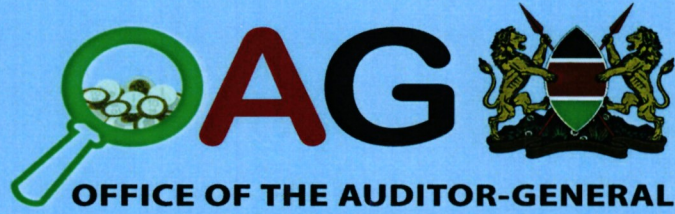


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REPORT

OF
THE NATIONAL ASSEMBLY
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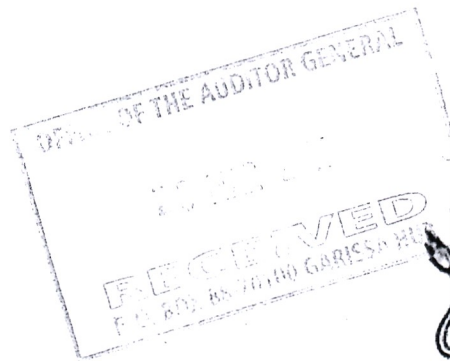
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| CLERK-AT THE-TABLE: | 10/20/20 |

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - FAFI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020

Revised Template 30th June 2020



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

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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) FAFI
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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

| No | Designation | Name |
|----|-----------------------|----------------------------|
| 1. | A.I.E holder | Omar Hassan Maha |
| 2. | Sub-County Accountant | Paul Makoha |
| 3. | Chairman NGCDFC | Mohamed Aden Kethie |

(d) Fiduciary Oversight Arrangements

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

NG-CDF Office Building

P.O. Box 1914-70100

Garissa, Kenya

Bura-masalani road, Adjacent to Bura hospital

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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For the year ended June 30, 2020

(f) NGCDF FAFI Constituency Contacts

Telephone: (254) 722911803

E-mail: faficdf@ngcdf.go.ke

Website: www.ng-cdf.go.ke

(g) NGCDF FAFI Constituency Bankers

Equity Bank-Garissa Branch

A/C Name: Fafi National Government Constituency Development Fund

A/C no: 0580262524480

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

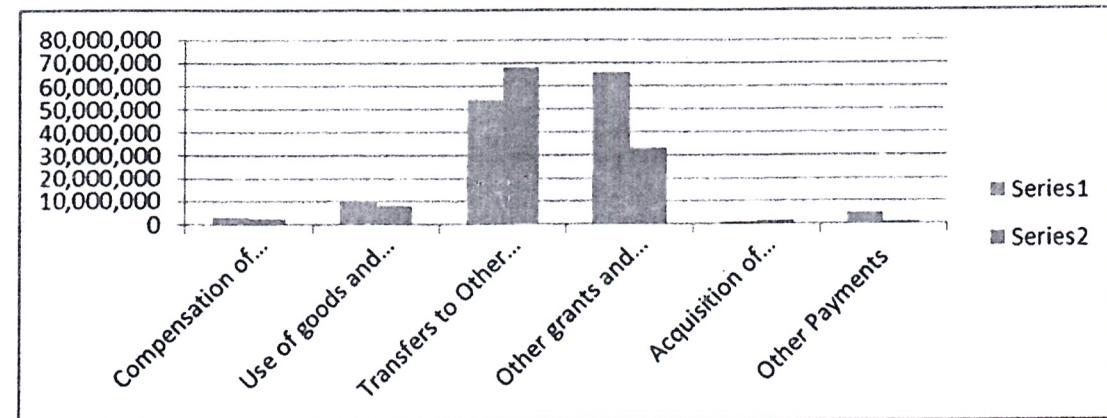
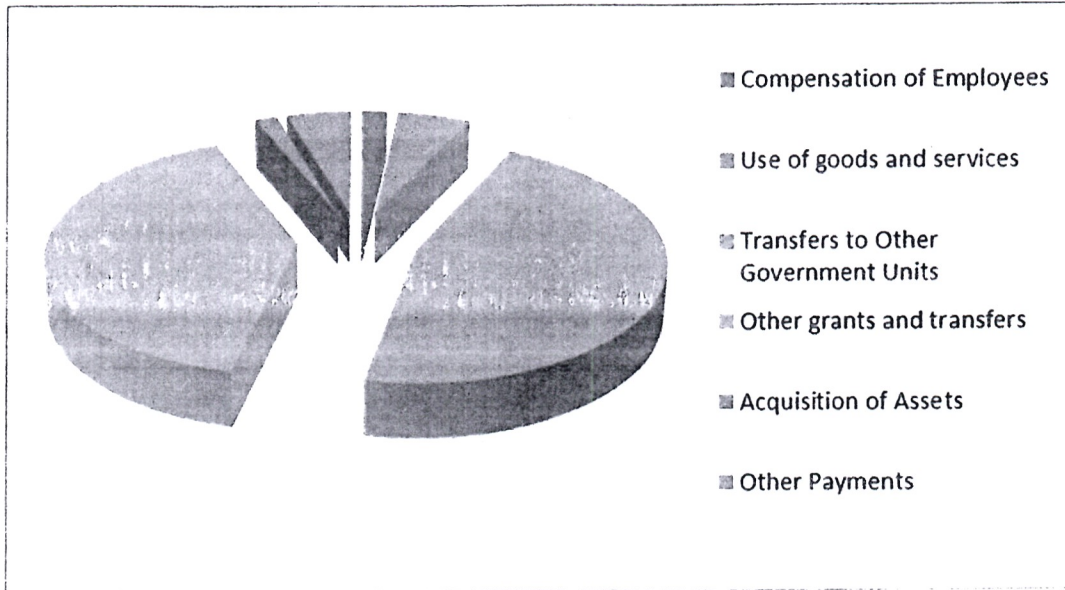
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

In the Financial year 2019/2020 NG-CDF Fafi was allocated Kshs. **137,367,724** however the final budget to be utilized for the same year amounted to Kshs. **195,949,367**,out of this the management spent Kshs.**112,598,264** bringing the utilization difference to **Kshs.83,351,104** which is attributed delayed disbursement.



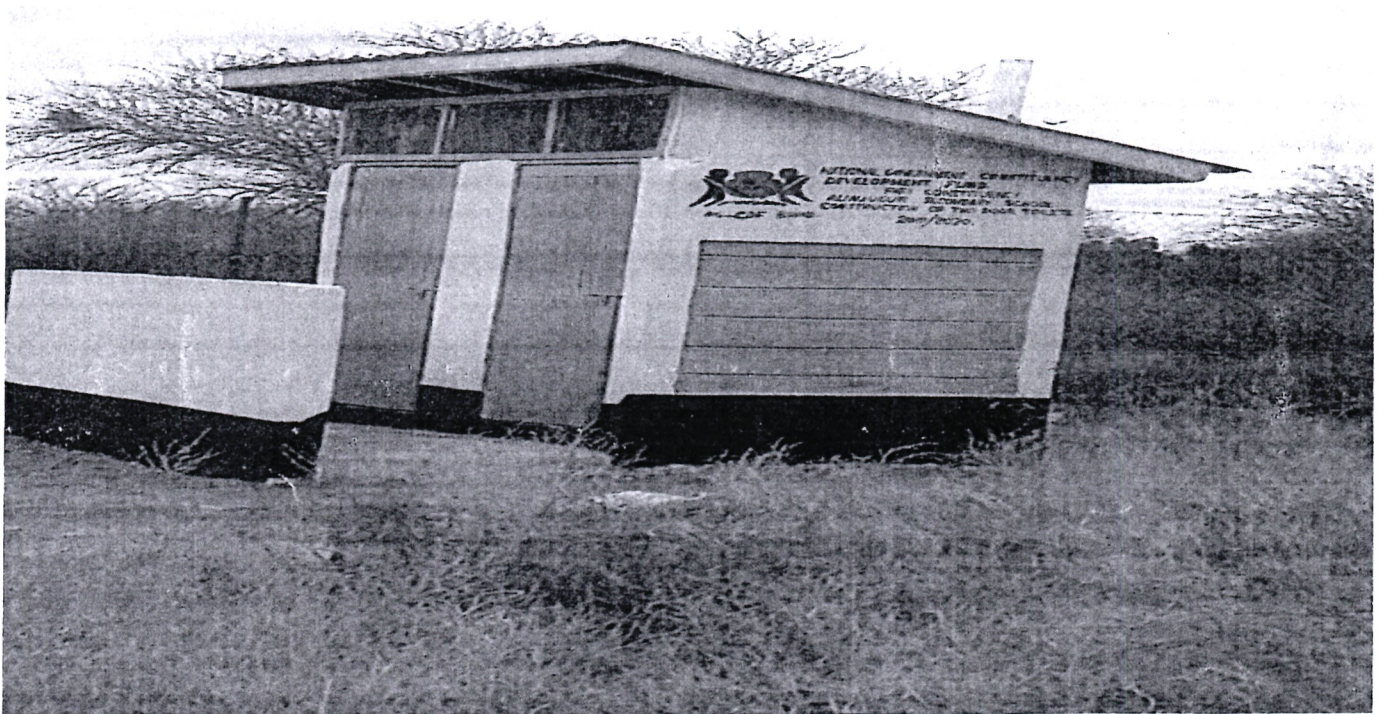
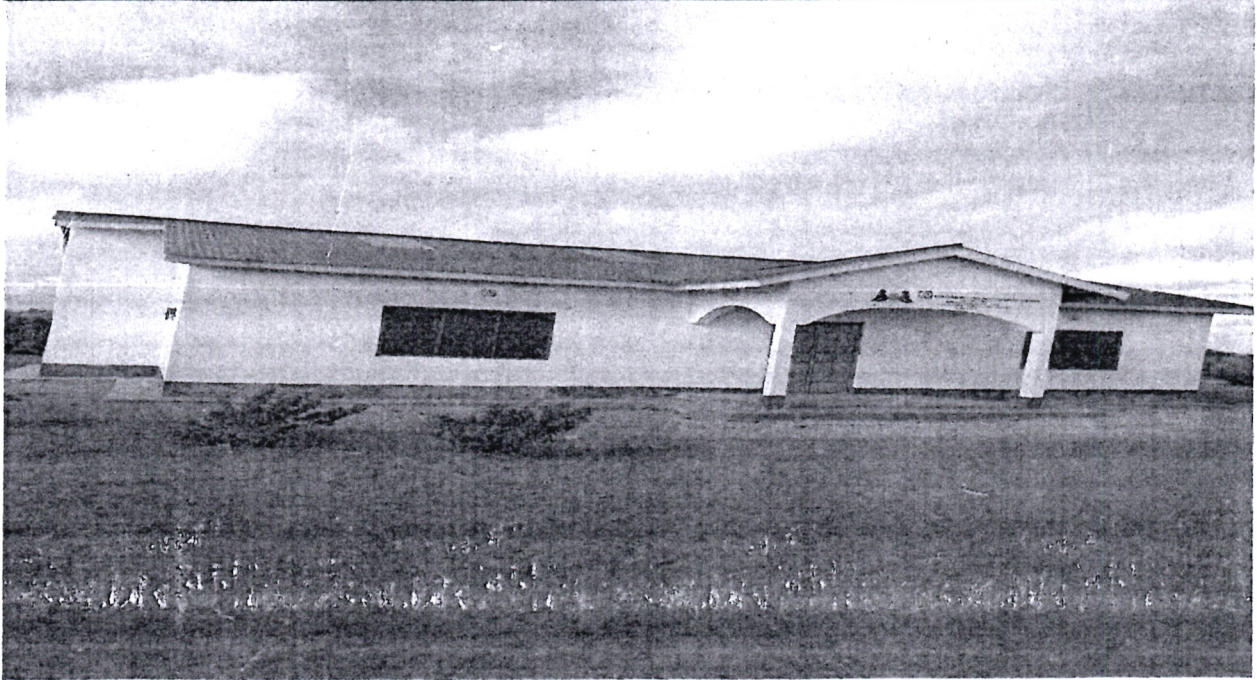
Actual performance

To improve the education standard the NG_CDFC supported both secondary and tertiary institutions through construction of classes, dormitories, administration blocks, beds and mattresses etc.

To promote proper teaching environment the NG-CDF Fafi constructed administration block for Borehole5 secondary school (pictured bellow)

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



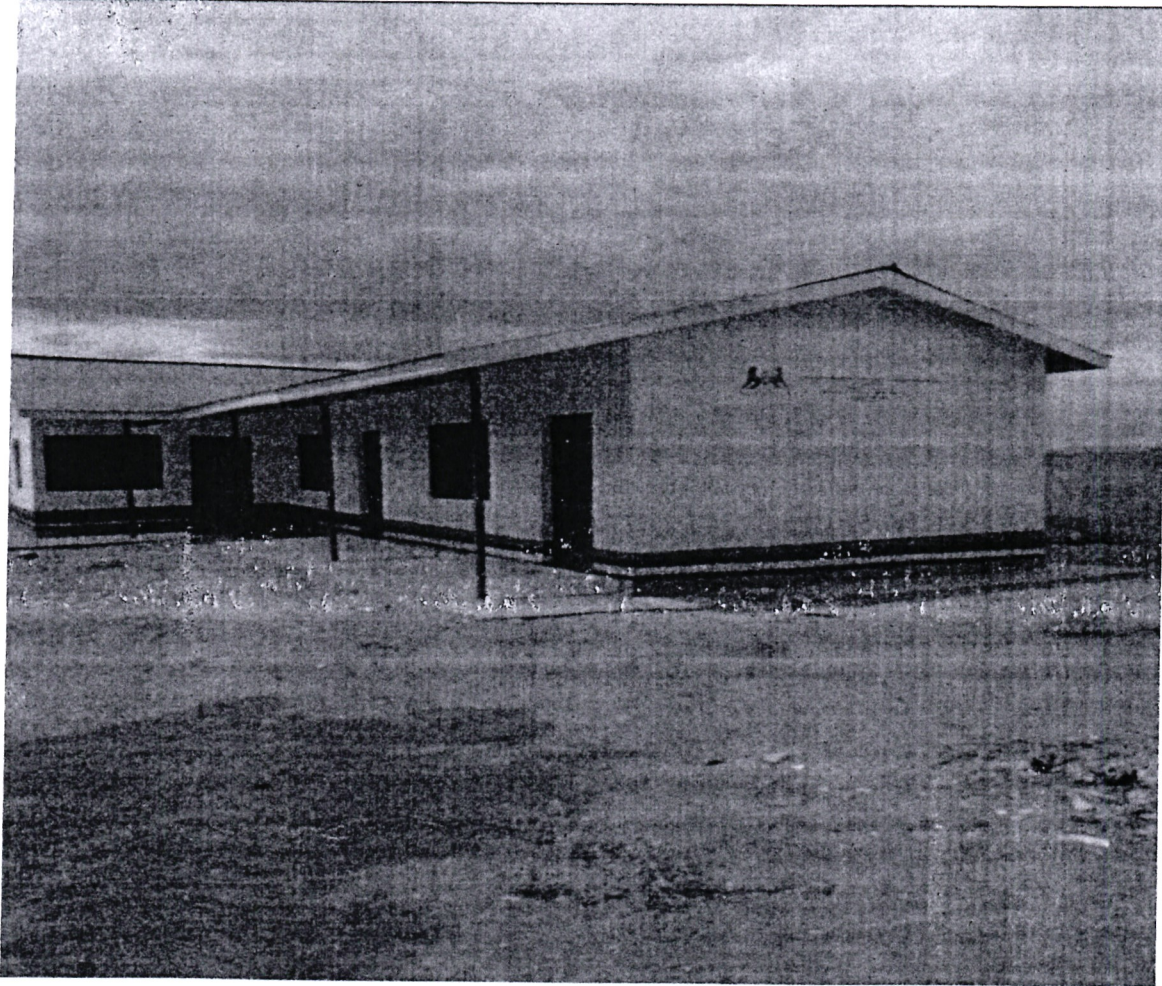
Construction of two single doors at Alinjgur secondary

On the security sector, the committee also constructed administration block, renovation of existing houses, and construction of toilets and fencing of police posts to support security agencies and promote security in the area.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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Borehole5 police administration block

To upgrade and improve the learning environment the committee funded the supply of lockers, chairs and beds to various schools.

Emerging issues related to NG-CDF includes; Increasing population, Upcoming/increasing settlement, increasing school enrolment and Global climatic change.

There has also been implementation challenges such as; lack of clear boundary among constituencies, insecurity and political interference.

For the fund to thrive, I recommend that there should be a minimum or no interference from the political figures and no projects should be undertaken in boundary conflict zone without the involvement of the concerned organs of the government.

Sign 

CHAIRMAN NGCDF COMMITTEE

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

For the year ended June 30, 2020

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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-FAFI Constituency as per 2018-2022 strategic plan includes;

- i. To improve access to quality education
- ii. To harness youth talent and local culture by funding school tournaments
- iii. To improve access to safe drinking water in schools
- iv. To improve access to health services by providing social security benefits
- v. To improve security in the constituency by construction and fencing of police stations and chiefs office

Progress on attainment of Strategic development objectives

For purposes of implementing the above mentioned 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 | | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | <ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels | In FY 19/20 -we increased number of classrooms, dormitories, to accommodate more students - 1800 students were awarded bursaries and medical students given partial sponsorship |
| Security | To support | Improved | Number of police | Three police post |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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| | | | | |
|-------------|---|------------------------------|--|---|
| | government agencies in improving security | security | post fenced The no of housing provided to the personnel | and stations fenced and renovated Amuma police houses |
| Environment | To allow every school going child to attend school To allow improved sanitation and maintain clean environment | Maintained clean environment | -the number of waste disposal unit established | Waste disposal improved environmental hygiene |
| Sports | To harness youth talent and local culture by funding school tournaments | Improved youth talent | The no of event sponsored | Sponsored sports activities in the course of the financial year |

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

For the year ended June 30, 2020

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – FAFI 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.

NGCDF – Fafi Constituency is an entity that promotes public involvement in project identification, projects prioritization and ensures adequate allocation of funds to the projects identified as priority need by the constituents. In undertaking the aforementioned, FAFI NG-CDF Committee considers Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency.

The NGCDFC puts the interest of the constituents and stakeholders at the forefront and have sufficient respect for environmental, social and governance issues. This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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

Fafi NG-CDF Committee endeavours to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan: Protection of the environment in which we thrive and operate is part of FAFI NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

FAFI NG-CDFC commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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For the year ended June 30, 2020

- Providing training for our NG-CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation

Our Environmental Action Plan

FAFI NG-CDF earmarked four key areas in which we have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Capacity Building

- Promote environmental awareness by sensitizing the Fafi NG-CDFC, NG-CDFC staff and PMCs on good conservation practices
- To encourage, through regular communication to our staff, the committee, and other stakeholders changes in individual behaviour to reduce usage

Environmental Protection and Conservation

- To encourage tree planting in the constituency to improve the forest cover.
- To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires

Pollution Control and Waste Management

- To ensure segregation of waste
- To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

HEALTH, SAFETY AND WELL BEING OF THE EMPLOYEES

Our office maintains healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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**Reports and Financial Statements
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Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Health Care Services

The staffs, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

4. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development fund Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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For the year ended June 30, 2020**

Public Awareness

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

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
 - Ensuring implementation of NG-CDF funded projects is transparent and known to everybody within the community.
 - Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
 - Increase public participation at all stages of project cycle funded under NG-CDF kitty
 - Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
 - Measure the impact of the projects funded by NG-CDF
 - Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
 - Promote awareness creation on constitution and devolved governance system in Kenya
- Covid-19 Mitigation Measures. Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

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

The Accounting Officer in charge of the NGCDF-FAFI Constituency confirms that the fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the fund's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the funds'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-FAFI Constituency financial statements were approved and signed by the Accounting Officer on 9/9/2020 2020.


Fund Account Manager

Name: Omar Hassan

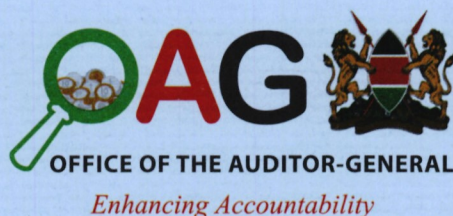

Sub-County Accountant

Name:

ICPAK Member Number:

Paul Makokla

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 – FAFI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Fafi Constituency set out on pages 16 to 43, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Fafi 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 with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Other Grants and Other Payments

Note 5 to the financial statements reflects Kshs.32,756,843 in respect to other grants and transfers which includes Kshs.6,218,000 in respect to bursaries disbursed to needy students in secondary schools and tertiary institutions comprising Kshs.1,307,000 and Kshs.4,921,000 respectively. However, bursary disbursements amounting to Kshs.1,988,000 were not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.

Consequently, the accuracy, completeness and propriety of bursaries amounting to Kshs.1,988,000 for the year ended at 30 June, 2020 could not be confirmed.

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

Key Audit Matter

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.195,949,367 and Kshs.126,581,643 respectively resulting to a budget shortfall of Kshs.69,367,724 or 35% of the budget. Similarly, the Fund expended Kshs.112,598,263 against an approved budget of Kshs.195,949,367 resulting to an under-expenditure of Kshs.83,351,104 or 43% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Fafi Constituency.

2. Project Implementation

A review of the project implementation status report provided for audit review indicated that the Fund had planned to implement fifty eight (58) projects with a total project cost of Kshs.125,004,628 during the year ended 30 June, 2020. The projects were of different categories and at different completion status as detailed below:

| Project Category | Budget (Kshs) | No of Projects | Actual Expenditure (Kshs) | No of Projects Completed | No. of Projects on Going | No of Projects not Started |
|-------------------------|----------------------|-----------------------|----------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Education | 87,865,033 | 42 | 64,999,422 | 16 | 12 | 14 |
| Sports | 4,921,354 | 1 | 4,921,354 | 1 | - | - |

| | | | | | | |
|--------------|--------------------|-----------|-------------------|-----------|-----------|-----------|
| Security | 26,600,000 | 13 | 14,411,248 | 6 | 6 | 1 |
| Emergency | 7,198,241 | 1 | 7,196,241 | - | 1 | - |
| NGCDF Office | 600,000 | 1 | 600,000 | 1 | - | - |
| Total | 125,004,628 | 58 | 92,128,265 | 24 | 19 | 15 |

Consequently, 15 project had not started while 19 projects were on-going at the time of audit. Failure to implement and delayed completion of planned projects may have impacted negatively on service delivery to the residents of Fafi Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unutilized Project

Note 4 to the financial statements reflects Kshs.43,965,610 in respect to transfer to primary schools which includes Kshs.1,534,400 disbursed to Bura Primay School for the procurement of eight (80) beds and mattresses. Although the items were procured and delivered to the school in October, 2019, physical verification conducted on 04 March, 2021 established that the beds and mattresses were lying idle in the school store almost one and half years (18 months) after they were delivered. No explanation was provided why the beds and mattresses were not put to use.

In the circumstances, the propriety and value for money for the expenditure of Kshs.1,534,400 on beds and mattresses for the year ended 30 June, 2020 could not be confirmed.

2. Constituency Oversight Committee

During the year under review, Management did not appointed Constituency Oversight Committee, contrary to Section 54(1) of the National Government Constituencies Development Fund Act, 2015 which requires that constituency oversight committees be appointed for every National Government Constituencies Development Fund.

In the circumstances, the Fund is in breach of the Law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to the sustainability of services and using the 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 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

10 February, 2022

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

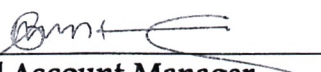
Reports and Financial Statements

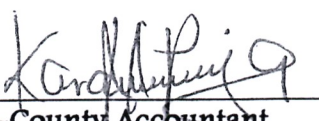
For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2019-2020 | 2018-2019 |
|-------------------------------------|------|---------------------|--------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from CDF board | 1 | 76,559,448 | 157,709,772 |
| TOTAL RECEIPTS | | 76,559,448 | 157,709,772 |
| | | | |
| PAYMENTS | | | |
| Compensation of employees | 2 | 2,484,957 | 1,951,468 |
| Use of goods and services | 3 | 9,837,041 | 8,396,258 |
| Transfers to Other Government Units | 4 | 66,219,422 | 34,931,454 |
| Other grants and transfers | 5 | 32,756,843 | 57,440,973 |
| Acquisition of Assets | 6 | 1,300,000 | 2,579,341 |
| Other Payments | 7 | - | 3,076,076 |
| | | | |
| TOTAL PAYMENTS | | 112,598,263 | 108,375,570 |
| | | | |
| SURPLUS/DEFICIT | | (36,038,815) | 49,334,202 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-FAFI Constituency financial statements were approved on 9/7 2020 and signed by:


Fund Account Manager
Name: Omar Hassan Maha


Sub-County Accountant
Name: Paul Makoha
ICPAK Member Number:

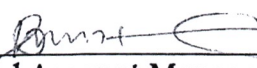
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
CONSTITUENCY**

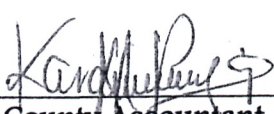
**Reports and Financial Statements
For the year ended June 30, 2020**

VIII. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2019-2020 | 2018-2019 |
|--|------|-------------------|-------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 8 | 13,983,380 | 50,022,195 |
| Total Cash and Cash Equivalents | | 13,983,380 | 50,022,195 |
| Current Receivables | | | |
| Outstanding Imprests | | - | - |
| TOTAL FINANCIAL ASSETS | | 13,983,380 | 50,022,195 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | | | |
| Retention | | - | - |
| TOTAL FINANCIAL LIABILITIES | | - | - |
| NET FINANCIAL ASSETS | | 13,983,380 | 50,022,195 |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | 9 | 50,022,195 | 687,993 |
| Surplus/Deficit for the year | | (36,038,815) | 49,334,202 |
| NET FINANCIAL ASSETS | | 13,983,380 | 50,022,195 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-FAFI Constituency financial statements were approved on 9/9 2020 and signed by:


Fund Account Manager
Name: Omar Hassan Maha


Sub-County Accountant
Name: Paul Makoha
ICPAK Member Number

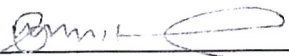
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
CONSTITUENCY**


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

IX. STATEMENT OF CASHFLOW

| CASH FLOWS FROM OPERATING ACTIVITIES | | 2019-2020 | 2018 - 2019 |
|---|---|---------------------|--------------------|
| Receipts | | Kshs | Kshs |
| Transfers from CDF Board | 1 | 76,559,448 | 157,709,772 |
| Total Receipts | | 76,559,448 | 157,709,772 |
| Payments | | | |
| Compensation of Employees | 2 | 2,484,957 | 1,951,468 |
| Use of goods and services | 3 | 9,837,041 | 8,396,258 |
| Transfers to Other Government Units | 4 | 66,219,422 | 34,931,454 |
| Other grants and transfers | 5 | 32,756,843 | 57,440,973 |
| Other Payments | 7 | - | 3,076,076 |
| Total Payments | | 111,298,263 | 105,796,229 |
| Total Receipts Less Total Payments | | (34,738,815) | 51,913,543 |
| Adjusted for: | | | |
| Outstanding Imprest | | - | - |
| Net cash flow from operating activities | | (36,738,815) | 51,913,543 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of asset | 6 | 1,300,000 | 2,579,341 |
| Net cash flows from Investing Activities | | 1,300,000 | 2,579,341 |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (36,038,815) | 49,334,202 |
| Cash and cash equivalent at BEGINNING of the year | 9 | 50,022,195 | 687,993 |
| Cash and cash equivalent at END of the year | 8 | 13,983,380 | 50,022,195 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-FAFI Constituency financial statements were approved on 9/9 2020 and signed by:


Fund Account Manager
Name: Omar Hassan Maha


Sub-County Accountant
Name: Paul Makoha
ICPAK Member Number

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – FAFI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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 CDF Board | 137,367,724 | 58,581,643 | 195,949,367 | 126,581,643 | 69,367,724 | 66% |
| TOTAL RECEIPTS | 137,367,724 | 58,581,643 | 195,949,367 | 126,581,643 | 69,367,724 | 66% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,820,000 | 213,271 | 3,033,271 | 2,484,957 | 548,314 | 82% |
| Use of goods and services | 9,463,095 | 379,338 | 9,842,433 | 9,837,041 | 5,392 | 100% |
| Transfers to Other Government Units | 54,230,000 | 39,813,730 | 94,043,730 | 66,219,422 | 27,824,308 | 70% |
| Other grants and transfers | 65,724,629 | 12,801,056 | 78,525,685 | 32,756,843 | 45,768,842 | 42% |
| Acquisition of Assets | 600,000 | 707,221 | 1,307,221 | 1,300,000 | 7,221 | 99% |
| Other Payments | 4,530,000 | 4,667,027 | 9,197,027 | - | 9,197,027 | 0% |
| TOTAL | 137,367,724 | 58,581,643 | 195,949,367 | 112,598,263 | 83,351,104 | 57% |

(a) The utilization rate of compensation of employees, Transfer to other government entities and other payment is below 90% as a result of delayed disbursement from the board as well as committees preference in prioritization of projects.

(b) The adjustment column reflects money not yet received from the Board as at 30th June 2020 and balances from the previous year resulting to variations from the original budget

The NGCDF-FAFI Constituency financial statements were approved on 9/5 2020 and signed by:


Fund Account Manager
Name: Omar Hassan Maha


Sub-County Accountant
Name: Paul Makoha
ICPAK Member Number

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget 2019/2020 Kshs | Adjustments 2019/2020 Kshs | Final Budget 2019/2020 Kshs | Actual on comparable basis 2019/2020 Kshs | Budget utilization difference 2019/2020 Kshs |
|---------------------------------------|--------------------------------------|----------------------------------|-----------------------------------|--|--|
| 1.0 Administration | | | | | |
| Compensation of Employees | | | | | |
| 1.1.Compensation of Employees | 2,820,000 | 213,271 | 3,033,271 | 2,484,957 | 548,314 |
| Sub-Total | 2,820,000 | 213,271 | 3,033,271 | 2,484,957 | 548,314 |
| Use of Goods | | | | | |
| 1.2.Committee Expenses | 2,642,063 | 55,454 | 2,697,517 | 2,697,125 | 392 |
| 1.3.Goods and Services | 2,700,000 | 70,000 | 2,770,000 | 2,768,926 | 1,074 |
| 2.1.Capacity Building of NG-CDFs/PMCs | 1,321,032 | - | 1,321,032 | 1,317,106 | 3,926 |
| 2.2.Committee Allowances | 2,800,000 | 253,884 | 3,053,884 | 3,053,884 | - |
| Sub-Total | 9,463,095 | 379,338 | 9,842,433 | 9,837,041 | 5,392 |
| Transfers to Other Government Units | | | | | |
| 6.0 Primary School Projects | | | | | |
| 6.1.Nanighi Primary school dorm | - | 80,900 | 80,900 | 75,000 | 5,900 |
| 6.2.Abaqdera primary classes | - | 80,000 | 80,000 | 80,000 | - |
| 6.3.warable primary school | - | 90,000 | 90,000 | 90,000 | - |
| 6.4.Aliemij primary school | - | 800,000 | 800,000 | 703,000 | 97,000 |
| 6.5.Welmarer Primary School | - | 1,800,000 | 1,800,000 | 453,113 | 1,346,887 |
| 6.6.Bullanadhir primary school | - | 1,800,000 | 1,800,000 | 1,690,250 | 109,750 |

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

| | | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| 6.7.Mansabubu primary classes | - | 800,000 | 800,000 | 712,500 | 87,500 |
| 6.8..Bura primary school | - | 1,800,000 | 1,800,000 | 1,534,400 | 265,600 |
| 6.9.Nanighi Primary school | - | 1,800,000 | 1,800,000 | 1,630,000 | 170,000 |
| 6.10.Jambele primary school | 400,000 | 1,600,000 | 2,000,000 | 1,914,530 | 85,470 |
| 6.11.Garasweino primary school | 400,000 | 1,800,000 | 2,200,000 | 2,104,995 | 95,005 |
| 6.12.Guyo primary school | - | 2,500,000 | 2,500,000 | 2,371,750 | 128,250 |
| 6.13.Hajjijmay primary school | - | 800,000 | 800,000 | 752,500 | 47,500 |
| 6.14..Warable integrated pry | - | 1,800,000 | 1,800,000 | 1,700,000 | 100,000 |
| 6.15..Alinjgur integrated pry | - | 1,800,000 | 1,800,000 | 1,714,500 | 85,500 |
| 6.16..Fafi primary school | - | 1,800,000 | 1,800,000 | 1,704,025 | 95,975 |
| 6.17..Dekaharja primary school | - | 800,000 | 800,000 | 775,000 | 25,000 |
| 6.18.Bullagolol primary school | 400,000 | 1,800,000 | 2,200,000 | 2,114,462 | 85,538 |
| 6.19.Fafi girls primary | - | 1,500,000 | 1,500,000 | 1,500,000 | - |
| 6.20.Amuma Primary school | - | 1,200,000 | 1,200,000 | 994,800 | 205,200 |
| 6.21..Harbole primary | - | 2,500,000 | 2,500,000 | 1,800,000 | 700,000 |
| 6.22.Guyo primary | - | 800,000 | 800,000 | 762,000 | 38,000 |
| 6.22.mansabubu primary | 3,770,000 | - | 3,770,000 | - | 3,770,000 |
| 6.23.Aliemij primary | 800,000 | - | 800,000 | - | 800,000 |
| 6.24.Alinjugur primary | 2,500,000 | - | 2,500,000 | 2,500,000 | - |
| 6.25.Jambele primary | 3,770,000 | - | 3,770,000 | - | 3,770,000 |
| 6.26 Mansabubu primary | 1,700,000 | - | 1,700,000 | 1,700,000 | - |
| 6.27.Amuma primary | 1,360,000 | - | 1,360,000 | 1,360,000 | - |

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

| | | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| 6.28.Abaqdera primary | 1,800,000 | - | 1,800,000 | 1,710,000 | 90,000 |
| 6.29.Fafi girls primary | 800,000 | - | 800,000 | 800,000 | - |
| 6.29.Fafi girls primary | 1,200,000 | - | 1,200,000 | 1,200,000 | - |
| 6.3.0.Guyo primary school | 800,000 | - | 800,000 | - | 800,000 |
| 6.31.Bura boarding primary school | 500,000 | - | 500,000 | - | 500,000 |
| 6.32.Bura boarding primary | 1,600,000 | - | 1,600,000 | 1,600,000 | - |
| 6.33.Nanighi primary school | 2,500,000 | - | 2,500,000 | 2,500,000 | - |
| 6.34.Taqal primary | 900,000 | - | 900,000 | - | 900,000 |
| 6.35.Hawajot primary | 400,000 | - | 400,000 | - | 400,000 |
| 6.36.Bullagolol primary | 1,500,000 | - | 1,500,000 | 1,151,699 | 348,301 |
| 6.37.Yumpis primary | 800,000 | - | 800,000 | - | 800,000 |
| 6.38.Fafihajin primary | 1,200,000 | - | 1,200,000 | - | 1,200,000 |
| 6.39.Fafihajin primary | 600,000 | - | 600,000 | - | 600,000 |
| 6.40.Galmagal primary | 1,360,000 | - | 1,360,000 | 1,360,000 | - |
| 6.41.Borehole five primary | 800,000 | - | 800,000 | - | 800,000 |
| 6.42.Kamuthey primary | 500,000 | - | 500,000 | - | 500,000 |
| 6.43.Kamuthey primary | 1,360,000 | - | 1,360,000 | 1,360,000 | 0 |
| 6.44.Welmarer primary | 800,000 | - | 800,000 | - | 800,000 |
| 6.45.Garasweino primary | 600,000 | - | 600,000 | - | 600,000 |
| 7.0 Secondary School Projects | | | | | |
| 7.1.Fafi Girls Secondary school | - | 1,073,480 | 1,073,480 | 1,073,480 | - |
| 7.2..Nanighi Secondary School | - | 5,413 | 5,413 | 5,413 | - |
| 7.3..Shill Secondary School | - | 8,000 | 8,000 | 8,000 | - |
| 7.4..Galmagala Secondary | - | 2,000,000 | 2,000,000 | 1,855,500 | 144,500 |
| 7.5..Borehole5 secondary school | - | 500,000 | 500,000 | 250,000 | 250,000 |
| 7.6.Nanighi Secondary School | - | 2,755,937 | 2,755,937 | 763,822 | 1,992,115 |

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

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| 7.7.Nanighi Secondary School | | 600,000 | 600,000 | 596,500 | 3,500 |
| 7.9.Bore5 admin block | | 2,500,000 | 2,500,000 | 2,480,000 | 20,000 |
| 7.10.Galmagala secondary school | 300,000 | - | 300,000 | 300,000 | - |
| 7.11.Galmagal secondary school | 550,000 | - | 550,000 | 550,000 | - |
| 7.12.Galmagala secondary school | 800,000 | - | 800,000 | 780,000 | 20,000 |
| 7.13.Fafi girls secondary school | 2,000,000 | - | 2,000,000 | - | 2,000,000 |
| 7.14.Alinjugur secondary school | 1,200,000 | - | 1,200,000 | 1,200,000 | - |
| 7.15.Alinjugur secondary school | 600,000 | - | 600,000 | 600,000 | - |
| 7.16.Nanighi secondary school | 1,000,000 | - | 1,000,000 | 1,000,000 | - |
| 7.17.Shillsecondary school | 4,500,000 | - | 4,500,000 | 3,958,183 | 541,817 |
| 7.18.Shill secondary school | 1,360,000 | - | 1,360,000 | 1,360,000 | - |
| 7.19.Shill secondary school | 3,800,000 | - | 3,800,000 | 3,800,000 | - |
| 7.20.Bura secondary school | 1,800,000 | - | 1,800,000 | - | 1,800,000 |
| 7.21.Bura secondary | 600,000 | - | 600,000 | - | 600,000 |
| 8.0 Tertiary institutions projects | | | | | |
| 8.1.Deo office | | 620,000 | 620,000 | 620,000 | - |
| 8.2. Subcounty education office | 600,000 | - | 600,000 | 600,000 | - |
| Sub-Total | 54,230,000 | 39,813,730 | 94,043,730 | 66,219,422 | 27,824,308 |
| Other Grants and Transfers | | | | | |
| 3.0 Emergency | 7,198,242 | - | 7,198,242 | 7,196,241 | 2,000 |
| 4.0 Bursary and Social Security Programme | | | | | |
| 4.1.Bursary Secondary Schools | 19,235,033 | 109,000 | 19,344,033 | 1,307,000 | 18,037,033 |
| 4.2.Bursary Tertiary Schools | 15,000,000 | 4,211,238 | 19,211,238 | 4,921,000 | 10,290,238 |
| 5.0 .Sports | | | | | |
| 5.1.Sports | 2,741,354 | 2,180,818 | 4,922,172 | 4,921,354 | 818 |
| 9.0 Security Projects | | | | | |
| 9.1Bura police | | 1,000,000 | 1,000,000 | 905,000 | 95,000 |

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

| | | | | | |
|---|--------------------|-------------------|--------------------|--------------------|-------------------|
| 9.2.Amuma police | - | 2,300,000 | 2,300,000 | 2,300,000 | - |
| 9.2.Borehole 5 Ap camp | - | 2,500,000 | 2,500,000 | 2,480,000 | 20,000 |
| 9.3.deputy county commissioner office | 4,000,000 | - | 4,000,000 | 4,000,000 | - |
| 9.4.deputy county commissioner residence | 1,500,000 | - | 1,500,000 | 1,500,000 | - |
| 9.5.Deputy county commissioner office | 500,000 | - | 500,000 | 500,000 | - |
| 9.6.Assistant county commissioner office | 450,000 | - | 450,000 | 450,000 | - |
| 9.7.Director of criminal investigation office | 2,000,000 | - | 2,000,000 | - | 2,000,000 |
| 9.8.Mansabubu police houses | 2,500,000 | - | 2,500,000 | - | 2,500,000 |
| 9.9.welamarer police fence | 6,000,000 | - | 6,000,000 | - | 6,000,000 |
| 9.10.Bura police houses | 2,400,000 | - | 2,400,000 | - | 2,400,000 |
| 9.11.Amuma police | 1,800,000 | - | 1,800,000 | 1,800,000 | - |
| 9.12.fafi sub-county director of criminal investigation | 400,000 | - | 400,000 | - | 400,000 |
| 9.13..borehole 5 police toilets | - | 500,000 | 500,000 | 476,248 | 23,752 |
| Sub-total | 65,724,629 | 12,801,056 | 78,525,685 | 32,756,843 | 45,768,842 |
| 10.0 Acquisitions of Assets | | | | | |
| 10.1..NG- CDF office | | 707,221 | 707,221 | 700,000 | 7,221 |
| 10.2.NG-CDF office | 600,000 | | 600,000 | 600,000 | - |
| Sub-Total | 600,000 | 707,221 | 1,307,221 | 1,300,000 | 7,221 |
| 11.0 Others | | | | | |
| 11.1.Sub-county registrar of persons office | 450,000 | - | 450,000 | - | 450,000 |
| 11.2.ICT hub | - | 4,667,027 | 4,667,027 | - | 4,667,027 |
| 11.3. Social Security Programme | 4,000,000 | - | 4,000,000 | - | 4,000,000 |
| 11.4.NHIF | 80,000 | - | 80,000 | - | 80,000 |
| Sub-Total | 4,530,000 | 4,667,027 | 9,197,027 | - | 9,197,027 |
| TOTAL | 137,367,724 | 58,581,643 | 195,949,367 | 112,598,263 | 83,351,104 |

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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-FAFI 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.

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.

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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.

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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.

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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.

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2019-2020 | 2018-2019 |
|--------------------|---------|-------------------|--------------------|
| | | | Kshs |
| Normal Allocation | 005148 | | 53,756,897 |
| | 030052 | | 10,000,000 |
| | 030385 | | 13,000,000 |
| | 006326 | | 7,000,000 |
| | 699043 | | 11,000,000 |
| | 42731 | | 13,000,000 |
| | 41008 | | 49,952,876 |
| | B047127 | 3,531,862 | |
| | B047146 | 1,027,586 | |
| | B041404 | 4,000,000 | |
| | B047689 | 5,000,000 | |
| | B041270 | 18,000,000 | |
| | B047406 | 4,000,000 | |
| | B104119 | 15,000,000 | |
| | B096557 | 11,000,000 | |
| | B104119 | 15,000,000 | |
| TOTAL | | 76,559,448 | 157,709,772 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

| Description | 2019-2020 | 2018-2019 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 2,091,213 | 1,756,443 |
| Personal allowances paid as part of salary | | |
| Employer contribution to NSSF | 122,340 | 36,400 |
| Contribution to NHIF | 75,650 | - |
| Gratuity-Paid | 195,754 | 158,625 |
| TOTAL | 2,484,957 | 1,951,468 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

| Description | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 30,000 | - |
| Electricity | - | 10,000 |
| Communication, supplies and services | 78,000 | 20,536 |
| Domestic travel and subsistence | 29,200 | - |
| Printing, advertising and information supplies & services | 5,000 | - |
| Training expenses | 1,317,107 | 600,000 |
| Hospitality supplies and services | | |
| Other committee expenses and Allowances | 4,438,909 | 2,440,908 |
| Committee allowance | - | 2,374,924 |
| Office and general supplies and services | 827,600 | 500,000 |
| Fuel , oil & lubricants | - | 944,890 |
| Other operating expenses | 2,768,926 | 1,129,500 |
| Bank service commission and charges | 42,300 | 26,300 |
| Routine maintenance - vehicles and other transport equipment | 300,000 | 349,200 |
| TOTAL | 9,837,042 | 8,396,258 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2019-2020 | 2018-2019 |
|------------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to Primary schools | 43,965,610 | 18,831,900 |
| Transfers to Secondary schools | 21,033,812 | 14,099,554 |
| Transfers to Tertiary institutions | 1,220,000 | 2,000,000 |
| TOTAL | 66,219,422 | 34,931,454 |

5. OTHER GRANTS AND OTHER PAYMENTS

| Description | 2019-2020 | 2018-2019 |
|--------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary -Secondary | 1,307,000 | 17,891,000 |
| Bursary -Tertiary | 4,921,000 | 15,320,207 |
| Security | 14,411,248 | 4,525,000 |
| Sports | 4,921,354 | - |
| Environment | - | 1,736,207 |
| Roads | - | 11,774,559 |
| Emergency Projects | 7,196,241 | 6,194,000 |
| TOTAL | 32,756,843 | 57,440,973 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

| Non Financial Assets | 2019-2020 | 2018-2019 |
|---|------------------|------------------|
| | Kshs. | Kshs |
| Construction of Buildings | - | 2,127,941 |
| Refurbishment of Buildings | 700,000 | 451,400 |
| Purchase of office furniture and fittings | 600,000 | - |
| TOTAL | 1,300,000 | 2,579,341 |

7. OTHER PAYMENTS

| Description | 2019-2020 | 2018-2019 |
|--------------------|------------------|------------------|
| | Kshs | Kshs |
| Strategic Plan | - | 3,076,076 |
| TOTAL | | 3,076,076 |

8. Bank Balances (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>Equity Bank- Garissa Branch</i> | | 13,983,380 | 50,022,195 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCES BROUGHT FORWARD

| | 2019-2020 | 2018-2019 |
|---------------|-------------------|-------------------|
| | (1/7/2019) | (1/7/2018) |
| | Kshs | Kshs |
| Bank accounts | 50,022,195 | 687,993 |
| Cash in hand | | |
| TOTAL | 50,022,195 | 687,993 |

10. UNUTILIZED FUND (See Annex 3)

| | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | 548,314 | 1,006,127 |
| Use of goods and services | 5,392 | 70,000 |
| Amounts due to other Government entities | 27,824,308 | 40,611,546 |
| Amounts due to other grants and other transfers | 45,768,842 | 8,415,015 |
| Acquisition of assets | 7,221 | 7,221 |
| Committee expense | - | 309,336 |
| Other Payments | 9,197,027 | 4,690,951 |
| | 83,351,104 | 55,110,196 |

11. PMC account balances (See Annex 5)

| | 2019-2020 | 2018-2019 |
|----------------------|------------------|------------------|
| | Kshs | Kshs |
| PMC account Balances | 7,149 | 6,779 |
| | | |

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

There were no pending accounts payable as at 30 June 2020

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

There were no pending staff payables as at 30 June 2020

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ANNEX 3 – UNUTILIZED FUND

| NAME | Brief transaction description | Outstanding balance 2019/2020 | Outstanding balance 2018/2019 | Comments |
|--|--------------------------------------|--------------------------------------|--------------------------------------|----------------------|
| 1.0 Administration | | | | |
| Compensation of Employees | | | | |
| 1.1.Compensation of Employees | | 548,314 | - | Pending Disbursement |
| Sub-Total | | 548,314 | - | Pending Disbursement |
| Use of Goods | | | | |
| 1.2.Committee Expenses | | 392 | - | Pending Disbursement |
| 1.3.Goods and Services | | 1,074 | - | Pending Disbursement |
| 2.1.Capacity Building of NG-CDFs/PMCs | | 3,926 | - | Pending Disbursement |
| Sub-Total | | 5,392 | | |
| Transfers to Other Government Units | | | | |
| 6.0 Primary School Projects | | | | |
| 6.1.Nanighi Primary school dorm | | 5,900 | - | Pending Disbursement |
| 6.4.Aliemij primary school | | 97,000 | - | Pending Disbursement |
| 6.5.Welmarer Primary School | | 1,346,887 | - | Pending Disbursement |
| 6.6.Bullanadhir primary school | | 109,750 | - | Pending Disbursement |
| 6.7.Mansabubu primary classes | | 87,500 | - | Pending Disbursement |
| 6.8..Bura primary school | | 265,600 | - | Pending Disbursement |
| 6.9.Nanighi Primary school | | 170,000 | - | Pending Disbursement |
| 6.10.Jambele primary school | | 85,470 | - | Pending Disbursement |
| 6.11.Garasweino primary school | | 95,005 | - | Pending Disbursement |
| 6.12.Guyo primary school | | 128,250 | - | Pending Disbursement |
| 6.13.Hajijimay primary school | | 47,500 | - | Pending Disbursement |

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| | | | | |
|--------------------------------------|--|-----------|---|----------------------|
| 6.14.. Warable integrated pry | | 100,000 | - | Pending Disbursement |
| 6.15..Alinjgur integrated pry | | 85,500 | - | Pending Disbursement |
| 6.16..Fafi primary school | | 95,975 | - | Pending Disbursement |
| 6.17..Dekaharja primary school | | 25,000 | - | Pending Disbursement |
| 6.18.Bullagolol primary school | | 85,538 | - | Pending Disbursement |
| 6.20.Amuma Primary school | | 205,200 | - | Pending Disbursement |
| 6.21 ..Harbole primary | | 700,000 | - | Pending Disbursement |
| 6.22.Guyo primary | | 38,000 | - | Pending Disbursement |
| 6.22..mansabubu primary | | 3,770,000 | - | Pending Disbursement |
| 6.23.Aliemij primary | | 800,000 | - | Pending Disbursement |
| 6.25.Jambele primary | | 3,770,000 | - | Pending Disbursement |
| 6.28.Abaqdera primary | | 90,000 | - | Pending Disbursement |
| 6.3.0.Guyo primary school | | 800,000 | - | Pending Disbursement |
| 6.31.Bura boarding primary school | | 500,000 | - | Pending Disbursement |
| 6.34.Taqal primary | | 900,000 | - | Pending Disbursement |
| 6.35.Hawajot primary | | 400,000 | - | Pending Disbursement |
| 6.36.Bullagolol primary | | 348,301 | - | Pending Disbursement |
| 6.37.Yumpis primary | | 800,000 | - | Pending Disbursement |
| 6.38.Fafihajin primary | | 1,200,000 | - | Pending Disbursement |
| 6.39.Fafihajin primary | | 600,000 | - | Pending Disbursement |
| 6.41.Borehole five primary | | 800,000 | - | Pending Disbursement |
| 6.42.Kamuthey primary | | 500,000 | - | Pending Disbursement |
| 6.44.Welmarer primary | | 800,000 | - | Pending Disbursement |
| 6.45.Garasweino primary | | 600,000 | - | Pending Disbursement |
| 7.0 Secondary School Projects | | | | |
| 7.4..Galmagala Secondary | | 144,500 | - | Pending Disbursement |
| 7.5..Borehole5 secondary school | | 250,000 | - | Pending Disbursement |
| 7.6.Nanighi Secondary School | | 1,992,115 | - | Pending Disbursement |

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| | | | | |
|---|--|--|-------------------|----------------------|
| Sub-Total | | | 7,221 | |
| 11.0 Others | | | | |
| 11.1.Sub-county registrar of persons office | | | 450,000 | Pending Disbursement |
| 11.2.ICT hub | | | 4,667,027 | Pending Disbursement |
| 11.3.social security programme | | | 4,000,000 | Pending Disbursement |
| 11.4.NHIF | | | 80,000 | Pending Disbursement |
| Sub-Total | | | 9,197,027 | Pending Disbursement |
| TOTAL | | | 83,351,104 | Pending Disbursement |

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2018/2019 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2019/2020 |
|--|---|---|---|---|
| Land | 4,716,000 | - | - | 4,716,000 |
| Buildings and structures | 9,297,184 | 700,000 | - | 9,997,184 |
| Transport equipment | 468,140 | - | - | 468,140 |
| Office equipment, furniture and fittings | 268,500 | 600,000 | - | 868,500 |
| ICT Equipment, Software and Other ICT Assets | 308,850 | - | - | 308,850 |
| Total | 15,058,674 | 1,300,000 | - | 16,358,674 |

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

| PMC | Bank | Account number | Bank Balance 2019/2020 | Bank Balance 2018/2019 |
|---------------------------------------|---------------|----------------|------------------------|------------------------|
| GARASWEINO PRIMARY SCHOOL | EQUITY | 0580279334341 | 400 | - |
| GUYO PRIMARY SCHOOL | EQUITY | 0580279294294 | 1,260 | - |
| HODHAN YOUTH GROUP | EQUITY | 0580178819846 | 2,040 | - |
| SALBATH SELF HELP GROUP | EQUITY | 0580179682873 | 580 | - |
| ABAQDERA INFRASTRUCTURE | EQUITY | 0580279321402 | 539 | - |
| GEDI NANIGHI YOUTH GROUP | EQUITY | 0580179879385 | 0 | - |
| MARASH COMMUNITY BASED ORGANISATION | EQUITY | 0580179579690 | 140 | - |
| ALFARAJ SELF HELP GROUP | EQUITY | 0580177505255 | 360 | - |
| MUSTAQBAL SELF HELP GROUP | EQUITY | 0580179908124 | 86 | - |
| BULLAGOLOL PRIMARY SCHOOL | EQUITY | 0580279295923 | 146 | - |
| GORA COMMUNITY GROUP | NATIONAL BANK | 01270088124600 | 38 | - |
| GACAL AGRI BUSINESS | NATIONAL BANK | 01553220028600 | 760 | - |
| BURA ONLINE COMMUNITY SELF HELP GROUP | KCB BANK | 1269814222 | 800 | - |
| Total | | | 7,149 | - |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) FAFI
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal person resolve issue | Point to the | Status: | Timeft : |
|--|---|--|----------------------------|--------------|----------|----------|
| 4.1 | Unsupported bursary disbursement | Management promised to follow up with respective institutions to provide the missing acknowledgement letters | FAM | | Resolved | |
| 4.2 | Unsupported routine maintenances for vehicles and other transport equipment | The documents are available for review. | FAM | | Resolved | |
| 4.3 | Budget Control and Performances | Management will ensure budget is implemented promptly | FAM | | Resolved | |
| 4.4 | Project Implementation and Management | Management will ensure all projects are implemented | FAM | | Resolved | |