

REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
LIBRARY



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPER NO. 10

DATE: 23 MAR 2022 DAY: WED (AM)

TABLED BY:	LAM
CLERK-AT THE-TABLE:	INZOTV

THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

TABLE OF CONTENT	PAGE
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES	6
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	8
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	10
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- ELDAS CONSTITUENCY.....	11
VII. STATEMENT OF RECEIPTS AND PAYMENTS	12
VIII. STATEMENT OF ASSETS AND LIABILITIES	13
IX. STATEMENT OF CASHFLOW.....	14
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	15
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	16
XII. SIGNIFICANT ACCOUNTING POLICIES.....	22
XIII. NOTES TO THE FINANCIAL STATEMENTS	26
ANNEX 1 – UNUTILIZED FUND	31
ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER.....	38
ANNEX 3 –PMC BANK BALANCES AS AT 30 TH JUNE 2020	39
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	40

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Reports and Financial Statements

For the year ended June 30, 2020

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Irshad Mohamed Habashow
2.	Sub-County Accountant	Bishar Adan Hassan
3.	Chairman NGCDFC	Mohamud Abdi Ibrahim
4.	Member NGCDFC	Asha Bishar Jelle

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF ELDAS Constituency Headquarters

P.O. Box 491
ELDAS NG-CDF Building
Eldas -Anole Road
WAJIR, KENYA

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

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF ELDAS Constituency Contacts

Telephone: (254) 722 930 356

E-mail: cdfeldas@ngcdf.go.ke

Website: www.ngcdfeldas.go.ke

(g) NGCDF ELDAS Constituency Bankers

1. Kenya Commercial Bank
Account Number: 1147613265
Wajir Branch
P.O BOX 201-70200
Wajir, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Include among others the following:

The budget performance against the actual amount was above average with 60.6% absorption rate for the financial year 2019/2020. However, for the amount received the absorption rate was 96% meaning the funds received during the year under review was properly utilized. This can be seen on page 9 (summary statement of appropriation) of the financial statement. Amount received was Ksh 123,040,875.5 out of Ksh 192,408,599.64 which was budget for the financial year 2018/2019 and prior year funds that were not disbursed to the constituency as at the beginning of the year under review.

During the financial year under review the constituency was able to issue bursary to deserving and needy student within the constituency with 100% distribution of the amount received as at 30/6/2020. Twenty nine projects were implemented and were complete and in use; eight for primary schools, five secondary schools project and sixteen for security project.

Constituents are well informed on the NGCDF function and coming forward with their proposal to improve the general wellbeing of residents. Peace and security are the major concern due to scarce resources within the pastoral communities along the constituency boundary as a result of climatic changes.

All projects are of urgency in nature to the constituency, hence it becomes difficult to implement them since funds are received quarterly and like in financial year 2019/2020 more than 50% of the budget was not received as at the end of the financial year thus interfering with annual constituency program.

To rip the maximum benefits to the residents, NGCDF funds should be disbursed within the financial year to ensure smooth transformation of the area covered.

As way forward, Eldas NG-CDFC should purchase a motor vehicle to ease monitoring of projects. More resources should be allocated to peace building activities both by County Government and Eldas NG-CDF.

Programs and projects should be designed to mitigate the effect of climate change both in the short term and long term.

More public education should be carried out to encourage pastoralists to take their children to school to improve literacy levels.

Sign



CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of NGCDF-ELDAS Constituency's 2018-2022 plan are to:

- a) Education- Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.
- b) Environment- Improve access to clean water and a more sustainable and conserved environment in Eldas through natural resources conservation initiatives
- c) Security- Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure
- d) Sport- Empower and develop youth and special groups to reduce dependence and spur economic growth through sports
- e) Livelihoods and socio-economic Empowerment-To undertake economic empowerment projects targeting the youth, women and the elderly in the constituency

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To promote quality education in the constituency	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Construction and revamping of infrastructure and amenities in schools - number of bursary beneficiaries at all levels 	In FY 19/20 -The number of classrooms, dormitories, laboratories were increased. -promotion of education access through bursary provision
Security	To foster a peaceful and secure constituency	Develop and enhance provincial administration	Number of usable physical infrastructure built in locations, sub locations and police	-The number of police posts increased. -Chiefs and

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

Reports and Financial Statements

For the year ended June 30, 2020

		and other security organs infrastructure to enhance service delivery	stations	assistant chiefs offices constructed.
Environment	To establish a sustainable green constituency	-Drill boreholes to promote access to clean and safe water -Equip schools and public facilities with sanitation facilities -Provide tree seedlings to schools to improve the forest cover	- Number of boreholes drilled -Number of sanitation facilities built in primary and secondary -Number of trees planted	Number of boreholes, sanitation facilities built and trees planted increased
Sports	Promote youth activities in the constituency	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

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

1. Sustainability strategy and profile -

The Eldas constituency has implemented its strategic plan to enhance quality of life and survival of future generations. The strategies implemented by the constituency includes providing employment to the locals through a competitive process.

The constituency also conducts training for project management committees (PMCs), NGCDFC's and staff on financial management.

NG-CDF Eldas undertakes economic empowerment projects targeting the youth, women and elderly in the constituency. The programmes mainly focus on livestock sub-sector in the constituency.

2. Environmental performance

NG-CDF Eldas collaborates with like-minded institutions to promote environmental performance through tree planting to protect water catchment areas.

The constituency promotes environmental conservation through installation of water gutters and water tanks to schools and police stations. This ensures that storm water is harvested during raining seasons. This promotes sustainable green constituency.

3. Employee welfare

Employees are the most important assets of the constituency. NG-CDF Eldas strives to provide a conducive environment for its employees by ensuring that staff have well lighted offices, adequate office space, well ventilated offices and ramp for wheel chair users.

The staff are also trained on a regular basis on financial reporting, HIV and Aids, risk management and disaster management.

Employees are provided for NSSF, NHIF and gratuity as a way of motivating staff and retain them. The NG-CDF Eldas provides tea and drinking water for its staff members and visitors.

During the covid -19 pandemic, management provided essential supplies including masks and hand sanitisers to its staff. This was in a bid to control infections and adhere to Ministry of Health protocols.

All members of staff have medical insurance cover to cater for their health needs. This is to ensure NG-CDF Eldas have a healthy staffs.

4. Market place practices-

NG-CDF Eldas promotes competitive procurement practices through implementation of public procurement and disposal Act 2015. The NG-CDFC ensures that all tender contracts are advertised through public notice boards, website and newspapers.

NG-CDF Eldas ensures that all contracts are paid on time as they fall due. All construction related projects are undertaken by PMC's as per NGCDF Act 2015.

NG-CDF Eldas ensures that all advertisements for contracts are in plain English and Terms of Reference and requirements are clear and understandable. This is to discourage any misinterpretations by suppliers.

5. Community Engagements-

NG-CDF Eldas promotes community engagement through public participation during proposal development. NG-CDF Eldas promotes community engagement through provision of internship opportunities to the local community.

NG-CDF Eldas also promotes CSR activities through construction of schools' infrastructure. The fund also ensures the community is secured through construction of police posts and staff houses.

The funds develops talents through annual sporting events. During the year NG-CDF Eldas held one competitive tournament for football and volleyball. The funds strive to promote sporting and recreation facilities and provides sporting kits to the youths. Involvement of youths in sport ensures that they are healthy and engaged to discourage their involvement in criminal activities.

Additionally, NG-CDF Eldas promotes sanitation through construction of pit latrines in schools and police stations. This has seen decrease in non-communicable diseases in the constituency.

Finally, NG-CDF Eldas promotes community engagement through provision of meeting venue during community meeting. This is done through the multi-purpose hall at the NG-CDF office.

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

**Reports and Financial Statements
For the year ended June 30, 2020**

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

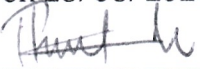
The Accounting Officer in charge of the NGCDF-ELDAS Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-ELDAS Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-ELDAS Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

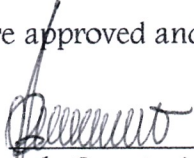
The Accounting Officer in charge of the NGCDF-ELDAS Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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

Approval of the financial statements

The NGCDF-ELDAS Constituency financial statements were approved and signed by the Accounting Officer on 28/08/2020.

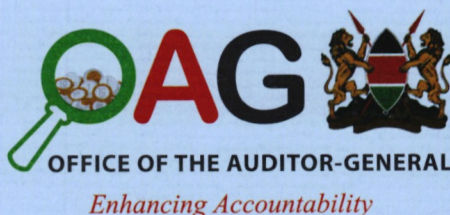


Fund Account Manager
Name: Irshad Mohamed Habashow



Sub-County Accountant
Name: Bishar Adan Hassan
ICPAK Member Number: 19500

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ELDAS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Eldas Constituency set out on pages 12 to 40, which comprise the statement of financial assets as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituency Development Fund - Eldas Constituency 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 the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund 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 - Eldas Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final budgeted and actual receipts on comparable basis of Kshs.196,644,435 and Kshs.127,276,712 respectively resulting to an under-funding of Kshs.69,367,724 or 35% of the budget.

Further, the Fund spent an amount of Kshs.119,252,924 of the budgeted amount of Kshs.196,644,435 resulting to under expenditure of Kshs.77,391,512 or 40% of the approved budget.

The underfunding and under absorption may have affected the planned activities and impacted negatively on service delivery to the constituents.

2. Projects Implementation Status

During the period under review, the Fund budgeted to implement a total of seventy (70) projects with a budgeted amount of Kshs,132,856,601 and actual expenditure of Kshs.75,883,851.

The Fund implemented 31 projects out of the seventy (70) projects budgeted leaving thirty-nine (39) projects not implemented.

Failure to implement projects within the stipulated period may have denied the constituents the much desired services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report. I confirm that, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unaccounted Transfers to Secondary and Primary Schools

As disclosed under Note 4 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects transfers to other Government units of Kshs.21,288,851 out of which an amount of Kshs.9,268,851 and Kshs.12,020,000 was transferred to secondary and primary schools within the Constituency respectively. However, a review of payment vouchers and project files revealed that payments for projects totalling Kshs.3,515,000 and Kshs.5,750,000 for secondary and primary schools

respectively were not supported with tender documents such as confidential business questionnaires, form of tender, tender questionnaires and handing/taking over reports as required. Further, the tender opening committee members did not append their signatures or initials on one or more pages of the bill of quantities and tender documents as required by Section 78(9) of the Public Procurement and Asset Disposal Act, 2015.

Consequently, it was not possible to confirm that the works whether the projects were procured in accordance with the Public Procurement and Asset Disposal Act, 2015.

2. Procurement of Security Projects

As disclosed under Note 5 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.90,626,000 in respect of other grants and other payments which includes Kshs.42,405,000 relating to security projects. However, a review of payment records and project files among other tender documents provided for audit review revealed that grants totaling Kshs.10,050,000 had the following anomalies:

- i). The project files provided for audit did not contain standard tender documents such as quotations issued to the prospective bidders, confidential business questionnaires, form of tender, tender questionnaires and handing over reports. It was therefore not possible to confirm whether the projects were procured in accordance the Public Procurement and Asset Disposal Act, 2015.
- ii). Contracts issued by various Project Management Committees were not supported with procurement professional opinion contrary to the requirement of Section 84(1) of the Public Procurement and Assets Disposal Act, 2015 which requires a signed professional opinion by the Head of Procurement to the accounting officer.
- iii). In some cases, the tender opening committee members did not append their signatures or initials on one or more pages of the bill of quantities and tender documents as required by Section 78(9) of the Public Procurement and Asset Disposal Act, 2015 which requires each member of the tender opening committee to sign on one or more pages.

Consequently, it was not possible to confirm that the amount of Kshs.10,050,000 was spent within the requirements of the Public Procurement and Assets Disposal Act, 2015.

Further, the completeness and validity of other grants and other payments figure of Kshs.90,626,000 reflected in the statement of receipts and payments for the year ended 30 June, 2020 could not be confirmed.

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 procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish 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 money is applied in an effective manner.

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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Fund's policies and procedures may deteriorate.

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 February, 2022

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

**Reports and Financial Statements
For the year ended June 30, 2020**

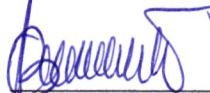
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,040,876	108,784,483
TOTAL RECEIPTS		123,040,876	108,784,483
PAYMENTS			
Compensation of employees	2	3,447,400	5,190,000
Use of goods and services	3	3,890,673	3,214,700
Transfers to Other Government Units	4	21,288,851	57,274,176
Other grants and transfers	5	90,626,000	41,912,400
Acquisition of Assets	6	-	1,200,000
Other Payments	7	-	3,500,000
TOTAL PAYMENTS		119,252,924	112,291,276
SURPLUS/DEFICIT		3,787,952	(3,506,793)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ELDAS Constituency financial statements were approved on 28/08/ 2020 and signed by:



Fund Account Manager
Name: Irshad Mohamed Habashow



National Sub-County Accountant
Name: Bishar Adan Hassan
ICPAK Member Number: 19500


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

**Reports and Financial Statements
For the year ended June 30, 2020**

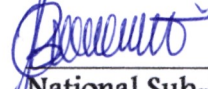
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	8,023,788	4,235,836
Total Cash and Cash Equivalents		8,023,788	4,235,836
TOTAL FINANCIAL ASSETS		8,023,788	4,235,836
FINANCIAL LIABILITIES			
Accounts Payable-Retention	9		
NET FINANCIAL ASSETS		8,023,788	4,235,836
REPRESENTED BY			
Fund balance b/fwd 1st July...	10	4,235,836	7,742,629
Surplus/Deficit for the year		3,787,952	(3,506,793)
NET FINANCIAL POSITION		8,023,788	4,235,836

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ELDAS Constituency financial statements were approved on 28/08/2020 2020 and signed by:



Fund Account Manager
Name: Irshad Mohamed Habashow



National Sub-County Accountant
Name: Bishar Adan Hassan
ICPAK Member Number: 19500

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

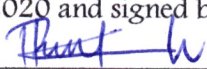
Reports and Financial Statements


For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,876	108,784,483
		123,040,876	108,784,483
Payments for operating expenses			
Compensation of Employees	2	3,447,400	5,190,000
Use of goods and services	3	3,890,673	3,214,700
Transfers to Other Government Units	4	21,288,851	57,274,176
Other grants and transfers	5	90,626,000	41,912,400
Other Payments	6	-	4,700,000
		119,252,924	112,291,276
Adjusted for:			
Net cash flow from operating activities		3,787,952	(3,506,793)
CASHFLOW FROM INVESTING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENT		3,787,952	(3,506,793)
Cash and cash equivalent at BEGINNING of the year	7	4,235,836	7,742,629
Cash and cash equivalent at END of the year		8,023,788	4,235,836

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ELDAS Constituency financial statements were approved on 28/08/ 2020 and signed by:


Fund Account Manager
Name: Irshad Mohamed Habashow


National Sub-County Accountant
Name: Bishar Adan Hassan
ICPAK Member Number: 19500

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	59,276,711	196,644,435	127,276,712	69,367,723	64.7%
TOTAL RECEIPTS	137,367,724	59,276,711	196,644,435	127,276,712	69,367,723	64.7%
PAYMENTS						
Compensation of Employees	3,432,000	1,843,699	5,275,699	3,447,400	1,828,299	65.3%
Use of goods and services	4,895,552	4,192,143	9,087,695	3,890,673	5,197,022	42.8%
Transfers to Other Government Units	52,500,000	13,326,277	65,826,277	21,288,851	44,537,426	32.3%
Other grants and transfers	76,540,172	39,914,592	116,454,764	90,626,000	25,828,764	77.8%
TOTAL	137,367,724	59,276,711	196,644,435	119,252,924	77,391,512	60.6%

Expenditure is below 90% since not all amount allocated to the constituency was received from NG-CDFB. Adjustment is made up of the opening balance as at 1/07/2019 and prior year funds disbursed to the constituency after the beginning of the financial year 2019/2020.

The NGCDF-ELDAS Constituency financial statements were approved on 28/08/ 2020 and signed by:



Fund Account Manager
 Name: Irshad Mohamed Habashow



Sub-County Accountant
 Name: Bishar Adan Hassan
 ICPAK Member Number: 19500

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2019/2020	Kshs	Kshs	Kshs	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs
1.0 Administration										
Employees' Salaries	3,432,000.00		1,843,699.04		5,275,699.04		3,447,400.00		1,828,299	
Goods and Services	1,400,000.00		917,554.65		2,317,554.65		1,243,072.50		1,074,482	
Committee Expenses	1,384,520.04		428,646.00		1,813,166.04		545,600.00		1,267,566	
Sub-Total	6,216,520.04		3,189,899.69		9,406,419.73		5,236,072.50		4,170,347	
2.0 Monitoring and Evaluation										
Goods and Services	411,031.72		500,000.00		911,031.72		300,000.00		611,032	
Committee Expenses	400,000.00		421,226.14		821,226.14		400,000.00		421,226	
Capacity Building of NG-CDFs/PMCs	1,300,000.00		1,945,146.00		3,245,146.00		1,402,000.00		1,843,146	
Sub-Total	2,111,031.72		2,866,372.14		4,977,403.86		2,102,000.00		2,875,404	
7.0 Primary School Projects										
Balatul amin Primary School	-		200,000.00		200,000.00		200,000.00		-	
Haroto Primary School	1,050,000.00		-		1,050,000.00		-		1,050,000	
Bakala Primary School	1,800,000.00		-		1,800,000.00		1,710,000.00		90,000	
Areswarji Primary School	3,000,000.00		-		3,000,000.00		-		3,000,000	
Liban Primary School	-		10,000.00		10,000.00		-		10,000	
Jukala primary school	-		40,000.00		40,000.00		-		40,000	
Dadantalai primary school	-		85,000.00		85,000.00		-		85,000	
Eldas primary school	-		100,000.00		100,000.00		-		100,000	

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

Jukala primary school	-	85,000.00	85,000.00	-	85,000
Masalale Primary School	-	85,000.00	85,000.00	-	85,000
Yaqo primary school	-	65,000.00	65,000.00	-	65,000
Kilkiley Primary School	1,000,000.00	95,000.00	1,095,000.00	-	1,095,000
Abdiwako primary school	-	100,000.00	100,000.00	-	100,000
Basir primary school	-	60,000.00	60,000.00	-	60,000
Anole primary school	1,000,000.00	90,000.00	1,090,000.00	-	1,090,000
Banadir Primary School	1,050,000.00	105,000.00	1,155,000.00	-	1,155,000
Baladwein primary school	-	110,000.00	110,000.00	-	110,000
Lakoley South primary school	600,000.00	100,000.00	700,000.00	-	700,000
Tagwa primary school	1,800,000.00	92,426.00	1,892,426.00	-	1,892,426
Elnur Primary School	1,000,000.00	85,000.00	1,085,000.00	1,000,000.00	85,000
Mirigo Harun Primary School	-	95,000.00	95,000.00	-	95,000
Waradey Primary School	-	95,000.00	95,000.00	-	95,000
Eldas primary school	-	125,000.00	125,000.00	-	125,000
Lakoley primary school	-	135,000.00	135,000.00	-	135,000
Jukala primary school	-	115,000.00	115,000.00	-	115,000
Eldas Primary School	-	1,000,000.00	1,000,000.00	-	-
Eldas primary school	-	70,000.00	70,000.00	-	-
Eldas Primary School	-	1,500,000.00	1,500,000.00	-	-
Mirigo harun Primary School	1,500,000.00	2,300,000.00	3,800,000.00	2,300,000.00	1,500,000
Abaq Mathobe Primary School	-	50,000.00	50,000.00	-	-
Balatuamin Primary School	1,050,000.00	700,000.00	1,750,000.00	700,000.00	1,050,000
Yaqoo Primary School	400,000.00	1,400,000.00	1,800,000.00	1,400,000.00	400,000
Bula Bilal Primary School	1,000,000.00	-	1,000,000.00	950,000.00	50,000
Orote Primary School	1,800,000.00	-	1,800,000.00	-	1,800,000
Dagahley Primary School	1,200,000.00	-	1,200,000.00	1,140,000.00	60,000
Bula Mahadey Primary School	1,800,000.00	-	1,800,000.00	-	1,800,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ELDAS CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

Tulatula Township Primary School	1,800,000.00	-	1,800,000.00	-	1,800,000.00
Sub-Total	22,850,000.00	9,092,426.00	31,942,426.00	12,020,000.00	19,922,426
8.0 Secondary School Projects					-
Eldas Secondary School	3,000,000.00	-	3,000,000.00	-	3,000,000
Eldas Secondary School	1,600,000.00	-	1,600,000.00	1,520,000.00	80,000
Eldas Secondary School	2,000,000.00	-	2,000,000.00	1,900,000.00	100,000
Eldas Secondary School	1,700,000.00	-	1,700,000.00	1,615,000.00	85,000
Eldas Secondary School	3,650,000.00	-	3,650,000.00	-	3,650,000
Eldas Secondary School	5,400,000.00	155,000.00	5,555,000.00	155,000.00	5,400,000
Eldas Secondary School	1,000,000.00	120,000.00	1,120,000.00	120,000.00	1,000,000
Eldas Secondary School	-	125,000.00	125,000.00	125,000.00	-
Eldas Secondary School	-	108,851.00	108,851.00	108,851.00	-
Elnur Secondary School	1,800,000.00	100,000.00	1,900,000.00	100,000.00	1,800,000
Elnur Secondary School	2,500,000.00	-	2,500,000.00	-	2,500,000
Eldas Secondary School	1,000,000.00	-	1,000,000.00	-	1,000,000
Eldas Secondary School	-	125,000.00	125,000.00	125,000.00	-
Eldas Secondary School	-	2,000,000.00	2,000,000.00	2,000,000.00	-
Eldas Girls Secondary school	700,000.00	-	700,000.00	-	700,000
Eldas Girls Secondary school	1,500,000.00	100,000.00	1,600,000.00	100,000.00	1,500,000
Eldas Girls Secondary school	2,000,000.00	1,400,000.00	3,400,000.00	1,400,000.00	2,000,000
Sub-Total	27,850,000.00	4,233,851.00	32,083,851.00	9,268,851.00	22,815,000
9.0 Tertiary institutions projects					-
Eldas Teachers Service Commission Office	1,800,000.00	-	1,800,000.00	-	1,800,000
Sub-Total	1,800,000.00		1,800,000.00	-	1,800,000
TOTAL	52,500,000.00				

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

3.0 Emergency	-								
Emergency	7,198,241.38	4,792,934.07	11,991,175.45	11,790,000.00	201,175				
Sub-Total	7,198,241.38	4,792,934.07	11,991,175.45	11,790,000.00	201,175				
4.0 Bursary and Social Security Programme									
Bursary Secondary Schools	11,000,000.00	2,000,500.00	13,000,500.00	12,629,000.00	371,500				
Bursary Tertiary Schools	23,341,931.00	1,070,404.00	24,412,335.00	23,402,000.00	1,010,335				
Sub-Total	34,341,931.00	3,070,904.00	37,412,835.00	36,031,000.00	1,381,835				
5.0 Sports	-	-	-	-	-				
Eldas Secondary School	800,000.00	-	800,000.00	-	800,000				
Tulatula Secondary School	300,000.00	-	300,000.00	-	300,000				
Elnur Primary School	300,000.00	-	300,000.00	-	300,000				
Eldas Primary School	300,000.00	-	300,000.00	-	300,000				
Jukala primary school	300,000.00	-	300,000.00	-	300,000				
Sub-Total	2,000,000.00	-	2,000,000.00	-	2,000,000				
6.0 Environment									
Elnur Primary School	400,000.00	-	400,000.00	-	400,000				
Eldas primary School	400,000.00	-	400,000.00	-	400,000				
Eldas Secondary School	400,000.00	-	400,000.00	400,000.00	-				
Eldas Girls Secondary school	400,000.00	-	400,000.00	-	400,000				
Eldas police station	400,000.00	-	400,000.00	-	400,000				
Sub-Total	2,000,000.00	-	2,000,000.00	400,000.00	1,600,000				
10.0 Security Projects									
Basir Ap Camp	-	10,000.00	10,000.00	-	10,000				
Tulatula Do Office	-	10,000.00	10,000.00	-	10,000				
Eldas Chief office	-	85,000.00	85,000.00	-	85,000				
Dela Police Post	4,000,000.00	-	4,000,000.00	3,800,000.00	200,000				
Dela Police Post	3,800,000.00	-	3,800,000.00	-	3,800,000				
Dela Police Post	2,500,000.00	-	2,500,000.00	-	2,500,000				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ELDAS CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

Dela Police Post	2,000,000.00	-	2,000,000.00	1,900,000.00	100,000
Elnur Ap	-	105,324.00	105,324.00	-	105,324
Eldas Ap	-	20,000.00	20,000.00	-	20,000
Eldas Police station	-	3,000,000.00	3,000,000.00	3,000,000.00	-
Eldas Police Station	-	4,500,000.00	4,500,000.00	4,275,000.00	225,000
Eldas Administration Police station	-	4,400,000.00	4,400,000.00	4,400,000.00	-
Eldas Administration Police station	-	4,000,000.00	4,000,000.00	4,000,000.00	-
Eldas Prison	-	2,000,000.00	2,000,000.00	2,000,000.00	-
Masalale Police Station	-	3,500,000.00	3,500,000.00	3,500,000.00	-
Eldas Deputy County Commissioner's office	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Basir Police Station	-	2,000,000.00	2,000,000.00	2,000,000.00	-
Waradey Administration Police station	-	2,300,000.00	2,300,000.00	2,300,000.00	-
Assistant County Commissioner Anole	-	1,050,000.00	1,050,000.00	1,050,000.00	-
Assistant County Commissioner Tulatula	-	3,500,000.00	3,500,000.00	3,500,000.00	-
Assistant County Commissioner Tulatula	-	50,000.00	50,000.00	50,000.00	-
Jigiiga Police Post	2,400,000.00	-	2,400,000.00	2,280,000.00	120,000
Jigiiga Police Post	2,400,000.00	-	2,400,000.00	-	2,400,000
Jigiiga Chief Office	1,300,000.00	-	1,300,000.00	-	1,300,000
Anole Administration Police	1,500,000.00	-	1,500,000.00	1,425,000.00	75,000
Dodha Chief Office	1,200,000.00	-	1,200,000.00	-	1,200,000
Biad Chief Office	1,200,000.00	-	1,200,000.00	-	1,200,000
Eldas Prison	1,500,000.00	-	1,500,000.00	1,425,000.00	75,000
Eldas Prison	1,500,000.00	-	1,500,000.00	-	1,500,000
Tito Police Post	2,700,000.00	-	2,700,000.00	-	2,700,000

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

Tito Police Post	1,500,000.00	-	1,500,000.00	-	1,500,000
Eldas Police Station	1,500,000.00	-	1,500,000.00	-	1,500,000
Sub-Total	31,000,000.00	32,030,324.00	63,030,324.00	42,405,000.00	20,625,324
TOTAL	76,540,172.38				
11.0 Acquisitions of Assets	-	-	-	-	-
	-	-	-	-	-
12.0 Others	-	-	-	-	-
Strategic Plan	-	-	-	-	-
NG- CDF office	-	-	-	-	-
Sub-Total	-	-	-	-	-
GRAND TOTAL	137,367,724.14	59,276,710.90	196,644,435.04	119,252,923.50	77,391,512

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
	AIE NO. B005100		54,784,483
Normal Allocation	AIE NO.B 030049		10,000,000
	AIE NO.B 030374		14,000,000
	AIE NO. B006316		6,000,000
	AIE NO. A699034		11,000,000
	AIE NO. B042881		13,000,000
	AIE NO. B 041034	48,040,876	
	AIE NO. B 047317	7,000,000	
	AIE NO. B 047395	4,000,000	
	AIE NO. B 041264	18,000,000	
	AIE NO. B 047684	6,000,000	
	AIE NO. B 047876	9,000,000	
	AIE NO. B 049253	15,000,000	
	AIE NO. B104286	16,000,000	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		123,040,876	108,784,483

2. COMPENSATION OF EMPLOYEES

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	3,447,400	5,190,000
TOTAL	3,447,400	5,190,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	249,273	100,000
Domestic travel and subsistence	114,400	0
Training expenses	1,402,000	240,000
Commitee Expenses	1,341,000	1,480,000
Office and general supplies and services	784,000	1,394,700
TOTAL	3,890,673	3,214,700

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	12,020,000	26,901,000
Transfers to Secondary Schools	9,268,851	20,373,176
Transfers to Tertiary Institutions		10,000,000
Transfers to Health Institutions		
TOTAL	21,288,851	57,274,176

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	12,629,000	7,902,000
Bursary - Tertiary	23,402,000	20,827,400
Security	42,405,000	6,770,000
Environment	400,000	300,000
Emergency Projects	11,790,000	6,113,000
TOTAL	90,626,000	41,912,400

6. ACQUISITION OF ASSETS

Non Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Refurbishment of Buildings	-	1,200,000.00
TOTAL	0	1,200,000

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER PAYMENTS

	2019/2020	2018/2019
	Kshs	Kshs
Strategic Plan	-	3,500,000
TOTAL	-	3,500,000

8: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
<i>Kenya Commercial Bank, Wajir Branch . Eldas NG-CDF</i>	<i>A/C no.1147613265</i>	8,023,788	4,235,836

9. BALANCES BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	4,235,836	7,742,629
TOTAL	4,235,836	7,742,629

[Provide short appropriate explanations as necessary]

10. OTHER IMPORTANT DISCLOSURES

10.1: UNUTILIZED FUND (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,828,299	1,843,699
Use of goods and services	5,197,022	4,192,143
Amounts due to other Government entities (see attached list)	44,537,426	13,326,277
Amounts due to other grants and other transfers (see attached list)	25,828,764	39,914,592
	77,391,512	59,276,711

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.2: PMC account balances (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	3,808.00	19,729
	3,808.00	19,729

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

ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		1,828,299	1,843,699	
Use of goods & services		5,197,022	4,192,143	
Amounts due to other Government entities				
Haroto Primary School	Construction of 1 classroom and two toilets	1,050,000		
Bakala Primary School	Retention	90,000		
Areswarji Primary School	Construction of two classrooms and 2 toollets	1,800,000		
Areswarji Primary School	Construction of 2 staff houses	1,200,000		
Liban Primary School	Retention	10,000		
Jukala primary school	Retention	40,000		
Dadantalai primary school	Retention	85,000		
Eldas primary school	Retention	100,000		
Jukala primary school	Retention	85,000		
Masalale Primary School	Retention	85,000		
Yago primary school	Retention	65,000		
Kilkiley Primary School	Renovation of			

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Abdiwako primary school	classrooms	1,095,000		
	Retention	100,000		
Basir primary school	Retention	60,000		
Anole primary school	Renovation of classrooms	1,090,000		
Banadir Primary School	Construction of 1 classroom and 2 toilets	1,155,000		
Baladwein primary school	Retention	110,000		
Lakoley South primary school	Construction of 4 toilets	700,000		
Taqwa primary school	Construction of 2 classrooms and 2 toilets	1,892,426		
Elnur Primary School	Retention	85,000		
Mirgo Harun Primary School	Retention	95,000		
Waradey Primary School	Retention	95,000		
Eldas primary school	Retention	125,000		
Lakoley primary school	Retention	135,000		
Jukala primary school	Retention	115,000		
Mirgo harun Primary School	Construction of 2 classrooms	1,500,000		
Balatulamin Primary School		1,050,000		

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Yagoo Primary School	Renovation of 1 classroom	400,000		
Bula Bilal Primary School	Retention	50,000		
Orote Primary School	Construction of 2 classrooms and 2 toilets	1,800,000		
Daqahley Primary School	Retention	60,000		
Bula Mahadey Primary School	Construction of 2 classrooms and 2 toilets	1,800,000		
Tulatala Township Primary School	Construction of 2 classrooms and 2 toilets	1,800,000		
Eldas Secondary School	Construction of Dormitory	3,000,000		
Eldas Secondary School	Retention	80,000		
Eldas Secondary School	Retention	100,000		
Eldas Secondary School	Retention	85,000		
Eldas Secondary School	Construction of dining hall	3,650,000		
Eldas Secondary School	Construction of staff houses and toilets	5,400,000		
Eldas Secondary School	Supply of beds	1,000,000		
Elmur Secondary School	Construction of 2 classrooms and 2 toilets	1,800,000		
Elmur Secondary School	Construction of dormitory	2,500,000		

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Eldas Secondary School	Supply of lab equipment	1,000,000		
Eldas Girls Secondary school	Construction of 4 toilets	700,000		
Eldas Girls Secondary school	Renovation of administration block	1,500,000		
Eldas Girls Secondary school	Renovation of dormitory and 2 classrooms	2,000,000		
Eldas Teachers Service Commission Office	Renovation of Tsc Offices	1,800,000		
	Sub-Total	44,537,426		
Amounts due to other grants and other transfers				
Emergency	Emergency	201,175		
Bursary Secondary Schools	Bursary to needy student in sec school	371,500		
Bursary Tertiary Schools	Bursary to needy students in Tertiary institutions	1,010,335		
Eldas Secondary School	Bush Clearing of football and volleyball pitches, leveling of the ground, labeling and erection of goal posts and Purchase of	800,000		

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Tulatula Secondary School	purchase of sport kits	300,000		
Elnur Primary School	Purchase of sport kits	300,000		
Eldas Primary School	Purchase of sport kits	300,000		
Jukala primary school	Purchase, planting, watering and maintaining of Trees and installation of water piping system and gutters	400,000		
Eldas primary School	Purchase, Planting, watering and maintaining of Trees and installation of water tank	400,000		
Eldas Girls Secondary school	Purchase, Planting, watering and maintaining of Trees and installation of water tank	400,000		
Eldas police station	Purchase,			

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	Planting, watering and maintaining of Trees and installation of water tank	400,000		
Basir Ap Camp	Retention	10,000		
Tulatula Do Office	Retention	10,000		
Eldas Chief office	Retention	85,000		
Dela Police Post	Retention	200,000		
Dela Police Post	Construction of fence	3,800,000		
Dela Police Post	Construction of ACC's Residential house	2,500,000		
Dela Police Post	Retention	100,000		
Elnur Ap	Retention	105,324		
Eldas Ap	Retention	20,000		
Eldas Police Station	Retention	225,000		
Jigjiga Police Post	Retention	120,000		
Jigjiga Police Post	Construction of administration block	2,400,000		
Jigjiga Chief Office	Construction of chief's office			

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-			-
Buildings and structures	26,000,000			26,000,000
Transport equipment	-			-
Office equipment, furniture and fittings	1,540,950			1,540,950
ICT Equipment, Software and Other ICT Assets	857,000			857,000
Other Machinery and Equipment	238,500			238,500
Heritage and cultural assets				
Intangible assets				
Total	28,636,450			28,636,450

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 – PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
MIRGO HARUN PRIMARY SCHOOL	KCB	1167889096	750.00	2,075.00
BALATULAMIN PRIMARY SCHOOL	KCB	1119820014	135.60	2,271.30
ELDAS PRIMARY SCHOOL	KCB	1253473447	345.00	420.00
ELNUR SECONDARY SCHOOL	KCB	1205357610	960.00	2,190.00
ELDAS SECONDARY SCHOOL	KCB	1239300115	743.00	2,071.00
ELDAS GIRLS SEC SCHOOL	KCB	1173274952	875.00	1,390.00
Total			3,808.00	10,417.30

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>During the financial year ended 30 June 2019, the NG CDF Elidas had an unspent fund in their bank totaling Kshs 4,235,836 as shown in the statement of Assets and Liabilities which the Fund did not utilize fully.</p>	<p>The balance in the cash book as at 30th June 2019 which is 4,235,836 were various retentions and employee salaries for the month of June 2019 which was paid after the end of the month.</p>	<p>Fund Account manager</p>	<p>Responded waiting feedback from the auditor general</p>	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>i. Payment voucher number 107 amounting to Kshs. 200,000 for surrender of imprest for committee allowances paid during the monitoring and evaluation exercise between 27-31 March 2019 had no monitoring and evaluation report for the project supervised, CDFC minutes approving the payment and imprest warrant.</p> <p>ii. Payment voucher number 21 for supply of conference package at a cost of Kshs. 240,000</p>	<p>i. The monitoring and evaluation report for the project supervised, minutes approving the payment and warranty form for the imprest issued was attached to the payment voucher at the</p>	<p>Fund Account manager</p>	<p>Responded waiting feedback from the auditor general</p>	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was not supported with LSO or standard form of contract between Eldas NGCDF and Raha Palace Restaurant for quotation number Eldas CDF/03/2017-18. In addition, payment voucher number 35 amounting to Kshs. 340,500 for the surrender of imprest taken during the training of NGCDF was not attached imprest warrant.</p>	<p>time of payment but was misplaced by the district accountant. We confirm that the copies of the documents are available for audit verification. The LSO or standard form and imprest warranty was attached to the said vouchers at the time of payment, it was however misplaced by the district accountant. copies of the documents are now</p>			

NATIONA OVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		available for audit verification.			

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

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