Unresolved Prior Year Audit Matters

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at

30 June, 2019. Management has not provided satisfactory reasons for the delay in resolving the 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 the 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. Delayed Implementation of Projects

According to the projects implementation status report provided for audit, a total of Kshs.99,227,199 was allocated to twenty (20) projects during the financial year 2018/2019. However, nine (9) projects with a combined budget of Kshs.40,262,760 were ongoing while another nine (9) projects with a combined budget of Kshs.23,964,438 were yet to be started.

The delayed implementation of the projects might have negatively affected the service delivery to the constituents.

2. Constituency Oversight Committee

Section 53(1) of the National Government Constituencies Development Fund Act, 2015 requires Constituency Oversight Committees to be appointed for projects undertaken under the Act. However, the Fund did not have a Constituency Oversight Committee in place.

In the circumstances, the Fund 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, I confirm that, nothing has come to my attention to cause me to

believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi


01 October, 2021

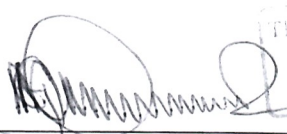
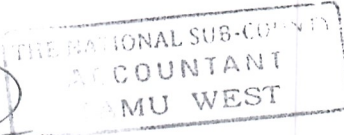
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LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	93,581,034	68,053,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		93,581,034	68,053,447
PAYMENTS			
Compensation of employees	4	3,248,875	2,389,200
Use of goods and services	5	7,035,802	5,269,798
Transfers to Other Government Units	6	47,252,000	25,289,655
Other grants and transfers	7	45,053,174	25,501,879
Acquisition of Assets	8	41,500	-
Other Payments	9	-	-
TOTAL PAYMENTS		102,631,351	58,450,532
SURPLUS/(DEFICIT)		<u>(9,050,318)</u>	<u>9,602,915</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Lamu East Constituency financial statements were approved on 12/12/2019 and signed by:


Fund Account Manager
Name:
ICPAK Member Number: 23656



Sub-County Accountant
Name:
ICPAK Member Number: 12536

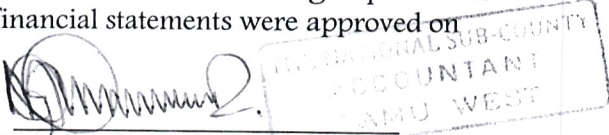
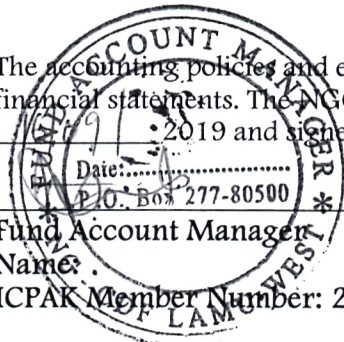
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,528,027	12,411,343
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,528,027	12,411,343
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,528,027	12,411,343
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	167,001	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		167,001	
NET FINANCIAL ASSETS		3,361,026	12,411,343
REPRESENTED BY			
Fund balance b/fwd	13	12,411,343	2,808,428
Surplus/Deficit for the year		(9,050,318)	9,602,915
Prior year adjustments	14		
NET FINANCIAL POSITION		3,361,026	12,411,343

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

Date:
P.O. Box 277-80500
Fund Account Manager
Name:
ICPAK Member Number: 23656



Sub-County Accountant
Name:
ICPAK Member Number: 12536

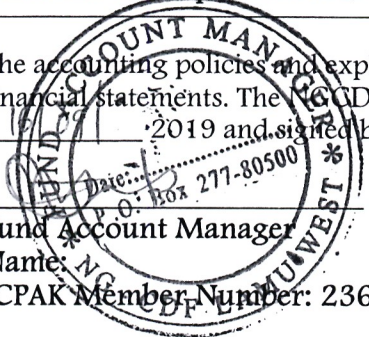
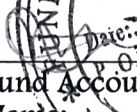
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

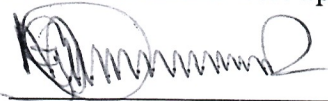
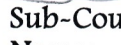
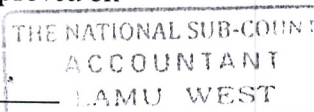
VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
		Kshs	Kshs
Receipts			
Transfers from NGCDF Board	1	93,581,034	68,053,447
Other Receipts	3	=	=
Total receipts		93,581,034	68,053,447
Payments			
Compensation of Employees	4	3,248,875	2,389,200
Use of goods and services	5	7,035,802	5,269,798
Transfers to Other Government Units	6	47,252,000	25,289,655
Other grants and transfers	7	45,053,174	25,501,879
Other Payments	9	-	-
Total payments		102,589,851	58,450,532
Total Receipts Less Total Payments		(9,008,817)	9,602,915
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	167,001	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments		167,001	-
Net cash flow from operating activities		(8,841,816)	9,602,915
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(41,500)	(-)
Net cash flows from Investing Activities		(41,500)	(-)
NET INCREASE IN CASH AND CASH EQUIVALENT		(8,883,316)	9,602,915
Cash and cash equivalent at BEGINNING of the year	13	12,411,343	2,808,428
Cash and cash equivalent at END of the year		<u>3,528,027</u>	<u>12,411,343</u>

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

2019 and signed by:


Fund Account Manager
Name: 
ICPAK Member Number: 23656


Sub-County Accountant
Name: 
ICPAK Member Number: 12536


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

Reports and Financial Statements

For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c = a+b	Actual on Comparable Basis d	Budget Utilization Difference e = c-d	% of Utilization f = d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	83,695,826	192,736,702	105,992,377	86,744,326	55%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL RECEIPTS	109,040,876	83,695,826	192,736,702	105,992,377	86,744,326	55%
PAYMENTS						
Compensation of Employees	4,200,000	-	4,200,000	3,248,875	951,125	77%
Use of goods and services	5,613,677	1,422,125	7,035,802	7,035,802	-	100%
Transfers to Other Government Units	39,964,438	43,148,150	83,112,588	47,252,000	35,860,588	57%
Other grants and transfers	54,338,994	29,521,307	83,860,302	42,328,749	41,531,553	50%
Acquisition of Assets	4,923,767	-	4,923,767	41,500	4,882,267	1%
Other Payments	-	9,604,244	9,604,244	2,724,424	6,879,820	28%
TOTALS	109,040,876	83,695,826	192,736,703	102,631,350	90,105,353	53%

(a) Revenue collected is not part of AIA; there was no AIA collected during the period.

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

i. Receipts:

a) Composition of Adjustment during the period of Kshs. 83,695,826 is as detailed in budget execution by programmes and sub-programmes.

b) Explanations in variations on the summary statement of appropriation:

a) Compensation of employees: May and June 2019 salaries and some other administrative expenses were overlapped to the subsequent financial year.

b) Transfer to Other Government Units, Other Grants and Transfer and Other payments: As at 30th June 2019, we had pending approvals for some projects. Additionally, some disbursements for the period were received at the beginning of FY 2019/2020.

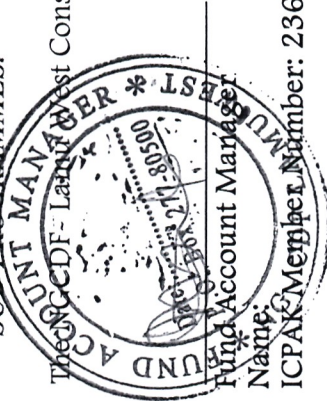
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU WEST CONSTITUENCY
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- c) *Composition of Budget Utilization Difference: Kshs. 86,744,326*
 - i) *Closing Balance as at 31st June, 2019: Kshs. 3,528,027*
 - ii) *Balance from the Board FY 2015/2016:Kshs. 10,200,000*
 - iii) *Balance from the Board FY 2016/2017:Kshs. 800,000*
 - iv) *Balance from the Board FY 2017/2018:Kshs. 20,703,449*
 - v) *Balance from the Board FY 2018/2019:Kshs. 55,040,875*

Note:

I. *The changes between the original budget and final budget have been explained in BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.*

The NGCDF - Lamu West Constituency financial statements were approved on 16/09 2019 and signed by:



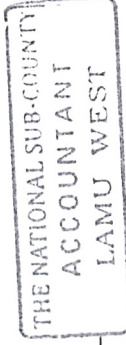
[Handwritten Signature]

Sub-County Accountant

Name:

ICPAK Member Number: 23656

ICPAK Member Number: 12536



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

Reports and Financial Statements

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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,200,000	-	4,200,000	3,248,875	951,125
1.2 Committee allowances	1,073,620	-	1,073,620	1,073,620	-
1.3 Use of goods and services	1,268,832	-	1,268,832	1,268,832	-
Sub- Total	6,542,452	-	6,542,452	5,591,327	951,125
2.0 Monitoring and evaluation					
2.1 Capacity building	1,300,000	508,874	1,808,874	1,808,874	-
2.2 Committee allowances	1,097,605	913,252	2,010,857	2,010,857	-
2.3 Use of goods and services	873,620		873,620	873,620	-
Sub- Total	3,271,225	1,422,126	4,693,351	4,693,351	-
3.0 Emergency					
3.1 Primary Schools				499,834	
3.2 Security projects	5,738,993	2,620,785	8,359,778	499,834	6,362,633
3.3 Security projects				500,000	
3.4 Security projects				497,477	
Sub- Total	5,738,993	2,620,785	8,359,778	1,997,145	6,195,633
4.0 Bursary and Social Security					
4.1 Primary Schools	-		-		-
4.2 Secondary Schools	20,000,000	8,014,055	28,014,055	15,968,000	12,046,055
4.3 Tertiary Institutions	15,000,000	6,014,055	21,014,055	8,091,192	12,922,863
Sub- Total	35,000,000	14,028,110	49,028,110	24,059,192	24,968,918
5.0 Sports					
5.1 Twaif Football Field	700,000		700,000		700,000

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

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

5.2 Hindi Prisons Football Field	700,000		700,000		700,000		700,000
5.3 Mpeketoni Boys Secondary School	700,000		700,000		700,000		700,000
5.4 Cultural Sports Tournaments		1,736,206	1,736,206		1,736,206	1,736,206	-
Sub- Total	2,100,000	1,736,206	3,836,206		1,736,206	1,736,206	2,100,000
6.0 Environment							
6.1 Tree Planting Day	2,000,000		2,000,000		400,000		1,600,000
6.2 Mpeketoni Girls Secondary School		1,736,206	1,736,206		1,736,206		-
Sub- Total	2,000,000	1,736,206	3,736,206		2,136,206		1,600,000
7.0 Primary Schools Projects							
7.1 Mokowe Special School	2,500,000	-	2,500,000				2,500,000
7.2 Hongwe Intergrated Primary School	-	3,000,000	3,000,000		2,400,000		600,000
7.3 Manda Maweni Primary School	-	3,000,000	3,000,000		2,400,000		600,000
7.4 Poromoko Primary School	-	3,000,000	3,000,000		2,400,000		600,000
7.5 Ungu Primary School	-	3,000,000	3,000,000		2,400,000		600,000
7.6 Furaha Primary School	-	3,000,000	3,000,000		2,400,000		600,000
7.7 Sikomani Primary School	-	150,000	150,000		-		150,000
7.8 Ndambwe Primary School	-	663,150	663,150				663,150
7.9 Manyatta Primary School	6,000,000		6,000,000		4,000,000		2,000,000
7.10 Kiongwe Primary School	1,464,438		1,464,438				1,464,438
7.11 Bora Moyoo Primary School	6,000,000		6,000,000		6,000,000		-
7.12 Hindi Primary School	3,000,000		3,000,000		3,000,000		-
7.13 Manyatta Primary School		303,200	303,200		303,200		-
7.14 Manda Maweni Primary School		303,200	303,200		303,200		-
7.15 Sedemke Primary School		303,200	303,200		303,200		-
7.16 Kakathe Primary School		303,200	303,200		303,200		-
7.17 Ungu Primary School		303,200	303,200		303,200		-
7.18 Holy Angel Primary School		303,200	303,200		303,200		-
7.19 Lake Kenyatta Primary School		513,200	513,200		513,200		-

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

Reports and Financial Statements

For the year ended June 30, 2019

7.20 Maisha Masha Primary School		513,200	513,200	513,200	-
7.21 Pangani Primary School		303,200	303,200	303,200	-
7.22 Lumshi Primary School		303,200	303,200	303,200	-
7.23 Jericho Primary School		800,000	800,000	-	800,000
7.24 Lake Amu Primary School		2,400,000	2,400,000	2,400,000	-
Sub- Total	18,964,438	22,465,150	41,429,588	30,852,000	10,577,588
8.0 Secondary Schools Projects					
8.1 Mpeketoni Girls Secondary School	6,000,000	9,100,000	15,100,000	10,600,000	4,500,000
8.2 Wiyoni Secondary School	-	3,000,000	3,000,000	-	3,000,000
8.3 Hongwe Secondary School	2,000,000	1,200,000	3,200,000	-	3,200,000
8.4 Witu Secondary School	-	1,200,000	1,200,000	-	1,200,000
8.5 Witu Mjini Secondary School	-	350,000	350,000	-	350,000
8.6 Majembeni Secondary School	-	3,000,000	3,000,000	2,400,000	600,000
8.7 Bomani Secondary School		3,000,000	3,000,000	2,400,000	600,000
8.8 Witu Mjini Secondary School	7,000,000		7,000,000		7,000,000
8.9 Hindi Secondary School	7,000,000		7,000,000		7,000,000
8.1 Bahari Secondary School	1,000,000		1,000,000	1,000,000	-
Sub- Total	23,000,000	20,850,000	43,850,000	16,400,000	27,450,000
9.0 Tertiary institutions Projects					
9.1 Mpeketoni Sub County Education office	2,500,000		2,500,000	-	2,500,000
Sub- Total	2,500,000	-	2,500,000	-	2,500,000
10.0 Security Projects					
10.1 Muhamarani Police Post	3,000,000	-	3,000,000	3,000,000	-
10.2 Hongwe AP Post	2,000,000		2,000,000		2,000,000
10.3 Tewe Chief Office		2,300,000	2,300,000	2,300,000	-
10.4 Langoni Chief Office		2,300,000	2,300,000	2,300,000	
10.5 Hindi AP Post		2,400,000	2,400,000	2,400,000	
10.6 Maleli AP Post		2,400,000	2,400,000	2,400,000	-

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

Reports and Financial Statements

For the year ended June 30, 2019

	5,000,000	9,400,000	14,400,000	12,400,000	2,000,000
Sub- Total					
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)		-			-
11.3 Purchase of furniture and equipment	1,423,767	-	1,423,767	41,500	1,382,267
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of Office Boat	3,500,000		3,500,000		3,500,000
Sub- Total	4,923,767	-	4,923,767	41,500	4,882,267
12.0 Others					
12.1 Strategic Plan	-	3,000,000	3,000,000	1,200,000	1,800,000
12.2 Innovation Hub		4,677,027	4,677,027	-	4,677,027
12.3 Construction of CDF office		1,927,217	1,927,217	1,524,424	402,793
Sub- Total	-	9,604,244	9,604,244	2,724,424	6,879,820
Grand Total	109,040,875	83,695,826	192,736,703	102,631,350	90,105,353

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

Reports and Financial Statements

For the year ended June 30, 2019

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Constituency Bank Account and at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO A855898	1		5,500,000
AIE NO A892590	2		30,148,275
AIE NO A896851	3		18,405,172
AIE NO A892996	4		14,000,000
AIE NO B005350	1	39,581,034	
AIE NO B030088	2	10,000,000	
AIE NO B030475	3	15,000,000	
AIE NO B006422	4	6,000,000	
AIE NO A724455	5	11,000,000	
AIE NO B042929	6	12,000,000	
TOTAL		93,581,034	68,053,447

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	1,773,115	2,357,000
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity – paid	-	-
- accrued	1,454,035	-
Other personnel payments- NSSF Employer Contribution	21,725	32,200
Total	3,248,875	2,389,200

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	4,579,900	3,049,026
Utilities, supplies and services	149,000	77,600
Communication, supplies and services	-	-
Domestic travel and subsistence	396,800	181,775
Printing, advertising and information supplies & services	-	181,775
Rentals of produced assets	-	-
Training expenses	733,000	632,000
Hospitality supplies and services	-	58,600
Insurance costs	-	-
Specialized materials and services	520,000	-
Office and general supplies and services	180,000	120,889
Other operating expenses	266,730	406,000
Fuel ,oil & lubricants	210,373	-
Routine maintenance – vehicles and other transport equipment	-	544,546
Routine maintenance – other assets	-	-
Total	7,035,802	5,269,798

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	30,852,000	6,450,000
Transfers to secondary schools (see attached list)	16,400,000	18,839,655
Transfers to tertiary institutions	-	-
Transfers to health institutions	-	-
TOTAL	47,252,000	25,289,655

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools	15,968,000	14,317,500
Bursary – tertiary institutions	8,091,192	8,438,000
Bursary – special schools	-	-
Mock & CAT	-	-
Security projects	12,400,000	2,391,379
Sports projects	1,736,206	-
Environment projects	2,136,206	-
Other capital grants and transfer	1,524,424	-
Emergency projects	1,997,146	355,000
Total	43,853,174	25,501,879

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
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Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	16,500	-
Purchase of ICT Equipment, Software and Other ICT Assets	25,000	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	41,500	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	1,200,000	-
	-	-
Total	1,200,000	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Bank Name: Equity Bank Kenya Ltd- Mpeketoni</i>	3,528,027	2,708,428
<i>Account Number: 1270263908321</i>		
Total	3,528,027	2,708,428
10B: CASH IN HAND		
Location 1	-	100,000
Other Locations (<i>specify</i>)	-	-
Total	-	100,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Kudzecha Investment ltd	41,796	-
Swabaha Enterprises	41,810	-
Josamumu Construction	41,599	-
Qabul General supplies	41,796	-
Total	167,001	-

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

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

13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	12,411,343	2,708,428
Cash in hand	-	100,000
Imprest	-	-
Total	12,411,343	2,808,428

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU
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For the year ended June 30, 2019

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019 Kshs	2017-2018 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	288,854	-
Others (<i>specify</i>)	-	-
	288,854	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	951,125	1,217,383
Use of goods and services	-	959,977
Amounts due to other Government entities (see attached list)	41,531,553	63,460,383
Amounts due to other grants and other transfers (see attached list)	36,027,588	6,233,179
Acquisition of assets	4,882,267	824,424
Others (<i>specify</i>)	6,879,820	-
	90,272,353	72,695,826

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	-	-

NATIONAL GOVERNMENT ENTITY – LAMU WEST CONSTITUENCY

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT ENTITY - LAMU WEST CONSTITUENCY

**Reports and Financial Statements
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT ENTITY – LAMU WEST CONSTITUENCY

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Staff Salaries	951,125	-	Pending Disbursement
Use of goods & services	Prior year adjustment	-	-	Pending Disbursement
	Sub-Total	951,125	-	
Amounts due to other Government entities				
7.1 Mokowe Special School	Fencing of the school	2,500,000	-	Re-submission
7.2 Hongwe Intergrated Primary School	Purchase of School Furniture	600,000		Re-submission
7.3 Manda Maweni Primary School	Purchase of School Furniture	600,000		Re-submission
7.4 Poromoko Primary School	Purchase of School Furniture	600,000		Re-submission
7.5 Ungu Primary School	Purchase of School Furniture	600,000		Re-submission
7.6 Furaha Primary School	Purchase of School Furniture	600,000		Re-submission
7.7 Sikomani Primary School	Renovation of a Toilet	150,000		Re-submission
7.8 Ndambwe Primary School	Renovation of 1 Classroom	663,150		Re-submission
7.9 Manyatta Primary School	Construction of 4 Classrooms	2,000,000		Re-submission
7.10 Kiongwe Primary School	Repairs and Toilet construction	1,464,438		Re-submission
7.23 Jericho Primary School	Construction of 2No. 4 Door Toilet	800,000		Re-submission
8.1 Mpeketoni Girls Secondary School	Construction of 12 Classrooms	4,500,000		Re-submission
8.2 Wiyoni Secondary School	Construction of 2 Classrooms			Re-submission

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			3,000,000			Re-submission
8.3 Hongwe Secondary School	Construction of 2 Classrooms		3,200,000			Pending Disbursement
8.4 Witu Secondary School	Construction of 3No. 4 Door Toilet		1,200,000			Pending Disbursement
8.5 Witu Mijini Secondary School	Repairs of 4 Classrooms		350,000			Pending Disbursement
8.6 Majembeni Secondary School	Purchase of School Furniture		600,000			Pending Disbursement
8.7 Bomani Secondary School	Purchase of School Furniture		600,000			Pending Disbursement
8.8 Witu Mijini Secondary School	Purchase of School Bus		7,000,000			Pending Re-allocation
8.9 Hindi Secondary School	Purchase of School Bus		7,000,000			Pending Change of name
Sub-Total			38,027,588			
Amounts due to other grants and other transfers						
3.0 Emergency	Emergency Projects		6,195,633			Pending Disbursement
4.2 Secondary Schools	Bursary to Needy students		12,046,055			Re-submission
4.3 Tertiary Institutions	Bursary to Needy students		12,922,863			Re-submission
5.1 Manda Primary Football Field	Rehabilitation of football pitch		700,000			Re-submission
5.2 Hindi Prisons Football Field	Bursary to Needy students		700,000			Re-submission
5.3 Mpeketoni Boys Secondary School	Bursary to Needy students		700,000			Re-submission
6.1 Tree Planting Day	Environmental Project		1,600,000			Re-submission
9.1 Mpeketoni Sub County Education office	Construction of DEO Office		2,500,000			Re-submission
10.2 Hongwe AP Post	Construction of AP Post		2,000,000			Re-submission
Sub-Total			39,364,551			
Sub-Total						

NATIONAL GOVERNMENT ENTITY – LAMU WEST CONSTITUENCY

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Acquisition of assets					
11.3 Purchase of furniture and equipment	Office Equipment and Furniture	1,382,267			Pending Disbursement
11.5 Purchase of Office Boat	Office Boat	3,500,000			Pending Disbursement
Sub-Total		4,882,267			
Others (NG CDF OFFICE)					
12.1 Strategic Plan	Strategic Plan	1,800,000			Pending Approval
12.2 Innovation Hub	4 ICT Hubs	4,677,027			3 to be re-allocated
12.3 Construction of CDF office	Repairs of Office	402,793			Pending Disbursement
Sub-Total		6,879,820			
Grand Total		90,105,353			

NATIONAL GOVERNMENT ENTITY – LAMU WEST CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	7,000,000	-	-	7,000,000
Transport equipment	11,229,170	-	-	11,229,170
Office equipment, furniture and fittings	1,500,000	16,500	-	1,516,500
ICT Equipment, Software and Other ICT Assets	640,000	25,000	-	665,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	20,369,170	41,500	-	20,410,670

NATIONAL GOVERNMENT ENTITY – LAMU WEST CONSTITUENCY
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account Number	Bank Balance 2018/19	Bank Balance 2017/18
Manyatta Primary School	1270277824244	Equity Bank	4,000,100	-
Holy Angel Primary School	1270277803530	Equity Bank	82,680	-
Sedemke Primary School	1270277804715	Equity Bank	82,680	-
Pangani Primary School	1270277828190	Equity Bank	103,800	-
Lake Kenyatta Primary School	1270277803502	Equity Bank	93,180	-
Lumshi Primary School	1270277910131	Equity Bank	303,300	-
Poromoko Primary School	1270277815736	Equity Bank	978,294	-
Ungu Primary School	1590277815025	Equity Bank	917,276	-
Hindi Primary School	1590276348333	Equity Bank	3,000,020	-
Majembeni Secondary School	1270276260563	Equity Bank	581,718	1,664,940
Bora Moyoo Primary School	1590278907639	Equity Bank	6,000,100	-
Mpeketoni Girls Secondary School	1270277817551	Equity Bank	10,599,920	-
Maisha Masha Primary School	1270276260289	Equity Bank	155,992	156,292
Furaha Primary School	1270277803162	Equity Bank	972,513	-
Salama Primary School	1270276338975	Equity Bank	809,066	2,800,100
Bomani Secondary School	1270277800877	Equity Bank	206,577	-
Tewe Chief's Office	1270277803557	Equity Bank	306,220	-
Maleli Police Post	1270277805376	Equity Bank	2,400,100	-
Hindi AP Post	1590277815292	Equity Bank	1,133,316	-
Fire Extinguishers- Secondary Schools	1590276346522	Equity Bank	-	-

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Kiongwe Secondary School	1270276328445	Equity Bank	64,600	601,600
Moa Secondary School	1270276418837	Equity Bank	241	129,806
Lamu Girls Secondary School	1590276347507	Equity Bank	1,689,755	1,689,656
Wiyoni Secondary School	1590276349385	Equity Bank	600,100	600,100
Shella Bright Girls Secondary School	1590276348168	Equity Bank	395,298	1,500,000
Shella Bright Girls Secondary School	1590262385327	Equity Bank	13,298	13,298
Manda Maweni Primary School	1590277829113	Equity Bank	2,482,080	-
NGCDF Environment Project	1590277563809	Equity Bank	1,348,636	-
NGCDF Sports Activity	1590272699813	Equity Bank	1,174,597	-
NGCDF Office Projects	1590277564175	Equity Bank	742,842	-
HONGWE Integrated Primary School	1270277803556	Equity Bank	332,406	-
Muhamarani Police Post	1141562016400	Co-Op Bank	2,330,176	2,032
Umoja Primary School	1139562081300	Co-Op Bank	406,264	999,325
Mkunguni Primary School	1139561902400	Co-Op Bank	128,082	126,167
Total			46,633,089	15,017,955

NATIONAL GOVERNMENT ENTITY – LAMU WEST CONSTITUENCY
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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



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