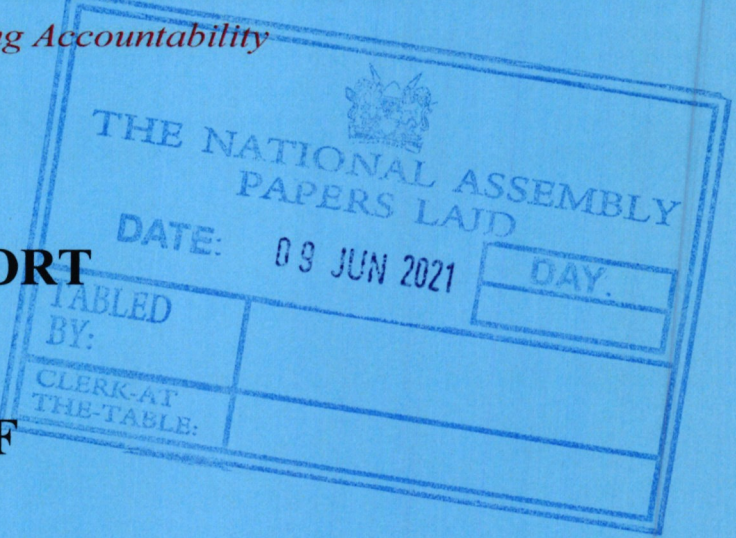


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – CENTRAL BANK OF KENYA  
ACCOUNT**

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD

REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020

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

 THE NATIONAL ASSEMBLY PAPERS LAID		OFFICE OF THE AUDITOR - GENERAL ★ 12 FEB 2021 Box 30084 - 00100, NAIROBI
DATE:	09 JUN 2021	
TABLED BY:	Lom (Hon. Amos Fumanya, MP)	
CLEARANCE BY:	Halima Ahmed	

*NATIONAL GOVERNMENT- NG-CDF BOARD (FUND)*  
*Reports and Financial Statements for the year ended June 30<sup>th</sup> 2020*

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## **1. KEY NGCDF INFORMATION AND MANAGEMENT**

### **(a) Background information**

The National Government Constituencies Development Fund (NGCDF) is established under the National Government Constituencies Development Fund (Amendment) Act, 2015. The NG-CDF is under the National Treasury and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

The Fund's overall management is the responsibility of the NGCDF Board. While the supervision and coordination is done by National Treasury and Planning.

The Board has aligned the operations of the Fund with new Act and the Constitution. The Board launched its new strategic plan on 16<sup>th</sup> August 2016 for the planning period 2016/2017 to 2020/2021. The Board also attained ISO 9001:2008 certification in March 2016 whose unveiling was done on the same date 16<sup>th</sup> August 2016.

### **(b) Principal Activities**

As outlined in the NGCDF Act 2015 the Board's core mandate and responsibilities include:

- Ensuring timely and efficient disbursements of funds to every constituency
- Ensuring efficient management of the fund
- Receiving and discussing annual reports and returns from the constituencies
- Ensuring the compilation of proper records, returns and reports from the constituencies
- Receiving and addressing complaints and disputes, and taking appropriate action
- Considering project proposals submitted from various constituencies in accordance with the Act, approving for funding for those projects proposals that are consistent with the Act and sending funds to respective Constituency Fund accounts of the approved projects.

The Board will provide strategic direction in the management, use and accountability of monies drawn from the Fund. The Board therefore aspires to the following Vision, Mission and Core Values in meeting its mandate.

## **VISION**

Equitable Socio-economic development countrywide

## **MISSION**

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

## **CORE VALUES**

1. Transparency and accountability
2. Professionalism and integrity
3. Commitment and teamwork
4. Neutrality and objectivity
5. Timeliness and excellence
6. Advocacy for citizen participation

## **KEY STRATEGIC OBJECTIVES**

1. To improve operational efficiency and effectiveness in service delivery
2. To Strengthen Institutional Capacity (skills, numbers and work environment)
3. To ensure efficient and effective project management
4. Enhance good governance
5. Promote effective communication and appropriate partnership

## **STRATEGIC GOALS**

- a) Continue Automation of Board's operations
- b) Improve performance management
- c) Implement quality management systems
- d) Improve accounting system
- e) Strengthen research capacity to support evidence based decision making
- f) Strengthening Audit and risk management
- g) Strengthen disaster responsiveness and management
- h) Streamline the organizational structure
- i) Develop capacity of staff
- j) Develop and implement a talent management and succession planning strategy
- k) Improve on the work environment
- l) Promote public participation in project identification and implementation
- m) Promote timely submission and approval of project proposals

- n) Promote prioritization of on-going projects in allocation of Funds
- o) Improve collaboration with technical officers from relevant government agencies
- p) Improve management of transition of NG-CDFC's in relation to resources and projects
- q) widen projects scope and strengthen collaboration with MDAs
- r) Promote openness and accountability in management of the Fund
- s) Promote compliance with applicable laws, regulations and standards.
- t) Adopt Transformative Leadership
- u) Mainstream Cross cutting issues and public participation
- v) Enhance engagement with internal & external stakeholders
- w) Enhance Media Relations
- x) Enhance relations with other Government agencies
- y) Enhance Media monitoring

### **STRATEGIC PROGRAMMES**

- a) Design, Develop & Rollout Management information systems
- b) Further installation of appropriate ICT network infrastructure and improve their security
- c) Develop and implement annual performance contract for the board, cascade to constituencies
- d) Operationalize M&E Unit and review M&E framework
- e) Develop constituencies factsheets and conduct monitoring & evaluation of Boards' operations
- f) Continuously carry out QMS audits to maintain certification and carry out recertification audit for organization
- g) Develop and disseminate accounting manual for constituencies and establish constituencies accounting unit at Headquarters
- h) Train staff and key stakeholders on public finance management and reporting
- i) Prepare/review annual financial statements and implement audit recommendations
- j) Receive and review financial returns and update the assets register
- k) Establish and operationalize a research and policy Unit and establish and operationalize a resource centre
- l) Establish a Risk Management Unit, conduct risk assessment and carryout Risk Response planning
- m) Develop a disaster preparedness and management manual and train constituencies on Disaster Risk Reduction and Response Mechanism
- n) Develop & issue guidelines on community managed disaster risk reduction (CMDRR)
- o) Review and implement an organizational structure, conduct work load analysis to establish optimal staffing levels and recruit more staff
- p) Conduct Training Needs Assessment and develop and implement an annual training plan

- q) Conduct work environment survey and employee satisfaction survey and implement feasible recommendations
- r) Acquire additional office space
- s) Develop and issue guidelines on public participation & identification of projects; submission of project proposals; Projects and release of funds; Project funds absorption; Management of incomplete & on-going projects during NG-CDFCs transitions and Residual Projects
- t) Develop collaboration framework for the NG-CDFCs and government technical officers
- u) Establish a liaison office to enhance operations of the Board, Ministries and National Assembly
- v) Train NG- CDFCs
- w) Develop and implement policy on documentation and dissemination of constituency best practices
- x) Evaluate constituencies' performance, publicize top performers and showcase the best practices in implementation of projects
- y) Implement Mwongozo code of governance and ensure compliance with all tendering and procurement requirements
- z) Facilitate access to information and publish constituency financial and project reports on a timely basis
- aa) Convene regular stakeholder forums/awareness campaigns, open days and road shows and participate in Corporate Social Responsibility activities
- bb) Update the Boards website and social media presence and participate in relevant television and radio programmes to enhance the profile of the NG-CDF
- cc) Review and implement service charter and Corporate Identity Manual
- dd) Participate in relevant exhibitions and conferences and organize media events (press conferences, media tours, workshops, breakfast meetings) to clarify and explain issues to the media on newsworthy events
- ee) Carryout customer satisfaction survey and implement feasible recommendations

#### **KEY STRATEGIC PRIORITIES**

- Improve the implementation, Monitoring and Evaluation projects
- Come up with strategies to develop and turnaround for under-performing Constituencies
- Ensure timely availability and disbursement of Funds to Constituencies
- Develop and implement guidelines for project implementation that are in line with existing procurement laws and regulations
- Develop sound financial controls in line with Finance Management Act of 2012 and in compliance with Office of the Auditor General Requirements

## Key Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were as follows:

S/NO	NAME	TITLE
1.	Yusuf Mbuno	Ag.Chief Executive Officer
2.	Venazio Gachara	Senior Accountant
3.	Polly Maingi	Senior Accountant

### (c) Fiduciary Oversight Arrangements

- i. Board of Directors
- ii. Internal Audit Department

### (e) Registered office

NGCDF headquarters  
Harambee Plaza Building  
5th Floor  
Telephone No. 2230015/19/27  
HailleSellasie/Uhuru Highway Junction.  
P.O. Box 46682 – 00100 **NAIROBI**

### (f) Contacts

Telephone :(020) 2230015/9,2230027  
E-mail : [info@ngcdf.go.ke](mailto:info@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

### (g) NGCDF Bankers

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya



**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## 2. BOARD DIRECTORS



**Mr. Robert Nyariki Momanyi Masese**

**Chairman of the Board**

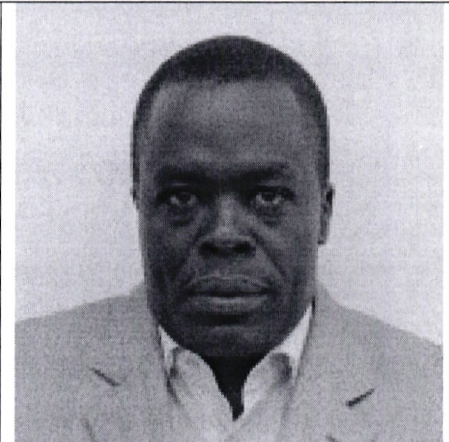
Born on 19<sup>th</sup> May, 1956, Mr. Robert is the chairman of NG-CDF Board of directors. He was appointed to this position on 29<sup>th</sup> March, 2019. He has served in the same board as the Alternate Director to the Principal Secretary Ministry of Education a position he held since 26 February, 2016. He has also served as a Director in Kenya Literature Bureau (KLB) and in School Equipment Production Unit

Mr. Robert has a Master of Education, Management & Planning and Bachelor of Science Education

**Mr. Kennedy Ogendi Ondieki**

**Alternate Director to the principle Secretary, the National Treasury**

Born in 1967, Mr. Ondieki is the Director Investments at the National Treasury. He was appointed to the Board on 14<sup>th</sup> October, 2015. He hold master degree of Business Administration. He has specilized in public finance and governance and he is also professionally trained in public accounting and secretary, and financial investment analyst. He is a member of Certified Public Accountant (CPA) and Institute of Certified Financial Investment Analyst.



**Mr. Joseph Njihia Mukui**

**Alternate Director to the Principal Secretary , State Department for Planning**

Born in June 1958, Mr. Joseph has served in the board for more than ten years and his last reappointed was on 7<sup>th</sup> January 2016. He is also a board member in Vision 2030 and in The African Institute for Economic Development and Planning (IDEP) which is a subsidiary body of the United Nations Economic Commission for Africa (UNECA). Previously, he served in Community Development Trust Fund (CDTF) and Tana and Athi Rivers Development Authority (TARDA) boards. Mr. Joseph holds a Master of arts and Bachelor of Science. He has specilized in statistics, project management, economic development and he is also professionally trained in business management impact assessment, monitoring and evaluation. He is a member of Evaluation Society of Kenya (ESK) and Institute of Internal Auditors (IIA)



**Ms. Karen Rono**

**Alternate Director to the Attorney General**

Born on 19<sup>th</sup> March 1979, Karen was appointed to the Board on 11<sup>th</sup> September, 2018.. She holds a Masters in Law (LLM), Bachelor of Laws (LLB), PGD (KSL), Strategic Leadership Development Program (SLDP), Senior Management Course (SMC) KSG.



**Mr. Paul Kibet**

**Alternate Director to the Principal Secretary , State Department of Early Learning and Basic Education, Ministry of Education.**

Born on 6<sup>th</sup> June 1964, was appointed to the Board on 5<sup>th</sup> February, 2019. Mr. Paul holds a Master of science in physics, post graduate diploma in education and bachelor of science

**Ms. Maria Lekoloto**

**Director**

Born on 23<sup>rd</sup> may 1974, Ms. Maria was appointed to the NG-CDF Board on 26<sup>th</sup> March 2019. She presents people with disability which is a legal requirement in constituting the Board. She is also a chair person of pastoralist heritage concern board. Ms. Maria has a Master of Business Administration-Human Resource Management Bachelor of Business Administration-Human Resource and Diploma in Community Based Development. She has specilized in Human Resource Management, and she is a member of Institute of Human Resource Management.



**Mr. Abdiaziz Bulle Yarrow**

**Director**

Born on 15<sup>th</sup> February 1982, Mr. Abdiaziz was appointed to the NG-CDF Board on 26<sup>th</sup> March, 2019. He has previously served as managing director top ten agencies and safaricom dealer for seven years

Mr. Abdiaziz holds a Master's of Art degree in Diplomacy and International Studies and Bachelor of Political Science Public Administration & Sociology. He is specilized in Public administration and management.

**Dr. Isabel Nyambura Waiyaki**

**Director**

Born on 19<sup>th</sup> September 1982, Dr Isabel is a lecturer at the University of Nairobi. She is as an independent director and chair of the programmes, performance & Risk Management Committee and a member of the Audit Committee. She is also a board member in Kikuyu Boys secondary School and Father Kelvin Kerry Secondary School. Previously, she served in Kikuyu CDF committee for 6 years, since 2013.

Dr. Isabel holds a Postgraduate Doctoral Degree in Economics, Master of Arts in Economics, Master of Arts in Leadership & Governance, Bachelor's degree in Economics and CPA part I. Dr Isabel is a member of Institute of Economic Affairs, Africa Finance & Economic Association, and African Economic & Research Consortium (AERC).

She was appointed to the NG-CDF Board on 26<sup>th</sup> March 2019.



**Hon. Peter Edick O. Anyanga**

**Director**

Born on 23<sup>rd</sup> August, 1966, Hon. Peter was appointed to the NG-CDF Board on 26<sup>th</sup> March, 2019. He is as an independent director and the chair of the Governance, Complaints and Publicity Committee and a member of Finance, Human Resource & Administration Committee. He previously served in the Board of Agriculture Finance Corporation (AFC) and as a member of parliament for Nyatike Constituency for two terms (10 years) during which time he was a member of the Public Accounts Committee, Transport, Energy and foreign relations Committees. Hon. Peter has a Master of Business Administration (global) specialization and Bachelor of Business Administration He has specialized in financial Administration and he is a member of Chartered Management Institute (CMI).

**Ms. Irene Masit**

**Director**

Born on 29<sup>th</sup> March 1967, Ms. Irene was appointed to the NG-CDF Board on 26<sup>th</sup> March 2019. She is as an independent director and the chair of the Finance, Human Resource and Administration Committee and a member of the Governance, Complints and Publicity Committee. She is also currently serving for the third term at the Board of Kopkega Girls Secondary – Keiyo South. Previously served at the Board of Mokwo (St. Agatta) Girls Secondary Board, Athal Andie Boys Secondary Board and Elgeyo Marakwet Boards of National Land Commission. She has also worked as a commissioner Interim Boundaries Commission and deputy secretary constitution review commission

Ms. Irene holds a Master of science degree and Bachelors degree in Arts and in Law. she is a member of International Society of Substance Use Professionals (ISSUP) and an Internally Certified Addiction Professional- ICAP 1 ( Global Centre for Credentialing and Certification).



**Mr. George Kasatua Ole Meshuko**

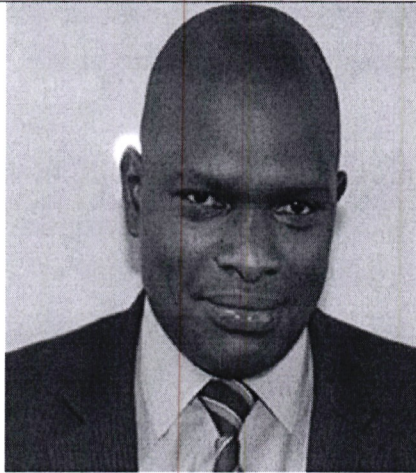
**Director**

Born on 26<sup>th</sup> December 1972, Hon. George was appointed to the NG-CDF Board on 26<sup>th</sup> March, 2019. Previously, he has served in Olasiti Secondary School board. He has also worked in Owing Immigration (interior) for 10years, County Executive Committee - Narok County for 3 years and in Canon NGO's as for 3 years.

Hon. George holds a Bachelor of Art education and is currently doing Master of Arts, Education Economic Planning in University of Nairobi. He has specialized in Economic Planning & Administration.

**Mr. Yusuf Mbuno**  
**Chief Executive Officer**

Born on 27<sup>th</sup> April 1966, Mr. Yusuf is the Ag. Chief executive Officer, National Government Constituencies Development Fund Board  
Mr. Mbuno holds Master of Arts degree in Economics  
Bachelor of Arts in Economics and Certificate in Project Planning & Management



**Simon Ndweka**  
**Secretary to the Board**

Born on 24<sup>th</sup> December 1974, Mr. Ndweka is the Corporation Secretary National Government Constituencies Development Fund Board  
Mr. Ndweka holds Master in Business Administration degree (Strategic Management), Post Graduate Diploma in Law and Bachelors of Law degree, certified public Accountant and Certified Public Secretaries  
Mr. Ndweka is a member of Institute of certified public secretaries.

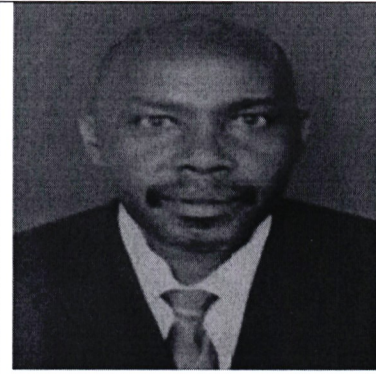
### 3. MANAGEMENT TEAM

	<p>Yusuf Mbuno holds Master of Arts degree in Economics, Bachelor of Arts in Economics and Certificate in Project Planning &amp; Management                  Responsibilities: Providing direction for the day to day management of the affairs and staff of the Board.</p>
<p><b>Mr. Yusuf Mbuno</b>                  Chief Executive Officer</p>	<p>Simon Ndweka has over 15 years experience in Legal, Board Management and Corporate Governance.                  He holds Masters in Business Administration degree (Strategic Management) and Bachelor of Laws.                  He is a Certified Secretary and a Certified Public Accountant and a member of the Institutes of Certified Secretaries (ICS), Certified Public Accountants, Kenya (ICPAK) and Law Society of Kenya (LSK), in good standing.                  Responsibilities: providing professional advice to the National Government Constituencies Development Fund Committees (NGCDFCs) on Legal, Governance and Providing technical guidance and support to Constituencies on legal and governance matters.</p>
	<p><b>Simon Ndweka</b>                  Secretary to the Board</p>
	<p>Polly Maingi holds Masters in Business Administration degree (Finance) and Bachelor of Commerce.                  She is a Certified Public Accountant and a member of the Institute of Certified Public Accountants, Kenya (ICPAK) in good standing.                  Responsibilities: providing professional advice to the National Government Constituencies Development Fund Committees (NGCDFCs) and fund account managers on financial management and Providing technical guidance and support to Constituencies in Preparation of Constituencies financial statements.</p>
<p><b>Polly Maingi</b>                  Manager, Financial Services</p>	

Venazio Gachara holds Masters in Business Administration degree

He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants, Kenya (ICPAK).

Responsibilities: management of NGCDF Board secretariat finances, including financial planning, financial risks management, record-keeping, and financial reporting.



**Venazio Gachara**  
**Manager, Financial Services**



Raphael Nduati holds Masters and Bachelor's degrees in Economics. Responsibilities: coordinating the policy preparation and review in strategic planning, performance management, research and statistics.

**Raphael Nduati, Ag. Chief  
Manager Corporate Planning  
and Strategy**

Alice Wachira-Mbatia holds an executive MBA degree on Strategic Management. She is a Certified Public Accountant (CPA K) and Certified Public Secretary (CPS K).

Alice is a member of Institute of Certified Public Accountants (ICPAK, Kenya), Institute of Certified Public Secretaries (ICPS) and Kenya Institute of Internal Auditors (IIA) Kenya Chapter.

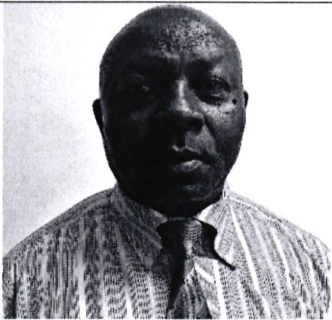

**Responsibilities:** Providing assurance on effectiveness of Risk Management, Internal controls, and governance processes within the organization to the National Government Constituencies Development Fund Board (NGCDFB).



**Alice Wachira**  
**Chief Internal Auditor**



	<p>Anne Thumbi holds Masters of Science in Human Resource Management, Bachelor of Science in Communication and Public Relations, Higher Diploma in Human Resource and Diploma in Personnel Management.</p> <p>She is a member of the Institute of Human Resource Management (IHRM) in good standing.</p> <p>Responsibilities: providing professional advice to the National Government Constituencies Development Fund Board and staff on Human Resource matters and providing technical guidance and support to Constituencies in management of human capital.</p>
<p><b>Anne Thumbi</b>  <b>Senior Manager Human Resource</b></p>	<p>Elizabeth Kitundu holds a Master in Education degree in (Economics of Education) and Diploma in Project Management.</p> <p>She has also undertaken Advanced Strategic Leadership Programme Course from Kenya Institute of Management and Strategic Leadership Development Programme Course in Kenya School of Government.</p> <p>Responsibilities: Coordination Project planning, implementation and continuous monitoring of implementation of projects by the National Government Constituencies Development Fund and Project Management Committees.</p>
	<p><b>Elizabeth Kitundu</b>  <b>Ag. Chief Manager Programme and Field Services Coordination</b></p>
	<p>Jack odhoch holds Master in Information Systems and Bachelor of Science (Statistics &amp; Computer).</p> <p>Responsibilities: Provide an interface between the Board’s needs, user requirements, and the information and communication technology (ICT) used at the Board to achieve its goals of streamlining internal operations and improve customer experience.by setting and implementing suitable ICT objectives &amp; strategies.</p>
<p><b>Jack Odhoch</b>  <b>Chief ICT Officer</b></p>	

<p>Kennedy Nyabiera holds Master in procurement and Logistics, Bachelor of Arts in Economics and Graduate Diploma – Purchasing &amp; Supply (CIPS)</p> <p>He is a member of Chartered Institute of Purchase and supplies and Kenya Institute of Supply management.</p> <p>Responsibilities: Provide professional advice to NGCDF Board on procurement of goods, supplies and Services and works</p>	
 <p><b>Brenda Onyino</b> <b>Senior Manager</b> <b>Communication</b></p>	<p>Onyino Ruth Brenda holds Masters in corporate Communication and Bachelors in Communication and PR</p> <p>She is a honourable member of the public Relations Society of Kenya (PRSK).</p> <p>Responsibilities: create and maintain a favourable public image for the NGCDF Board by communication programs and achievements; advising the Board and the constituencies on corporate branding and media relations.</p>
<p>Robert Maina holds Masters of Science degree in Risk Management and Bachelors of commerce finance option.</p> <p>He is a member of Institute of Certified Public Accountant of Kenya (CPA(K)</p> <p><b>Responsibilities:</b> Co-ordinate and monitor the implementation of risk management framework at the Board secretariat and the constituencies</p>	 <p><b>CPA Robert Maina,</b> <b>Ag. Manager Risk &amp;</b> <b>Compliance Division</b></p>

#### 4. REPORT OF THE BOARD CHAIRMAN



**Mr. Robert Masese**

**CHAIRMAN, NGCDF BOARD**

The NG-CDF as established under Section 4(1) of the NG-CDF Act, 2015 (amended in 2016), consists of monies of an amount not less than 2.5% (two and half per centum) of all the National Government's share of revenue as divided by the Annual Division of Revenue Act; and additionally comprises any monies accruing to or received by the Board from any other source. The National Government's Share of Revenue for 2019 (as per the Division of Revenue Act, 2019) amounts to Ksh. 1,561,416,497,191.00. The total allocation to the Fund for the 2019/2020 financial year was Ksh. 41,714,800,000.00 equivalent to 2.67 per cent of the National Government's share of Revenue which satisfied requirements of Section 4(1) of the Act. The amount was higher than the 2018-2019 financial year allocation of Ksh. 33,286,162,000.00, fulfilling provisions of Section 4(3) of the Act which demands that monies appropriated to the Fund in any financial year shall not be less than the amount appropriated in the preceding financial year.

In line with section 23 of the NGCDF Act which requires that the Board expenditure should not exceed five per cent of the Fund, subsequently Kshs 1,878,160,000 or 4.5 % was set aside from the Fund. The approved budget (revised) for the Board for the year totalled Kshs 1,876,594,000 out of which Kshs.35, 000,000 funding was from Appropriation in Aid.

The budget supported execution of the Board mandate through various activities as guided in the approved annual workplan.

Out of the budgetary allocation of Kshs 41.7148 billion for the 2019/2020 FY, the Board received a total of Kshs. 28 billion (or 67.13%) during the year. An amount of Kshs 13.7148 was therefore not disbursed thus hampering project implementation at the Constituencies and at the Board. Of this amount Kes 1.337 Billion (or 71.24% of the budgeted receipts from the Fund) was transferred to the Board Secretariat.

The key Mandate of the Board is to consider project proposals submitted from various constituencies in accordance with the Act, approve for funding projects proposals that are consistent with the Act and disburse funds to the respective constituency fund account with respect to approved projects. The Board called for project proposals in September 2019 and as at 30<sup>th</sup> June, 2020, all constituencies had submitted their proposals. Through the guidance of programme, performance and risk management committee of the Board supported by management, the Board reviewed and approved projects proposals for all the 290 Constituencies, approved 289 fully or conditionally while the proposal for one Constituency was deferred due to noncompliance. This was eventually resubmitted and approved in July 2020.

The Board entrenched effective and efficient fund management by entrenching strict adherence to the Act and regulations by NG-CDF Committees. This includes ensuring projects approved fall within the National Government functions as well as observance of the set ceiling such as six (6) and three (3) per cent limit for administration and monitoring & capacity respectively.

The Board operations are guided by the five years strategic plan- 2016/2017 and 2020/2021. The operations of the Board and secretariat were enhanced during the financial year whereby the newly appointed Board of Directors were capacity built and committees of the Board operationalized. The four (4) committees reduced the turnaround time of Board activities and action points through specialized and focused interventions.

The management drives and implements the Board decisions and action points. The Board has adopted result based performance management implemented through annual Board performance contracts and workplans. The Performance contract between the Board and National Treasury and Planning was negotiated, vetted and implemented alongside the approved annual workplan. The two tools outlined the annual targets to be met by the Board which guided its annual operations. Periodic progress reports were generated and discussed by the Board at various levels and forums.

The Board also approved policy documents setting out the organization risk appetite and tolerance levels to support effective risk management.

Despite the efforts of the Board towards continuous improvement, the Fund faces various challenges including:

- Shortage of staff. The Board however successfully filled the position of the chief executive officer which had been pending for a long time
- Shortfall of receipts from the National Treasury and Planning where Ksh. 13.7148 Billion or 32.87% of the 2019/2020 budget was not received. A further Kshs 4.976 billion relating to financial Years 2011/2012, 2013/14 and 2014/15 has not been received to date.
- Citizenly expectations against limited resources: The demand for and expectations of citizens across the country is high in regard to the NG-CDF support in provision of services aimed at improving their living standards. The Board however continues to lay the foundation of promoting equitable socio-economic development and poverty reduction at the grassroots level in tandem with the aspirations of the Kenya Vision 2030, its Medium Terms Plans, and the global development agenda, currently being pursued through the Sustainable Development Goals.
- Court cases: This remain a major challenge on operations of the Board and continued existence of the Fund. A five (5) years old court case challenging the existence of the Fund is currently at the Supreme Court.

This 2019/2020 FY Fund financial statement presents the status of the Fund operations for the period with emphasis on the financial matters. The Board has endeavoured to ensure prudent utilization of the available funds towards achievement of its mandate and objectives of the Fund.

.....  
Mr. Robert Masese  
Chairman, NG-CDF Board

12/02/2021

## 5. REPORT OF THE CHIEF EXECUTIVE OFFICER



**Yusuf Mbuno**  
**CHIEF EXECUTIVE OFFICER**

The Core mandate of the Fund is to enhance infrastructural and socio-economic development at the grass root level in order to reduce poverty by funding projects identified at constituency level through public participation. During the 2019/2020 financial year, each constituency was allocated Ksh. 137,367,724.14 to be utilized towards projects identified by the community. To achieve this noble objective, the Board continued to implement its five (5) year strategic plan for the period 2016/2017 to 2020/2021 FY which sets a road map for the Board performance.

This Plan provides the strategic direction for the next five years by identifying measures which will support realisation of the Board's Vision. It assesses the Board's strengths, weaknesses, threats and opportunities and identifies strategic objectives that culminate into a series of strategic activities that help the Board in realizing its Mission and strategic objectives. The strategic plan is implemented through the annual performance contracts and workplan. The implementation of this was enabled by the full commitment and a strong, visionary and innovative leadership, at all levels of organisation's operations. The Board engaged tenets of good management in order to meet the set targets. To implement the strategic plan, the Board of Directors were supported by a Secretariat and committees of the Board which include:

- Project management, performance and risk management;
- Audit
- Governance, Complaints & publicity; and
- Finance and human resource.

During the period under review, the Secretariat offered day to day management of the affairs of the Board through provision of administrative and technical support in the implementation of Board's decisions and directives. The Chief Executive Officer, the head of secretariat supported by six (6) head of departments and three (3) head of divisions implemented the Board workplan for the period under review. The staff members are stationed both at the Headquarters, regional and in the NG-CDFC offices.

During the 2019/2020 financial year, each constituency was allocated Kshs 137,367,724.14 from the Fund to be utilized towards projects identified by the community. The Board reviewed and approved projects proposals for all the 290 Constituencies, approved 289 fully or conditionally while the proposal for one Constituency was deferred due to noncompliance. This was eventually resubmitted and approved in July 2020.

Communication to constituencies on the Board's project approval status was done within 14 days in line with the service charter. To enhance project management and prudent utilization of resources, the monthly monitoring and evaluations were carried out. Due to the advent of the covid-19 pandemic, the exercise was hindered from March 2020 due to movement restrictions as well as ministry of health protocols. However, the project implementation status (PIS) reports were received and reviewed for 1st, 2nd, 3rd and 4th quarters complimenting the monthly monitoring. Risk based internal audits were also carried out at the Constituency and Board level as part of quality assurance. The Board managed its activities within risk management guidelines as set by the Risk Management Policy approved by the Board of Directors. It is recognized that ultimate responsibility for establishment of effective risk management practices and culture lies with the Board of Directors as does the establishing of the organization risk appetite and tolerance levels. Update of the risk register at the Board was done and mitigation measures strengthened. The NGCDF Committees also adopted Enterprise risk management designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

The Board enhanced the capacity of staff by training 21 on Senior Management Course; 10 on Effective Customer Care; 50 on Project Monitoring & Evaluation and 50 on Management of Meetings & Minute Documentation. Bridging skills gap improved performance at the Board. Sensitization of NG-CDFCs and training of staff on various courses was not done due to covid-19 pandemic.

In order to safeguard the NG-CDF reputation, the Board undertook various image building and awareness creation activities among them filming and airing documentaries, infomercials and vernacular radio programs to showcase best practices in implementation of the projects, uphold transparency and be accountable to taxpayers. The Board also sought to strengthen media relations by holding media workshops to help journalists enhance their understanding of NG-CDF, the role of various key players, the disbursement process, and project identification.

During the financial year, the board transitioned from ISO 9001: 2008 Quality management System Certification to 9001:2015 ISO certification and therefore continues to commit to continuous improvement of its systems to maintain quality service delivery that meets or exceeds the expectations of its customers.

The Board also initiated the implementation of Information Security Management System by conducting a gap analysis and awareness training for top management

The Board has continued to leverage on innovative use of ICT products and services to improve operational efficiency and effectiveness in service delivery. This is achieved through acquisition and maintenance of computing equipment, provision of end-user support, rolling out of ICT projects and systems as well as technology training. During the year in review, in an effort to achieve staff to computer ratio of 1:1, the Board acquired various hardware and software for both the secretariat and constituency offices. Continued Maintenance of both the Local and Wide Area Networks in the Regional Offices. To achieve its strategic objective of Continue Automation of Board's operations, the Board rolled out a financial management module of the Enterprise Resources Planning to improve operational control and efficiency in financial reporting and is expected in future to have additional functionalities and features. The Board completed the re-design and development of the website. The Board has also continued updating the Customer Relationship management system, a mobile application with online information accessible from smartphones play store or app store and USSD code.

The Board has continually adopted result based performance management practice. The Board annual performance contract with the National Treasury and Planning was negotiated, vetted and implemented. The 2019/2020 FY workplan was also prepared, implemented and progress reported periodically. Further the Board was able to do mid-term review of the strategic plan. This enable the assessment and build on what's working and while reviewing what's not working as well as the emerging issues such as Medium term plan III of Vision 2030.

The advent of covid-19 affected a number of activities schedules for the review period including risk based audits, awareness campaigns and monitoring and evaluation activities. This also saw a shortfall in amount disbursed form National Treasury and Planning due to underperformance in revenue collection. The Board will in the 2020/2021 FY adopt post-Covid recovery strategies to cope with pandemic effects as well providing mitigation measures. The Board together with management will play a crucial role during the post-Covid-19 period.

On behalf of NG-CDF Board, I wish to express my sincere gratitude to all those who participated and, or supported the Board as it prepared this annual report. We look forward to improve service delivery to Kenyans and reduce poverty thus creating a better society for all.



Mr. Yusuf Mbuno

Chief Executive Officer, NG-CDF Board



## 6. STATEMENT OF PERFORMANCE AGAINST NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND PREDETRMINED OBJECTIVES

The Board developed and launched Second Strategic Plan (2016/2017 – 2020/2021) in August 2016 and it built on progress of the first Strategic Plan (2010-2014) and its aligned to Vision 2030, Second Medium Term Plan, NG-CDF Act 2015, the Constitution, Sustainable Development Goals, Code of Governance for State Corporations (*Mwongozo*) and other relevant development plans. The Board's **Vision** is "Equitable socio-economic development countrywide" and **Mission Statement** is "To provide leadership and policy direction for effective and efficient management of the Fund". The Board identified five strategic objectives to be pursued during the Plan period which include:

1. To improve the operational efficiency and effectiveness
2. To strengthen institutional capacity (skills, numbers and work environment)
3. To ensure efficient and effective project management
4. To enhance good governance
5. Promote effective communication and appropriate partnerships

### a) Operational Efficiency

The Board targeted to improve the operational efficiency and effectiveness. A total of seven (7) strategies were identified with potential of spurring the operational efficiency. These strategies include:

#### *Continued Automation of Board's operations*

During the period, automation of Board operations continued to be an important aspect in ensuring efficient and effective Board operations. The ICT standard and procedures policy was reviewed and approved by the Board. In order to automate the operations, Finance, Registry, projects and assets management information were developed and rolled out. Three mobile application electronic services were developed to ease on access of Board services, they included USSD, CRM and E-Board. The USSD and CRM services provides detailed queried by customers such as disbursement and allocation status while the e-board is a paperless platform being used by Board members in conducting Board meetings and other businesses. The internet connection was provided for all the computers at the head office and constituencies to support online communication.

#### *Improvement of performance management*

The Board adopted performance management system to improve on its service delivery and achievement of its targets. Performance contracting was adopted and implemented alongside the

annual workplans as well as cascaded to constituencies. Strategic planning concept was cascaded to constituencies through development of constituencies' strategic plans. The monitoring and evaluation unit was operationalized and Board operations monitored periodically while staff members were facilitated for capacity building.

#### ***Implementation of quality management systems***

The Boards got the ISO 2008 certification in 2016 and continued to implement the procedures as approved. Regular quality management system audits were carried out to ensure compliance. However, the ISO 2008 expired in 2018 and the Board embarked on the recertification process to ISO 2015 which was successfully attained in 2019. The recertification was done SGS quality assurance.

#### ***Improvement of accounting system***

The Board has ensured prudent management of funds by establishing a constituencies accounting unit at Headquarters. The unit, referred to as accounts field services is fully operational and is headed by a senior accountant supported by technical officers. Through the unit, a constituencies accounting framework has been developed. The financial returns and annual financial statements for Board and 290 constituencies have been reviewed every year including the 2018/2019 one which was done by September, 2019.

#### ***Strengthen planning and research capacity***

Periodic and *ad hoc* reports on operations of the Fund have been prepared over the period. These include quarterly and annual reports on the Board workplan, performance contract and strategic plan. In an effort to enhance evidence based decision making, the Board established and operationalized research unit and also a documentation and information centre. Periodic research on topical issues has been carried out.

Data management has improved with establishment of disaggregated project data for several years. Specifically the project data for 2016/2017, 2017/2018 and 2018/2019 FYs was analysed to the lowest unit possible. Example of the data includes the number of classrooms renovated, constructed and completed. The data is also classified as per institution. The resource centre provides a repository for work done by different stakeholders on the Fund such as internal reports and academia. Review of policies have been done, including development of new ones that provide leadership and coordination in the review, formulation and development of policies.

### ***Strengthening Audit and risk management***

Assurance was provided through audit where books of account for headquarters and 29 constituencies were audited during the 2019/2020 FY. A risk management unit was established at the Board to facilitate an effective management of the fund and processes. The unit conducted risk assessment and in headquarters and all the 290 constituencies and corresponding risk registers generated an updated during the period under review. The risk management has also been integrated into the management of Board operations.

### **b) Institutional capacity**

Efficient, motivated and healthy human resource base is fundamental for enhanced productivity, service delivery and competitiveness and economic growth and development. A numbers of accomplishments have been outlined below.

### ***Streamlined the organisational structure***

During the 2019/2020 FY, the Board reviewed structure which was approved by SRC and SCAC to enable a more efficient and professional work arrangement.

### ***Development of Staff and Talent Management and Succession Planning Strategy***

The Board recognizes the need for strong institutional development and continuity and towards this a skills audit was undertaken. The findings of the audit informed development and implement of a talent management and succession planning strategy.

### ***Improved work environment***

Additional working space was acquired at Ukulima Building in addition to Harambee SACCO building, the headquarters of the Board to provide a more conducive working environment. work environment and employees satisfaction surveys were conducted and feasible recommendations progressively implemented.

### **c) Project management**

Efficient and effective project management is cardinal in achievement of the Fund's objective of poverty reduction while ensuring equitable development across the country. The Board has an important role in promoting effective and efficient project management. Most of the activities under the objective have been implemented, they include:

### **Promotion of public participation in project identification and implementation**

Guidelines on public participation were developed and issued to constituencies to ensure project ownership and sustainability.

### **Promote timely submission and approval of project proposals**

Approved within 21 days, project proposals that are consistent with this Act. The proposals are submitted from various constituencies in accordance with the Act. During the period a total of 289 project proposals were approved with the last one being approved in July 2020 after the Constituency complied with the requirements of the law.

### **d) Governance**

Good governance promoted openness and accountability in management of the Fund by ensuring the overall direction, effectiveness, supervision and accountability of the Board. This involved compliance with law and regulation geared towards efficient running of the Fund. The Board came up with four strategies to ensure good governance which include: Promotion of openness and accountability in management of the Fund; Promotion of compliance with applicable laws, regulations and standards; Adoption of transformative leadership; and Mainstream cross cutting issues and public participation. The Board operations have been greatly guided by the government's *mwongozo* code of conduct. Numerous achievements have been achieved which include.

#### ***Promotion of openness and accountability in management of the Fund***

The Board has facilitated access to information resulting to reduction in complaints and audit queries. The corruption prevention and complaints strategies were reviewed. Further, all disputes received were resolved in a timely manner and field visits were conducted where necessary.

#### ***Promote compliance with applicable laws, regulations and standards.***

*Mwongozo* code of conduct for state corporations was implemented guiding the operations of the Board. During the period, there was one hundred per cent compliance on procurement requirements.

#### ***Adopted Transformative Leadership***

The Board noted the need to be creative through positive change in executing its mandate. These are critical components in promoting culture of compliance and improving the image of the Fund while providing practical guidance. The Board was to achieve this through: development and dissemination of best practices policy; evaluation and publicizing of constituency best performers; and showcasing the best practices. The Board showcased best practices through the various corporate social responsibility projects across the country. Promotion of public participation in NG-CDF programmes is annual by providing clear guidelines in involving the public during call for project proposals.

## **7. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

### **1. Sustainability strategy and profile**

Board has developed and adopted a corporate social responsibility policy. The policy provides for a consultative project identification process to ensure there is project ownership upon completion. The CSR projects fall within the National Government functions making it easy to manage the project implementation.

Funding of CSR is done from the Fund which is set aside by an Act of parliament and pegged on National Revenue, a guaranteed source of funding. Government funding is less erratic and hence ensures ensure continued support to the programme.

### **2. Environmental performance**

The Board has in draft form policies on; water harvesting and renewable energy in project; and promotion of environmental awareness creation, conservation of river banks and environmental protection.

The Board has been carried out tree planting activities in four regions (Central, North Rift Nairobi and Nyanza) to promote environment protection. However, monitoring was done only in two region- North Rift and Nyanza due to the Covid-19 pandemic effects.

### **3. Employee welfare**

The Board recruitment is guided by State Corporation and Advisory Committee which provided mechanism for recruiting staff inline with Salaries and remuneration Commission. The structure, career development guideline's and human resource polices are approved by SCAC and SRC. The Board, during the period under review, revised its structure, human resource policies and other human resource management tools which were approved by SCAC and SRC.

The Board has adopted performance contracting for the Board, the Secretariat and departments as well as appraisal system for individuals. This is done on annual basis which involve signing and progress review. They are also accompanied by workplans. The Board has a reward and sanction system based reviewed work performance.

The Board has safety policy that guides the staff welfare while at work. This ensures measures are put in place to reduce cases of injury and damages, and in case of an occurrence the damages and disruptions are minimal.

#### 4. Market place practices-

##### *a) Responsible competition practice.*

The NG-CDF Act has created a working mechanism between the Member of Parliament and the Fund where they lay an oversight role through the constituencies' oversight committee. Further, key Board provisions like constituency budget ceilings and budget are approved by the National Assembly.

The Board has developed a mechanism to encourage whistle blowing by establishing a number and an email which is widely available through the website. Through the performance contract, the Board has contacted to ensure five values in its operation where an annual report is made to the EACC as required.

##### *b) Responsible Supply chain and supplier relations*

All the Board procurements are guided by the Procurement and Asset Disposal Act. Open tendering is the most preferred method of procuring goods, services and works. The Board develops an annual procurement plan approved by the Board where 30% and 40% of the procurement budget is set aside for AGPO and local content respectively. The Board has a commitment and ensures that suppliers are paid within 15 days of submitting all required documents.

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

Through the communication department, the Board has endeavoured to uphold the highest level of integrity by ensuring online content are vetted and approved by relevant authority before posting online. The Board carried out road shows and participated in public forums such as ASKs and other exhibitions to create awareness on the Fund and the achievements.

##### *d) Product stewardship- outline efforts to safeguard consumer rights and interests*

The Board has developed a service charter that's well displayed on strategic places on 5<sup>th</sup> and 10<sup>th</sup> floor of the Harambee SACCO building giving customers a glimpse of services being offered and what they take. There is right to complaint and complaints handling mechanism have been established.

## **5. Community Engagements-**

### **(Environmental performance and community engagements)**

As part of strategy towards realization of its mandate of encouraging best practices in the implementation of projects as provided for in Section 16 (f) of the NG-CDF Act, 2015; the Board adopted a Corporate Social Responsibility (CSR) policy.

The objective of the programme is to guide stakeholders in embracing requisite values that encourage continuous improvement by demonstrating ideal approaches in project implementation including the principles of community participation, social inclusion, environment sustainability, excellence in quality of project implementation and adherence to pertinent laws and government policies/guidelines.

In line with this, the NGCDF Board focuses on:

- Maintaining good environmental system that is suitable to the nature, scale and environmental impacts of its operations and related activities.
- Making environmental concerns as an integral part of its' planning and decision making process by committing sufficient resources in order to implement effective environmental and sustainability programs.
- Providing the necessary training for its employees to ensure that they have enough knowledge and capacity to conduct operations in a manner that is consistent with sound environmental practices while at the same time encouraging employees to be involved in environmental action.
- Avoiding, minimizing and mitigating any adverse environmental impacts caused by its operations.
- Adopting the highest standards in all areas of operations, meeting and exceeding all relevant requirements.
- Assessing its operational activities and identifying areas where it can minimize waste and negative environmental impacts through careful and efficient use of all materials and energy by promoting the use of environmentally friendly technologies.
- Promoting environmental awareness among its employees by encouraging them to work in an environmentally responsible manner.
- Continually assessing the environmental impact of all its operations.

Fundable projects under the CSR programme are those that meet the eligibility criteria as per the law governing NG-CDF. The above notwithstanding, eligible projects under the CSR programme are required to meet the following criteria:-

- a) Community based projects addressing immediate community needs of a wide cross section of inhabitants of a particular area;
- b) Projects addressing National Government mandates as outlined in the Fourth Schedule of the Constitution of Kenya;
- c) Activities/components focusing on persons with special needs with a view to promoting equal opportunities to all persons;
- d) High impact projects to the community for optimal value for the allocated funds;
- e) Integration of environmental conservation, clearly outlining requisite mitigation measures to be adopted, such as roof-water harvesting, tree planting programmes in the project design;
- g) Implementation of designs to cater for the needs of all users including persons with special needs. In this regard, access ramps for wheelchair users; separate sanitation facilities for male, female, underage persons and persons with disability must be included in the project design;
- h) Compliance of projects with pertinent laws, regulations and government policies/guidelines including recommended designs and requirements for specific facilities e.g. dormitories, classrooms, libraries among others.

The NGCDF Board recognizes its responsibility of being environmentally responsible by complying with all environmental laws at all phases of its activities. The Board is responsible for ensuring that the policy on environmental sustainability is implemented and that the natural and man-made resources are protected through the implementation of proactive environmental programs.

To achieve these objectives, the Board in 2019/2020 financial year undertook several activities aimed at enhancing environmental education, awareness and sensitization on environmental sustainability relevant to the institutional mandate. The Board carried out environmental activities in the following counties:

Makueni county –where the NGCDF Board partnered with The National Treasury and Planning, State Department for Planning by Contributing Kshs 1,000,000 towards planting of 100,000 tree seedling.



### Kakamega County-

The Board sensitized more than twelve thousand (12,000) participants who participated in both Kakamega forest marathon and Makueni County National Tree planting events during the short rains on how to carry out proper waste management, water conservation and soil erosion prevention methods.

Emphasis was also on the importance of embracing water harvesting techniques while implementing projects in the constituencies and county at large.

Some of the Projects on environmental conservation are as shown herebelow

Dust bin installed in Kikuyu Constituency



Community participation in tree planting during the National Tree planting in Mulala location  
Makueni County



Board participated in Kakamega Forest Marathon in environment awareness creation



Installed water harvesting gutters on a dining hall at Mutumbu Girls secondary school in Gem constituency (completed in 2019/2020 fy)



Installed water harvesting facilities on a dining hall at Olashapani Girls Sec in Narok South Constituency



## 8. CORPORATE GOVERNANCE STATEMENT

- **Board meetings**

The Board transacts its business through meetings. Section 2 (1) of the Second Schedule to NGCDF Act, 2015, provides that the Board shall meet less than six and not more than eight times in any financial year and not more than two months shall elapse between the date of meeting and the date of the next meeting. During the financial year under review, the Board held eleven (11) meetings.

The Attendance by the members was as follows:

	Name	Meetings number												
		124	125	126	127	128	129	130	131	132	133	134		
1.	Mr. Robert Masese-	x	x	X	X	x	x	X	x	x	X	X	X	X
2.	Mr. Kennedy Ondieki	x	-	X	X	-	x	X	-	x	X	X	X	X
3.	Dr. Isabel Waiyaki	x	x	X	X	X	x	X	x	x	X	X	X	X
4.	Mr. Joseph Mukui	x	-	X	X	X	x	X	x	x	X	X	X	X
5.	Mr. Paul Kibet	-	-	X	X	X	-	X	x	x	X	X	X	X
6.	Hon. Peter Anyanga	x	x	X	X	X	x	X	x	x	X	X	X	X
7.	Ms. Maria Lekoloto	x	x	X	X	X	x	X	x	x	X	X	X	X
8.	Mr. Abdiaziz Bulle Yarrow	x	x	X	X	X	x	X	x	x	X	X	X	X
9.	Ms. Irene Masit	x	x	X	X	X	x	X	x	x	X	X	X	X
10.	Mr. George Kasatua Ole Meshuko	x	x	X	X	X	x	X	x	x	X	X	X	X
11.	Karen Rono	x	x	X	X	X	-	X	x	x	X	X	X	X
12.	Mr. Yusuf Mbuno - CEO	x	x	x	x	X	x	-	-	-	x	-	X	X

*NB/ Regarding Mr. Yusuf Mbuno, the meetings not attended related to the recruitment of the Chief Executive Officer, where he participated as a candidate.*

In the Corporation's operations, the Board strives to achieve its objective as embedded in the strategic plan. The Current strategic plan runs from 2016/2017 to 2020/2021 financial years. The Board further adheres to the provisions of the Charter which stipulates, amongst others, the individual Director's Obligations and commitment towards the work of the Board. The Board charter is reviewed periodically to suit the changing circumstances. The Board Charter is supplemented by the Code of Governance of State Corporations (Mwongozo).

- **Appointment**

The members of the Board are nominated by the Cabinet Secretary, parent ministry, approved by the National Assembly and eventually appointed by the Cabinet Secretary. The Members of the Board serve for a period of three (3) years, renewable once.

Upon appointment, the Board members are undertaken through an induction training, besides being sponsored to attend other governance related trainings, lasting for not less than one week. The current members of the Board were inducted during the month of May, 2019, soon after their appointment. Further, the members attended training on the Code of Governance of State Corporations (Mwongozo) in September 2019 and a further training in October, 2019, conducted by the Institute of the Internal Auditors. During every meeting of the Board, all directors are required to declare conflict of interest and recorded in the minutes.

- **Removal from Office**

Section 19 of the NGCDF Act stipulates removal of a member of the Board on the following ground:

1. Serious violation of the Constitution or any other Laws;
2. Gross misconduct, whether in performance of the member's or Office holder's functions or otherwise;
3. Physical or mental incapacity to perform the functions of office;
4. Incompetence;
5. Bankruptcy; or
6. Engaging in active politics.

The removal of a member on any of the above grounds may be initiated by sending a petition to the National Assembly Select Committee on NGCDF. A member of the Board may be suspended pending hearing of a petition. The National Assembly Committee hears a petition and makes final determination on the matter.

- **Functions of the Board**

Functions of the Board are enumerated under section 16 of the Act as follows:

- a. Ensure timely and efficient disbursement of funds to every constituency
- b. Ensure efficient management of the Fund;
- c. Consider project proposals submitted from various constituencies in accordance with the Act, approve for funding those projects proposals that are consistent with this Act and send funds to the respective constituency fund account of the approved projects;
- d. Co-ordinate the implementation of projects at the inter-constituency level;
- e. receive and address complaints that may arise from the implementation of the Act;
- f. Encourage best practices in the implementation of projects; and
- g. Administer the funds and assets of the Board in such manner and for such purpose as shall promote the best interest of the Board in accordance with the Act to ensure efficient management of the Fund.

The Board maintains a conflict of interest register as required by Leadership and Integrity Regulations, 2015. Regarding Board's remuneration, Directors are paid sitting allowances whenever they attend a meeting and or an official function of the Board. While attending Board's functions outside the station, Directors are paid Daily Subsistence Allowance in accordance with government's prevailing rates. In terms of Governance Audit, the Code of Governance for State Corporations requires that the exercise should be conducted once every year. The exercise can only be facilitated by accredited officers. During the year under review, the governance audit was not undertaken due to exogenous factors beyond the Board's control. The Board shall, however, continue to observe and enforce set governance standards in its operations. The Board shall continually improve its performance with a view to achieving the strategic objectives for effective management of the Fund.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

One of the main functions of the Board is to consider project proposals submitted from various constituencies in accordance with the Act, approve for funding those projects proposals that are consistent with the Act and send funds to the respective constituency fund account with respect to approved projects. During the 2019/2020 FY, the Fund was allocated Kshs 41.7148 billion. Out of this, Kshs. 39,843,512,017.60 was set aside for disbursement to constituencies. It's on this basis the Board developed the constituency budget ceiling which was approved by the National Assembly where constituencies got an equal amount of Ksh·137,367,724.14 as in accordance with the Act. Section 34(1) of the Act states that:

*“The budget ceiling for each constituency shall be the amount specified in section 4(1) divided equally among all constituencies subject to the provisions of section 8(1) and 23(1)”.*

The National Assembly approval paved way for Board to call for project proposals where all the constituencies submitted. The project proposals were reviewed and approved those in accordance with the Act. Some projects were approved conditionally while others were rejected. In the later, new projects were to be re-submitted by constituencies which has since been done.

Section 16 (a) of the Act require the N-CDF Board to disburse funds to every constituency. During the period, Kshs 28 billion was received in respect to 2019/2020 financial allocation. The funds were disbursed to the constituencies and the secretariat as follows:

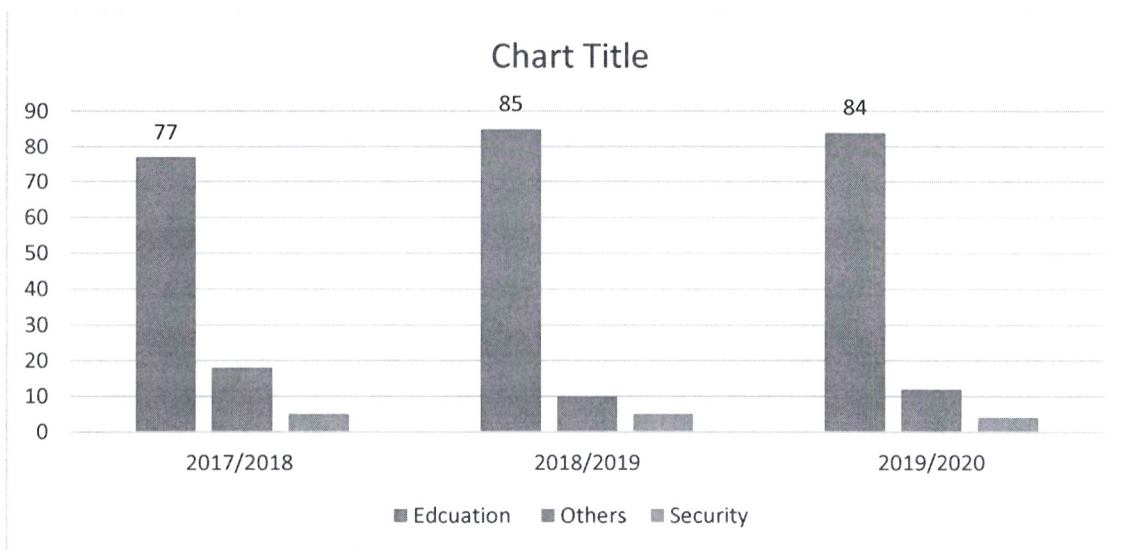
- Sixteen (16) constituencies received full allocation amounting to Kshs 2,197,883,586
- Two hundred seventy seven (274) constituencies received between 50% and 99% of the funds allocated amounting to Kshs 24,583,762,621
- Kshs 3,893,120,627 disbursed to the constituencies with respect to previous financial years allocation
- Kshs 1,337,000,000 has been disbursed to the Board Secretariat.

The receipts from the National Treasury and Planning were Kshs 28 billion out of the budgetary allocation of Kshs 41.7148 billion in 2019/2020 resulting to underfunding of approved projects.



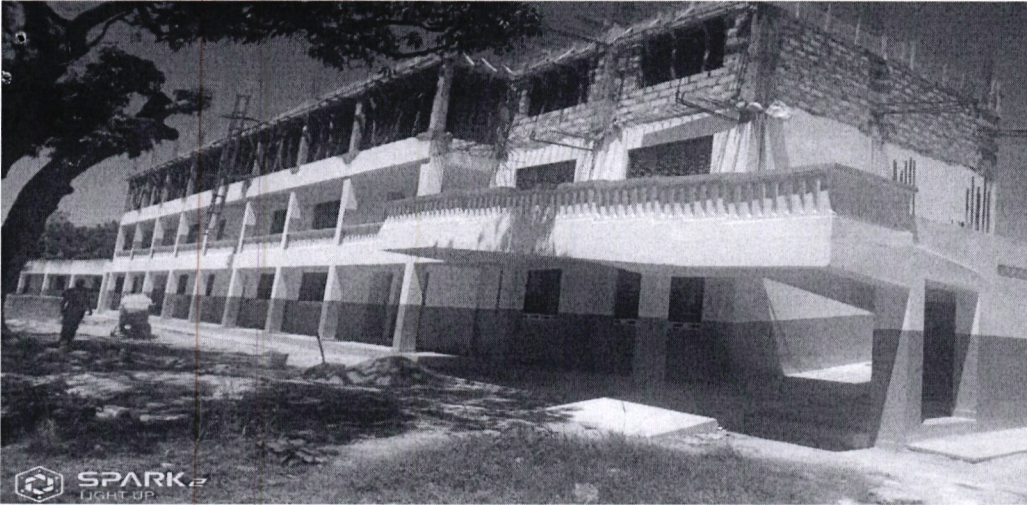
## PROJECTS IMPLEMENTED THROUGH THE FUND

The Fund is used to support projects that fall within the National Government functions as guided by the forth schedule of the Constitution of Kenya, 2010. Further they should be community projects benefiting a wider cross section of the society. Education, security, sports and environment have emerged as the major sectors funded through NG-CDF. Education is the main sector as shown in the graph below. In the past three years, the sector has not taken less than 77% of the project funds at constituency level. During the 2019/2020, 84 per cent of constituency project funds were channelled towards education.



- i. **Education and Training Projects:** Most of the funds allocated to constituencies are utilized in supporting education through issuance of bursary as well as construction, renovation, completion and equipping physical infrastructure in various learning facilities across the country.

The Board approved projects on construction and equipping of 12,211 school facilities in FY 2019-2020 amounting to Kes 16,969,442,087.99. This has contributed towards achievement of 100% transition from primary education to secondary education. The funds were utilized in construction and renovation of education facilities such as classrooms, dormitories, toilets and administration block as well as purchase of furniture and beds.



Kongowea Secondary School construction of 9 classrooms and 2 laboratories (ongoing) the school has increased uptake of secondary school students in the area.



PROJECT IMPLEMENTED BY NAKAKHOLO NGCDF



ST PETERS HIGH SCHOOL NDUMBERI FULLY FUNDED BY NGCDF

ii. **NGCDF as an enabler of 100% transition from primary schools to secondary**

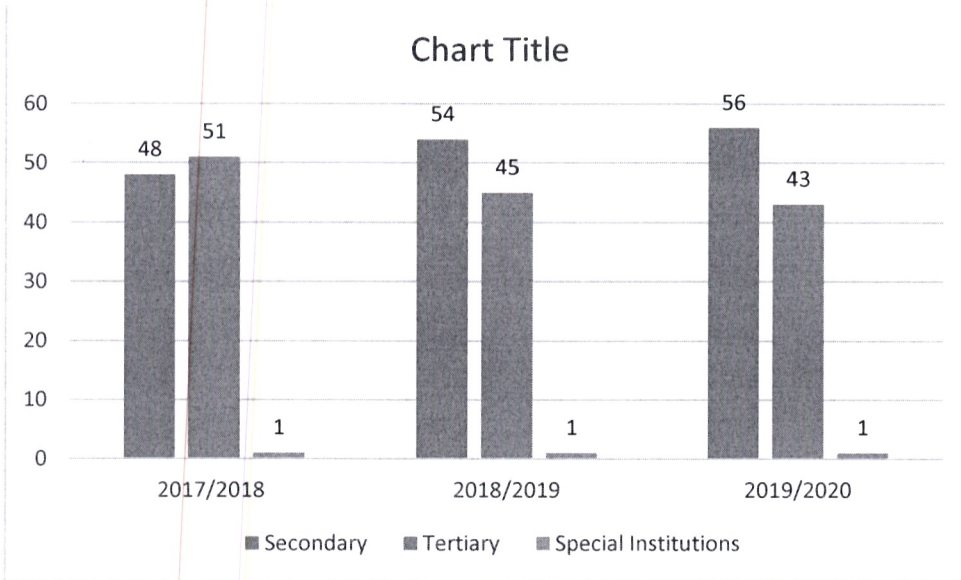
In order to promote student's retention rate and augment 100% transition rate policy in schools the Board approved allocation of funds to bursary to constituencies amounting to Kes 10,211,186,072.31 to secondary and tertiary students. Bursary support to students joining form one ensured that all primary school graduates have a chance to joining secondary school. This was also supported by infrastructure development in secondary schools especially the day and mixed ones which closed the gap between schools that enhanced access to secondary education across the country.

iii. **Increased enrolment and retention rates**

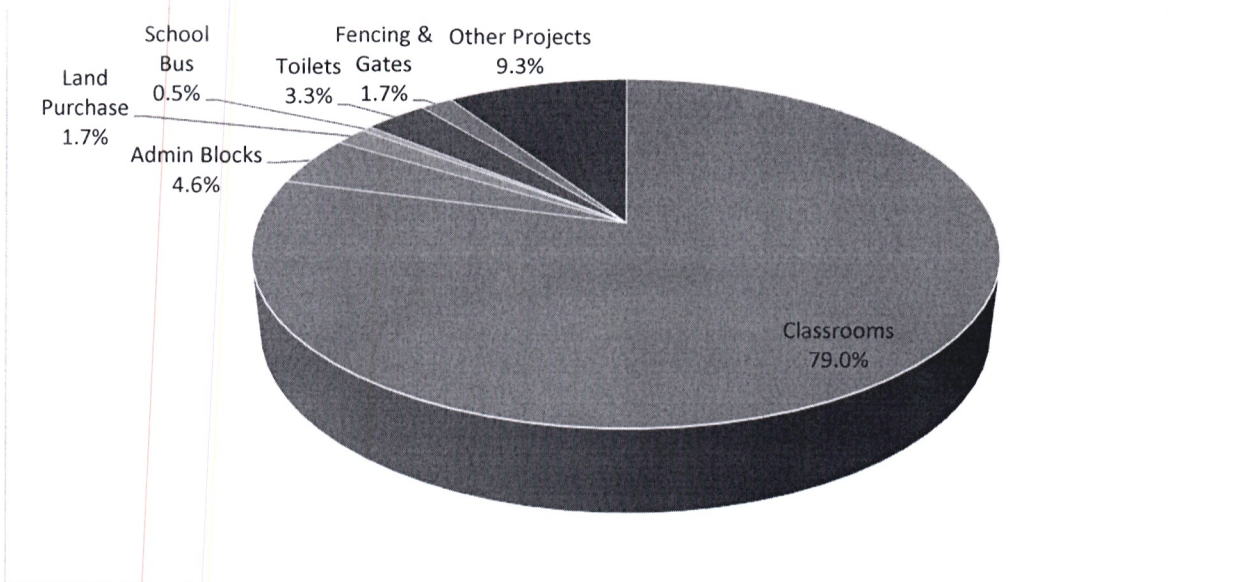
The education infrastructure and bursary enabled pupils and student to join primary and secondary schools respectively. Distance covered to nearest education facility has been a major challenge in boosting school enrolment. The infrastructure development initiated through NG-CDF therefore has offered the much needed facilities.

Bursary awards play an important role in ensuring poor and needy students have access to education though out the secondary life.

As shown in the graph below, most of the bursary funds support students in secondary schools. During 2019/2020 FY, 56% of the bursary was awarded to secondary school students. Tertiary students also get a substantial amount ranging from 43 to 48 in the last three years.



Most of the projects in primary schools are on construction and renovation of classrooms which has enormously contributed toward increased enrolment and retention in primary schools as shown below.



The infrastructure needs for primary and secondary schools differ very much. Whereas classrooms are the most demanded facility in primary schools, there is even demand for other facilities in secondary schools. This include dormitories, laboratories and dining halls. This is attribute to the unique demand occasioned by science subjects, boarding students among others. In secondary school

the need for classrooms is the highest but has fallen to 36% as compared to primary schools due to other competing needs.

iv. **Funding of buses**

NG-CDF has also been effective as an enabler in the transition from primary to secondary through funding of school buses that have been resourceful in running most school logistics and most of all improving students' morale. NG-CDF board has been able to approve and allocate funds to help constituencies buy bus for different schools in the region. In this financial year the board has been able to buy more than 201 buses, helped in co-funding of 10 buses and also funded on going payments of 42 buses at a total amount of 1,499,053,336.93 in different regions.



**BUS PROJECT FUNDED BY NAROK SOUTH NGCDF**

- **Nairobi region**

The board approved fully funding of 7 buses among different schools in this region at a total amount of 49,700,000 it also did an on-going payment of ksh 1,200,000 of buying one more bus.

- **North Eastern region**

Through the board the northern region was able to fund fully payment of 7 buses among its school which had a total cost of ksh 50,402,250.

- **North Rift region**

The board approved a fully payment of 44 buses to schools in this region at a total amount of 307,076,750 in this financial year also engaged an on-going payment of ksh 5,006,580.55 for 6 more buses.

- **Nyanza region**

In Nyanza different schools were able to purchase 52 buses fully paid at a total cost of 370,756,750 and approved by the board also funded an ongoing payment of 14 more buses of ksh 26,522,250.

- **South Rift region**

The board approved buying of 34 buses to school in this region at ksh 240,891,750. The board also co funded 1 bus at an amount of 3,500,000, engaged also in an ongoing payment of 7 buses by funding an amount of 9,800,000.

- **Western region**

The board funded an amount ksh. 107,975,991.38 for a fully payment of 16 buses ,the board also co funded 1 bus with an amount of 3,000,000.there is also ongoing payment of 10 buses at a total amount 15,918,000.

- **Central region**

In this region the board funded an amount of 101,900,000 and approved full payment of 16 buses for the school in the region.

- **Coast region**

The board funded buying of 10 buses this region in different constituencies for several schools at an amount of 66,862,250. Also co funded 3 more buses at a total amount of 11,000,000 and finally funded an ongoing payment of 2,300,000.

- **Eastern region**

In this region the board approved fully payment of 15 buses at an amount of 102,600,000. It helped in co funding of 5 buses with an amount of 17,000,000 and finally and also engaged in an ongoing payment of 4 buses with an amount of 5,580,765

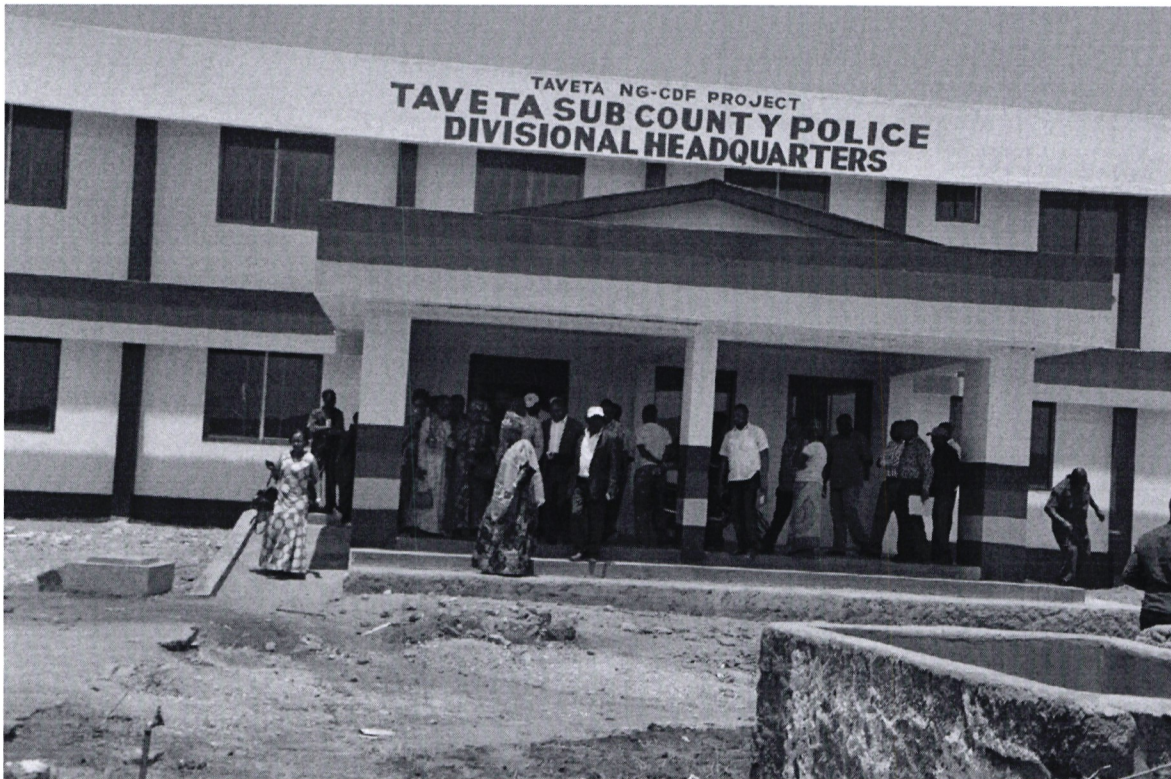
v. **Big 4 initiatives and Vision 2030 Flagship projects:**

The Board approved construction, renovation and equipping of 42 KMTCs in FY 2019/2020 amounting to Kesh 281,446,241.38, also funded 66 approved Tertiary Training Institutions a total Kes. 303,102,888.75. These projects were at different phases of implementation during the reporting time. The KMTCs support the universal health coverage, one of the agendas aimed at enhancing a healthy nation and a productive workforce. The technical training institutes support production of artisan and technician needed in the manufacturing sector.

vi. **Security projects**

The board has had the interest of protecting and safeguarding of community from crimes, therefore it has allocated funds to help build and renovate of different building that belong to chiefs, police posts and county commissioner. This move helps in lowering the crime rate in the region thus

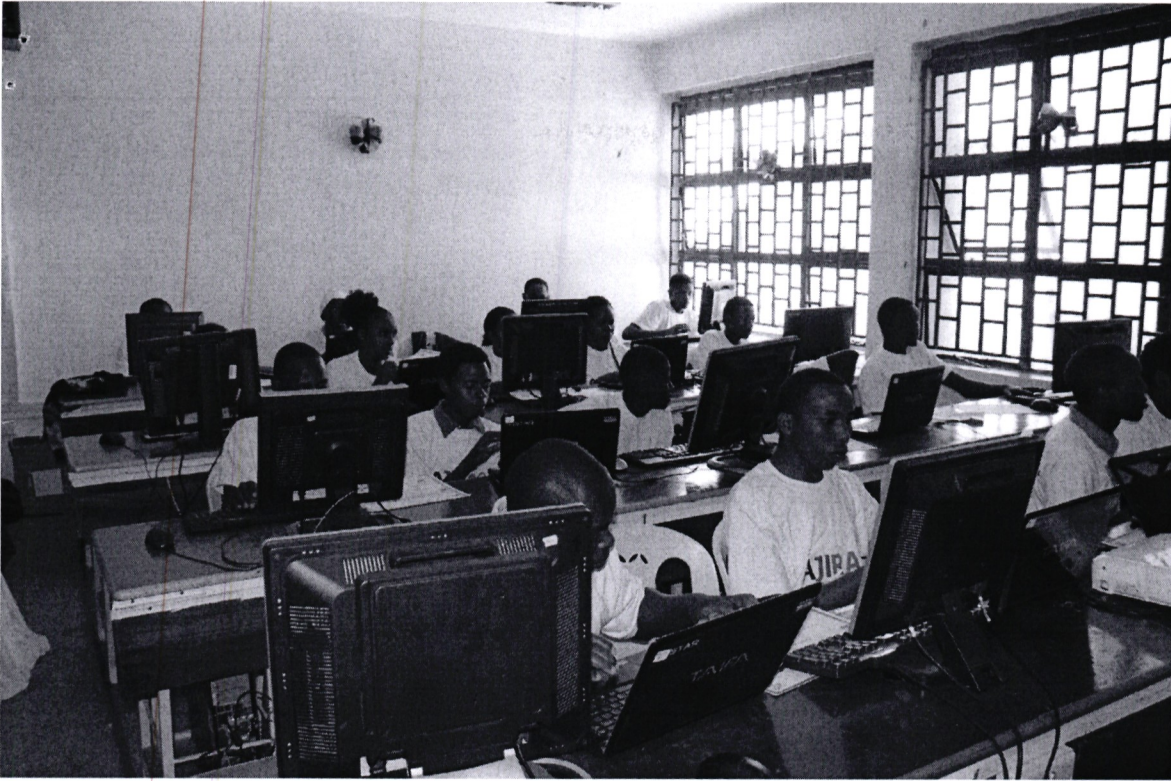
boosting peace and cohesion among the community. The NGCDF Board reviewed and approved a total of 1,354 projects worth Kshs 1,564,536,413.79.



**TAVETA SUBCOUNTY POLICE DIVISIONAL HEADQUARTERS IMPEMENTED BY TAVETA NGCDF**

**vii. ICT hubs**

The NG-CDF Board, through constituencies has partnered with the Ministry of ICT to establish ICY hubs at constituency level which is aimed at empowering the youth access job opportunities. The hubs provide access to Ajira digital platform which is an online jobs platform initiative by the Government, to introduce young people to online digital work and provide the tools, training and mentorship needed for young people to work and earn an income with dignity achieving the country's objective of a globally competitive knowledge-based middle-income economy in an increasingly digital world. To set up one hub requires Kshs. 1,169,256.80 (cost covered by NG-CDF) which is paid to Telkom Kenya to supply free internet, install and commission the equipment needed to run the Hub.



MUKURWEINI NGCDF ICT HUB PROJECT



KAMUKUNJI NGCDF ICT HUB PROJECT



**viii. Funding of sports projects and environment**

NG-CDF has also been effective as an enabler in the transition from primary to secondary through funding and Purchase of sports kits and planting of trees has also been a part of the NG-CDF agenda in order to promote extra-curricular programs at the same time teaching students on better ways of conserving the environment. In the 2019/2020 FY, the Board approved 404 projects in sports worth 636,898,832.84 and also a total of 2,460 projects in environment worth ksh 541,782,515.87.

**STATUTORY REQUIREMENTS**

The Board has continued to ensure that management of the Fund at the constituency level complies with all the statutory requirements through issuance of circulars and policies. In the period under review no sanction was received for non- compliance in the management of the Fund.

**MAJOR RISKS FACING THE FUNDS**

Mwongozo code of governance on state corporations require the board to ensure risk assessment is conducted and the risks are monitored. The NGCDF board through management conducted risk assessment and identified major risks facing the fund.

1. Shortage/insufficient staff at the NGCDF Board.
2. Inadequate technical support from relevant government departments.
3. Litigations on Constitutionality of NGCDF Act
4. Inadequate managerial and technical skills among some NG-CDFC members
5. Abandonment of/ Non allocation of funds to ongoing projects
6. Delayed disbursement of funds to the constituencies.
7. Inadequate project management and supervision skills among the PMC members
8. Delay in approval of project proposals, resubmissions and reallocations by the NG-CDF Board
9. Excess employment of NGCDFC staff
10. Poor and unreliable internet connectivity in NGCDF offices
11. Insecurity incidences in constituencies
12. Needy and deserving students missing out on bursary
13. Inequitable distribution of projects within the constituency
14. Stalled projects under devolved factions resulting from commencement of NG-CDF act 2015
15. Complete but unutilized projects
16. Lack of ownership documents on public land for project implementation.
17. Poor workmanship on projects by contractors
18. Non adherence to public procurement process.

Proper internal controls have been put in place and they are being monitored continuously.

## IMPLEMENTATION CHALLENGES AND EMERGING ISSUES

During the period under review, the NG-CDF Board has continued pursue the goal of performance improvement by institutionalising public sector reforms implemented by the Government of Kenya as well as other internal interventions with the aim of ensuring efficient, effective and ethical delivery of services to the people of Kenya.

The Board continues to commit itself to this goal by developing annual performance targets that it believes will aid in bring about sustainable change and ultimately negotiating a performance contract with the Government of Kenya. This coupled with other public sector reforms that have been put in place all serve to improve efficiency and effectiveness in the management of public affairs by the Board in its operations at the constituency level as well as at its headquarters.

However, despite its best efforts, the accomplishment of these goals has been hampered by several factors over the past year.

### i) Pending receipts for previous Financial Years

Analysis of the receipts from the National Treasury for 2011/2012, 2013/14 and 2014/15, financial years indicates an outstanding arrears amounting to Kes.4,976,750,000 as shown in the table below: -

No.	Financial Year	Allocation	Amount Received	Amount in Arrears
1	2011/2012	22,978,000,000	22,436,250,000	541,750,000
2	2013/2014	23,062,000,000	20,933,500,000	2,128,500,000
3	2014/2015	33,213,000,000	30,906,500,000	2,306,500,000
	<b>Total</b>	<b>79,253,000,000</b>	<b>74,276,250,000</b>	<b>4,976,750,000</b>

This gap between allocation and receipts constrains the Board's ability to finance the entire approved Constituencies' Project Proposals.

### ii) Pace in replenishment of the Board's main account.

The pace of replenishment of Board's account has remained a challenge to project implementation. However, the Board continues to engage the National Treasury with a view to ensuring regular replenishment of the account at predictable tranches

**iii) Legal challenges**

The National Government Constituency Development Fund is facing Constitutional legal suits now at the Supreme Court after two organisations challenged a decision made by the Court of Appeal in November 2017. The Institute for Social Accountability (TISA) and Centre for Enhancing Democracy and Good Governance have gone to Supreme Court to challenge the constitutionality of NG-CDF Act, 2015. They argue that the current NG-CDF Act is unconstitutional as it offends the principles of public finance, division of revenue and the division of functions of the national and county governments.

**iv) Staff Levels**

The NG-CDF Board secretariat is understaffed. This has severely hampered the Board's operations especially in as far as labour intensive tasks are concerned. As a result, the existing staff find themselves spread thin and take longer to perform some duties than expected. However, recruitment of additional staff will be undertaken once the National Treasury blanket freezing on hiring that was put in place in July 2017 is lifted.

## 9. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the *NGCDF* affairs.

### Principal activities

The principal activities of the Board continue to be:

- (a) Ensure timely and efficient disbursement of funds to every constituency;
- (b) Ensure efficient management of the Fund;
- (c) Consider project proposals submitted from various constituencies in accordance with the Act. Approve for funding those projects proposals that are consistent with this Act and send funds to the respective constituency fund account of the approved projects;
- (d) Co-ordinate the implementation of projects at the inter-constituency level;
- (e) Receive and address complaints that may arise from the implementation of the Act;
- (f) Encourage best practices in the implementation of projects;
- (g) administer the funds and assets of the Board in such manner and for such purpose as shall promote the best interest of the Board in accordance with the Act to ensure efficient management of the Fund; and
- (h) Perform such other duties, as the Board may deem necessary from time to time for the proper management of the Fund.

### Results

The results of the entity for the year ended June 30, 2020 are set out on page 49-54 of this report.

### Directors

The members of the Board of Directors who served during the year are shown on page 8 to 11 of this report.

### Dividends/Surplus remission

The *NGCDF* Board remitted Kshs 600,000,000 being surpluses from previous years to the Consolidated Fund.

### Auditors

The Auditor General is responsible for the statutory audit of the *NGCDF* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



Mr. Simon Ndweka  
Corporate Secretary

Nairobi

Date: 10/2/20

## 10. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 15 of the State Corporations Act, Cap 446 require the Directors to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year and the operating results of the entity for that year. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.


The Directors are responsible for the preparation and presentation of the National Government Constituencies Development Fund (NGCDF) 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the NGCDF financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) cash basis, and in the manner required by the PFM Act, 2012 and the State Corporations Act cap 446. The Directors are of the opinion that the NGCDF financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the National Government Constituencies Development Fund (NGCDF) will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The *NGCDF* financial statements were approved by the Board on \_\_\_\_\_ 2020 and signed on its behalf by:

  
\_\_\_\_\_  
Robert Masese  
Chairman of the Board

  
\_\_\_\_\_  
Yusuf Mbuno  
Chief Executive Officer

# REPUBLIC OF KENYA

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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 – CENTRAL BANK OF KENYA ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Central Bank of Kenya Account set out on pages 53 to 74, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, the statement of cash flows and the statement of comparison of budget and actual amounts 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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Central Bank of Kenya Account as at 30 June, 2020, 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund (Amendment) Act, 2015.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Central Bank of Kenya Account 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 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.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity 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 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 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 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**

**10 May, 2021**


## 12. STATEMENTS OF RECEIPT AND PAYMENTS

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	33,286,162,000	35,925,000,000
<b>TOTAL RECEIPTS</b>		<b>33,286,162,000</b>	<b>35,925,000,000</b>
<b>PAYMENTS</b>			
Other grants and transfers	2	33,735,973,205	33,475,980,740
<b>TOTAL PAYMENTS</b>		<b>33,735,973,205</b>	<b>33,475,980,740</b>
<b>SURPLUS/DEFICIT</b>		<b>(449,811,205)</b>	<b>2,449,019,258</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF financial statements were signed on behalf of the Board by:

  
12/02/2021

Robert Masese  
Chairman of the Board

  
\_\_\_\_\_

Yusuf Mbuno  
Chief Executive Officer


  
10/02/2021

Polly Maingi  
Manager, Financial Services  
ICPAK No. 5427


### 13. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	3	2,000,000,003	2,449,811,208
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,000,000,003</b>	<b>2,449,811,208</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	4	2,449,811,208	791,950
Surplus/Deficit for the year		(449,811,205)	2,449,019,258
<b>Total Financial Liabilities</b>		<b>2,000,000,003</b>	<b>2,449,811,208</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF financial statements were signed on behalf of the Board by:

  
 12/02/2021  
 Robert Masese  
 Chairman of the Board


  
 Yusuf Mbuno  
 Chief Executive Officer


  
 10/02/2021  
 Polly Maingi  
 Manager, Financial Services  
 ICPAK No. 5427

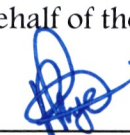
#### 14. STATEMENT OF CASH FLOWS

		2019-2020	2018-2019
<b>Receipts for operating income</b>			
Transfers from Other Government Entities	1	31,286,162,000	35,925,000,000
<b>Payments for operating expenses</b>			
Transfer to the Constituencies and the Secretariat	2	33,735,973,205	33,475,980,740
<b>Net cash flow from operating activities</b>		(449,811,205)	2,449,019,258
<b>Net increase in cash and cash equivalent</b>		(449,811,205)	2,449,019,258
Cash and cash equivalent at BEGINNING of the year	4	2,449,811,208	791,950
Cash and cash equivalent at END of the year	3	2,000,000,003	2,449,811,208

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial statements. The NGCDF financial statements were signed on behalf of the Board by:

  
12/02/2021  
Robert Masese  
Chairman of the Board

  
Yusuf Mbuno  
Chief Executive Officer

  
10/02/2021  
Polly Maingi  
Manager, Financial Services  
ICPAK No. 5427

**15. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS-2019-2020**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from Other Government Entities	41,714,800,000	12,712,723,208	54,427,523,208	35,735,973,208	18,691,550,000	66%
<b>TOTALS</b>	<b>41,714,800,000</b>	<b>12,712,723,208</b>	<b>54,427,523,208</b>	<b>35,735,973,208</b>	<b>18,691,550,000</b>	<b>66%</b>
<b>PAYMENTS</b>						
Transfers to the Constituencies	39,836,640,000	12,596,345,108	52,432,985,108	32,398,973,205	20,034,011,903	62%
Transfers to the Secretariat	1,878,160,000	116,378,100	1,994,538,100	1,337,000,000	657,538,100	67%
<b>TOTALS</b>	<b>41,714,800,000</b>	<b>12,712,723,209</b>	<b>54,427,523,208</b>	<b>33,735,973,205</b>	<b>20,691,550,003</b>	<b>62%</b>

**Explanatory notes on material variances**

- o The Fund was allocated Ksh 41,714,800,000 in Financial Year 2019/2020 This comprises of Ksh 39,836,640,000 being allocation for disbursement to the constituencies and Ksh 1,878,160,000 being allocation to the Board Secretariat for administrative purposes
- o The composition of adjustments column of Ksh 12,712,723,208 is as follows

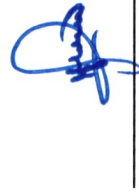
- Opening balance of Ksh 2,449,811,208
- Ksh 5,286,162,000 allocated in financial year 2018-2019 but was received in financial year 2019-2020
- Ksh 4,976,750,000 arrears from previous financial years allocation that has not been received from The National Treasury to date
- The variance of 38% on transfer to the constituencies was due to delay in receipt of funds from The National Treasury

Accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF financial statements were signed on behalf of the Board by:

  
Robert Masese

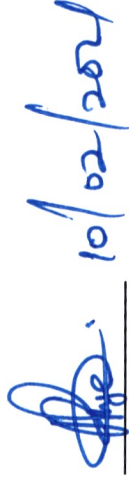
Chairman of the Board

12/02/2021



Yusuf Mbuno

Chief Executive Officer

  
10/02/2021

Polly Maingi

Manager, Financial Services

ICPAK No. 5427

**2018-2019 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from Other Government Entities	33,286,162,000	12,902,541,950	46,188,703,949	35,925,791,949	10,262,912,000	78%
<b>TOTALS</b>	<b>33,286,162,000</b>	<b>12,902,541,950</b>	<b>46,188,703,949</b>	<b>35,925,791,949</b>	<b>10,262,912,000</b>	<b>78%</b>
<b>PAYMENTS</b>						
Transfers to the Constituencies	31,621,853,900	12,902,541,950	44,524,395,850	31,928,050,741	12,596,345,108	72%
Transfers to the Secretariat	1,664,308,100	0	1,664,308,100	1,547,930,000	116,378,100	93%
<b>TOTALS</b>	<b>33,286,162,000</b>	<b>12,902,541,950</b>	<b>46,188,703,950</b>	<b>33,475,980,741</b>	<b>12,712,723,208</b>	<b>72%</b>



## **16. 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.

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 Fund. 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 (Ksh), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

### **4. Summary of Significant Accounting Policies Applied**

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

#### **Recognition of Receipts**

##### **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 the amount is reflected in the bank statement.

##### **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.

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. Some similar recognition criteria is applied for loans received in the form of a direct payment.

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

#### **Budget Information.**

The budget is the allocation to the Fund as approved by the National Assembly. This comprises of 95% allocation to the constituencies and 5% allocation to the Secretariat. The original budget was approved by Parliament for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 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.

#### **Recognition of payments**

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

#### **Cash and Cash Equivalents**

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

#### **Accounts Receivable**

For the purposes of these financial statements, Monies allocated to the Fund but not yet received at the end of the Financial comprises of pending receipts from the national Treasury. This is in compliance with Sec 7(2) of the NGCDF Act that states that all funds allocated to a constituency shall be cumulative and shall be carried forward from one financial year to the next, including funds returned into the accounts in accordance with section 6(3) or funds which are not utilized for whatever reasons.

#### **Accounts Payable**

For the purposes of these financial statements, amount allocated to the constituencies but not disbursed by the end of the financial year have been recognized on an accrual basis (as owing disbursements to the constituencies). This is in compliance with Sec 7(2) of the NGCDF Act that states that all funds allocated

to a constituency shall be cumulative and shall be carried forward from one financial year to the next, including funds returned into the accounts in accordance with section 6(3) or funds which are not utilized for whatever reasons. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies.

### **Comparative Figures**

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

### **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 30<sup>th</sup> June 2020.

#### **a. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: 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.

#### **b. 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.

## 17. NOTES TO THE FINANCIAL STATEMENTS

### 1. Transfer from other Government Entities

Date	2019-2020	2018-2019
	Kshs	Kshs
<b>Receipts from State Department for Devolution</b>		
10 <sup>th</sup> July 2019	5,286,162,000	
		4,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		2,000,000,000
		4,000,000,000
		2,000,000,000
<b>Receipts from State Department for Planning</b>		
		2,125,000,000
		5,800,000,000
15 <sup>th</sup> October 2019	1,200,000,000	
30 <sup>th</sup> October 2019	2,000,000,000	
11 <sup>th</sup> November 2019	2,000,000,000	
28 <sup>th</sup> November 2019	2,000,000,000	
11 <sup>th</sup> December 2019	2,000,000,000	
14 <sup>th</sup> January 2020	2,000,000,000	
4 <sup>th</sup> February 2020	2,800,000,000	
13 <sup>th</sup> February 2020	2,000,000,000	

*NATIONAL GOVERNMENT- NG-CDF BOARD (FUND)*  
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24 <sup>th</sup> February 2020	2,000,000,000	
25 <sup>th</sup> February 2020	2,000,000,000	
4 <sup>th</sup> March 2020	2,000,000,000	
17 <sup>th</sup> March 2020	2,000,000,000	
18 <sup>th</sup> May 2020	2,000,000,000	
6 <sup>th</sup> July 2020(Money on transit)	2,000,000,000	
<b>TOTAL</b>	<b>33,286,162,000</b>	<b>35,925,000,000</b>

**2. TRANSFER TO THE CONSTITUENCIES AND SECRETARIAT**

	2019-2020	2018-2019
	Kshs	Kshs
Transfers to the constituencies( Annex I)	32,398,973,205	31,928,050,741
Transfer to NGCDF Board Secretariat (5% allocation) ( Annex II)	1,337,000,000	1,547,930,000
<b>Total</b>	<b>33,735,973,205</b>	<b>33,475,980,741</b>

**3. BANK ACCOUNTS**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Central Bank of Kenya, Recurrent Account no.1000304316	2,000,000,003	2,449,811,208
<b>Total</b>	<b>2,000,000,003</b>	<b>2,449,811,208</b>

**4. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank account	2,449,811,208	791,950
<b>Total</b>	<b>2,449,811,208</b>	<b>791,950</b>

**5. IMPORTANT DISCLOSURES**

1. Owing to the constituencies and Secretariat	20,691,550,003
2. Pending receipts from National Treasury	18,691,550,000

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**Annex I**

**DISBURSEMENT TO THE CONSTITUENCIES IN 2019-2020 FINANCIAL YEAR**

NO.	Constituency	Total Disbursed
1	Ainabkoi	122,410,876
2	Ainamoi	123,040,876
3	Aldai	129,040,876
4	Alego Usonga	125,331,773
5	Awendo	69,500,000
6	Bahati	131,667,724
7	Balambala	115,304,712
8	Banissa	122,740,876
9	Baringo Central	125,840,876
10	Baringo North	121,740,876
11	Baringo South	111,774,838
12	Belgut	123,040,876
13	Bobasi	135,240,876
14	Bomachoge Borabu	99,720,000
15	Bomachoge Chache	81,033,518
16	Bomet Central	123,540,876
17	Bomet East	124,640,876
18	Bonchari	71,877,828
19	Bondo	123,040,876
20	Borabu	74,332,000
21	Budalangi	121,540,876
22	Bumula	68,000,000
23	Bura	123,040,876
24	Bureti	123,678,807
25	Butere	136,040,876
26	Butula	133,252,673
27	Buuri	124,040,876
28	Central Imenti	123,040,876
29	Changamwe	114,725,876

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NO.	Constituency	Total Disbursed
30	Chepalungu	71,482,007
31	Cherangany	90,000,000
32	Chesumei	123,040,876
33	Chuka/Igambang'ombe	105,768,462
34	Dadaab	111,210,064
35	Dagoretti North	133,040,876
36	Dagoretti South	99,695,399
37	Eldama Ravine	69,000,000
38	Eldas	123,040,876
39	Embakasi Central	123,040,876
40	Embakasi East	68,000,000
41	Embakasi North	130,640,873
42	Embakasi South	104,010,876
43	Embakasi West	56,000,000
44	Emgwen	125,853,503
45	Emuhaya	121,840,876
46	Emuria Dikirr	127,320,186
47	Endebess	123,040,876
48	Fafi	76,559,448
49	Funyula	109,040,876
50	Galole	137,367,724
51	Ganze	68,500,000
52	Garissa Township	126,513,288
53	Garsen	137,767,724
54	Gatanga	123,040,876
55	Gatundu North	120,040,876
56	Gatundu South	68,000,000
57	Gem	122,290,876
58	Gichugu	120,777,082
59	Gilgil	137,867,724
60	Githunguri	68,000,000
61	Hamisi	119,540,876



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<b>NO.</b>	<b>Constituency</b>	<b>Total Disbursed</b>
62	Homa Bay Town	142,363,930
63	Igembe Central	115,860,059
64	Igembe North	117,040,876
65	Igembe South	154,878,807
66	Ijara	190,208,600
67	Ikolomani	68,200,000
68	Isiolo North	123,040,876
69	Isiolo South	102,510,186
70	Jomvu	66,856,897
71	Juja	68,000,000
72	Kabete	68,000,000
73	Kabondo Kasipul	75,529,007
74	Kabuchai	124,735,058
75	Kacheliba	150,060,057
76	Kaiti	86,291,778
77	Kajiado Central	125,540,876
78	Kajiado East	52,000,000
79	Kajiado North	123,540,876
80	Kajiado South	70,637,340
81	Kajiado West	123,540,876
82	Kaloleni	134,340,876
83	Kamukunji	137,367,724
84	Kandara	123,040,876
85	Kanduyi	124,004,669
86	Kangema	111,578,807
87	Kangundo	72,809,788
88	Kapenguria	99,500,000
89	Kapseret	123,540,876
90	Karachuonyo	54,000,000
91	Kasarani	123,040,876
92	Kasipul	123,040,876
93	Kathiani	123,040,876

*NATIONAL GOVERNMENT- NG-CDF BOARD (FUND)*  
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NO.	Constituency	Total Disbursed
94	Keiyo North	123,040,876
95	Keiyo South	123,777,082
96	Kesses	123,440,876
97	Khwisero	137,367,724
98	Kiambaa	123,774,476
99	Kiambu Town	68,000,000
100	Kibra	123,040,876
101	Kibwezi East	122,840,876
102	Kibwezi West	123,040,876
103	Kieni	117,933,721
104	Kigumo	79,080,000
105	Kiharu	135,043,972
106	Kikuyu	123,040,876
107	Kilgoris	103,360,800
108	Kilifi North	125,540,876
109	Kilifi South	123,040,876
110	Kilome	122,190,876
111	Kimilili	120,557,524
112	Kimini	123,040,876
113	Kinango	117,540,876
114	Kinangop	78,714,277
115	Kipipiri	123,040,876
116	Kipkelion East	68,500,000
117	Kipkelion West	140,367,724
118	Kirinyaga Central	70,500,000
119	Kisauni	123,040,876
120	Kisumu Central	96,532,554
121	Kisumu East	123,040,876
122	Kisumu West	123,040,876
123	Kitui Central	68,000,000
124	Kitui East	113,390,876
125	Kitui Rural	123,040,876

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<b>NO.</b>	<b>Constituency</b>	<b>Total Disbursed</b>
126	Kitui South	127,366,323
127	Kitui West	123,040,876
128	Kitutu Chache North	123,040,876
129	Kitutu Chache South	124,777,084
130	Kitutu Masaba	122,228,807
131	Konoin	123,140,876
132	Kuresoi North	69,600,000
133	Kuresoi South	68,000,000
134	Kuria East	145,740,876
135	Kuria West	128,540,876
136	Kwanza	123,040,876
137	Lafey	123,040,876
138	Lagdera	122,740,876
139	Laikipia East	122,774,506
140	Laikipia North	68,000,000
141	Laikipia West	123,040,876
142	Laisamis	122,840,876
143	Lamu East	137,367,724
144	Lamu West	148,044,325
145	Langata	68,000,000
146	Lari	123,040,876
147	Likoni	70,180,818
148	Likuyani	137,367,724
149	Limuru	50,000,000
150	Loima	124,540,876
151	Luanda	68,000,000
152	Lugari	192,447,783
153	Lunga Lunga	187,408,600
154	Lurambi	130,540,876
155	Maara	77,786,207
156	Machakos Town	128,640,876
157	Magarini	104,290,876

*NATIONAL GOVERNMENT- NG-CDF BOARD (FUND)*  
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NO.	Constituency	Total Disbursed
158	Makadara	112,000,000
159	Makueni	127,540,876
160	Malava	99,150,000
161	Malindi	71,500,000
162	Mandera East	70,453,451
163	Mandera North	121,540,876
164	Mandera South	72,000,000
165	Mandera West	123,738,082
166	Manyatta	123,418,462
167	Maragua	68,500,000
168	Marakwet East	123,040,876
169	Marakwet West	125,040,876
170	Masinga	74,700,000
171	Matayos	122,240,876
172	Mathare	117,935,189
173	Mathioya	123,040,876
174	Mathira	114,040,876
175	Matuga	68,000,000
176	Matungu	120,440,876
177	Matungulu	123,040,876
178	Mavoko	123,540,876
179	Mbeere North	147,441,876
180	Mbeere South	93,140,876
181	Mbooni	118,900,876
182	Mogotio	123,040,876
183	Moiben	123,040,876
184	Molo	123,040,876
185	Mosop	68,000,000
186	Moyale	123,290,876
187	Msambweni	115,040,876
188	Mt. Elgon	68,000,000
189	Muhoroni	123,040,876

*NATIONAL GOVERNMENT- NG-CDF BOARD (FUND)*  
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NO.	Constituency	Total Disbursed
190	Mukurweini	139,542,906
191	Mumias East	92,150,000
192	Mumias West	131,617,724
193	Mvita	50,000,000
194	Mwala	116,678,807
195	Mwatate	121,409,241
196	Mwea	146,240,876
197	Mwingi Central	55,000,000
198	Mwingi North	137,240,876
199	Mwingi West	123,040,876
200	Naivasha	132,140,876
201	Nakuru Town East	99,671,912
202	Nakuru Town West	102,000,000
203	Nambale	123,040,876
204	Nandi Hills	125,577,085
205	Narok East	68,000,000
206	Narok North	68,000,000
207	Narok South	74,700,000
208	Narok West	75,500,000
209	Navakholo	127,967,724
210	Ndaragwa	115,540,876
211	Ndhiwa	88,500,000
212	Ndia	131,638,767
213	Njoro	128,640,876
214	North Horr	70,116,981
215	North Imenti	123,040,876
216	North Mugirango	118,995,693
217	Nyakach	140,074,404
218	Nyali	125,040,876
219	Nyando	102,000,000
220	Nyaribari Chache	95,131,724
221	Nyaribari Masaba	148,848,542

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NO.	Constituency	Total Disbursed
222	Nyatike	123,040,876
223	Nyeri Town	107,540,876
224	Ol Jororok	157,040,875
225	Ol Kalou	127,040,876
226	Othaya	116,340,876
227	Pokot South	68,000,000
228	Rabai	137,367,724
229	Rangwe	126,240,876
230	Rarieda	111,740,876
231	Rongai	68,600,000
232	Rongo	140,017,724
233	Roysambu	78,784,868
234	Ruaraka	135,540,876
235	Ruiru	123,040,876
236	Runyenjes	120,750,258
237	Sabatia	120,740,876
238	Saboti	70,180,817
239	Saku	118,840,876
240	Samburu East	68,000,000
241	Samburu North	68,000,000
242	Samburu West	68,000,000
243	Seme	118,740,876
244	Shinyalu	157,082,447
245	Sigor	123,040,876
246	Sigowet/Soin	123,040,876
247	Sirisia	137,340,875
248	Sotik	117,840,876
249	South Imenti	119,740,876
250	South Mugirango	123,040,878
251	Soy	123,040,876
252	Starehe	120,973,852
253	Suba North	131,540,876

*NATIONAL GOVERNMENT- NG-CDF BOARD (FUND)*  
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<b>NO.</b>	<b>Constituency</b>	<b>Total Disbursed</b>
254	Suba South	137,367,724
255	Subukia	123,040,876
256	Suna East	107,040,876
257	Suna West	157,040,876
258	Tarbaj	123,040,876
259	Taveta	102,367,724
260	Teso North	123,040,880
261	Teso South	123,040,876
262	Tetu	124,678,807
263	Tharaka	124,040,876
264	Thika Town	116,888,832
265	Tiaty	122,340,876
266	Tigania East	119,540,876
267	Tigania West	123,040,876
268	Tinderet	68,000,000
269	Tongaren	99,000,000
270	Turbo	123,640,876
271	Turkana Central	123,040,876
272	Turkana East	68,000,000
273	Turkana North	123,040,876
274	Turkana South	73,963,707
275	Turkana West	124,040,876
276	Ugenya	121,890,876
277	Ugunja	76,800,000
278	Uriri	123,040,876
279	Vihiga	120,560,058
280	Voi	123,053,876
281	Wajir East	83,760,000
282	Wajir North	110,740,876
283	Wajir South	123,040,876
284	Wajir West	123,040,876
285	Webuye East	123,040,876

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NO.	Constituency	Total Disbursed
286	Webuye West	123,040,876
287	West Mugirango	116,540,876
288	Westlands	123,040,876
289	Wundanyi	122,940,876
290	Yatta	76,736,207
	<b>Total</b>	<b>32,398,973,205</b>

**Annex II**

**Disbursement to the Board Secretariat**

No.	Date Disbursed	Amount Disbursed
1	25/2/2020	371,000,000
2	20/3/2020	400,000,000
3	4/1/2020	566,000,000
<b>Total Amount</b>		<b>1,337,000,000</b>