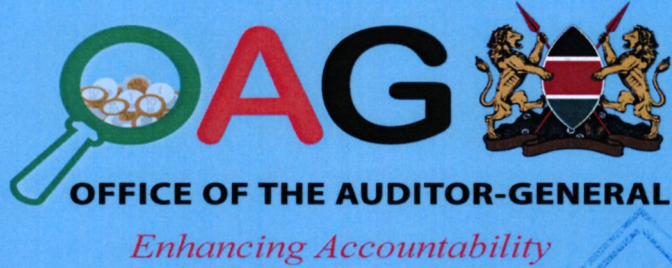


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**

THE NATIONAL AUDITING AUTHORITY
20 JUN 2023 Thursday
Hon. Naemi Waco, MP
Deputy Majority Party Whip
A. Shubuke

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE

24 APR 2023

RECEIVED
P. O. BOX 88-70100 C



IJARA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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1. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

Ijara Constituency

National Government Constituencies Development Fund (NGCDF)

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Hassan Kassim
2.	Sub-County Accountant	Yassin Golicha
3.	Chairman NGCDFC	Nasir Bare
4.	Member NGCDFC	Halima Bule

(d) Fiduciary Oversight Arrangements

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

(e) Ijara Constituency NGCDF Headquarters

P.O. Box 92 – 70100,
Opposite Ijara Kenya wildlife service office,
Masalani, KENYA

(f) Ijara Constituency NGCDF Contacts

Telephone: (254) 0720 020 647
E-mail: cdfljara@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Ijara Constituency NGCDF Bankers

First Community Bank
Garissa Branch
Account Number: 50000774

(h) Independent Auditors

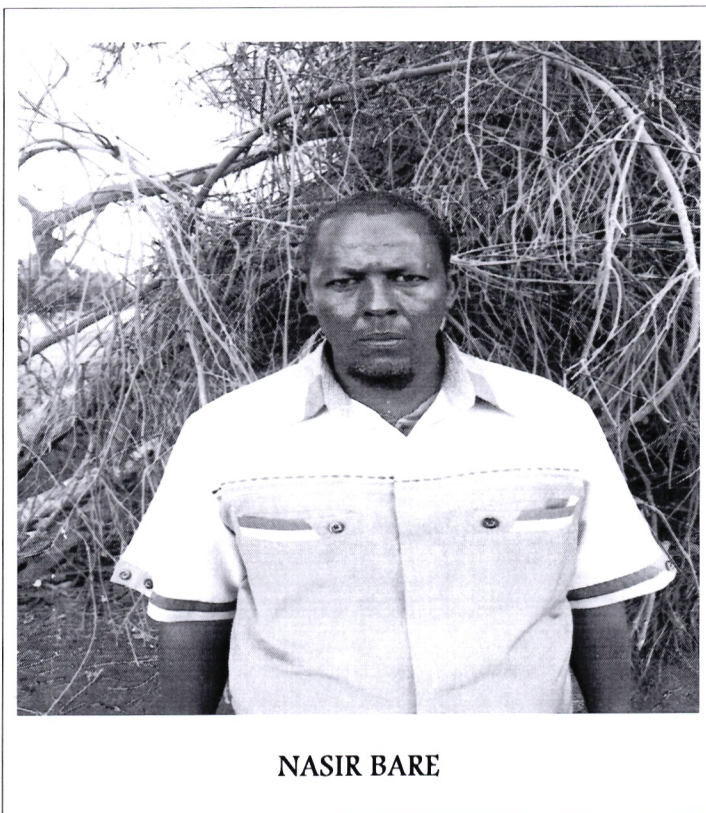
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report

(One to two pages)

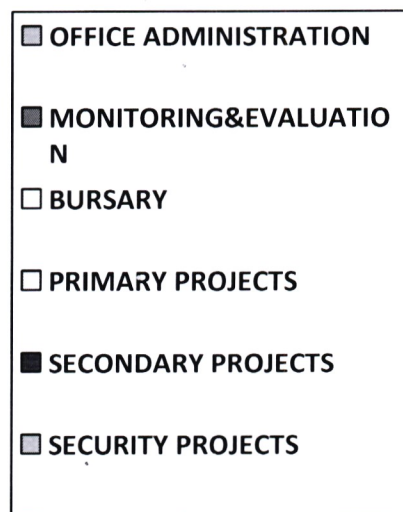
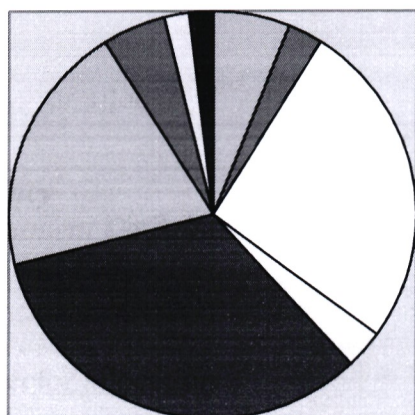


NASIR BARE

Ijara national government constituency development funds as mandated by NG-cdf act, prioritized on projects for funding during the financial year 2021/2022. The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval. The following is the summary breakdown of proposed projects for funding during the financial year 2021/2022.

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
1.	Office administration	8,225,333	6
2.	Monitoring and evaluation	4,112,666	3
3.	Bursary	35,175,118	26
4.	Primary projects	3,900,000	3
5.	Secondary school projects	45,500,000	33
6.	Security projects	27,500,000	20
7.	Emergency reserve	7,192,207	5
8.	Sports activities	2,741,778	2
9.	Environmental projects	2,741,778	2
	TOTAL	137,088,879	100

Percentage of sector allocation



During the financial year the committee received amount of Kshs.164, 177,758.30 from the board that includes balances during last financial year 2020/21 and half of the allocation for 2021/22. The committee further managed to disburse funds to both pmcs and other contractors and the expenditure is as follows:

ITEM	AMOUNT SPENT
Compensation of employees	4,867,940.00
Use of goods and services	9,052,081.00
Transfers to Other Government Units	70,775,000.00
Other grants and transfers	103,644,658.30
Acquisition of Assets	-
Other payments	-
TOTAL PAYMENTS	188,339,679.30

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

BUDGET PERFORMANCE

The budget performance was really affected by high inflation rates and price fluctuation of materials and labour force in the implementation of projects. The untimely release of funds from the NG-CDF board also affected the budget performance. If all the funds could have been released on time the budget performance would have been tremendous.

KEY ACHIVEMENTS

During the year Ijara NG-CDF had achieved a lot in the implementation of projects in different sectors. The fund has developed schools, security, housing, water services in schools, bursary for needy students in secondary schools and universities. NG-CDF funds have really elevated the livelihoods of the constituencies in the sense that its implemented at the grassroots level where all levels of the community participate and benefit in one way or another. For instance, labour force and provision of materials and the middle level also benefited by getting contracts.

EMERGING ISSUES

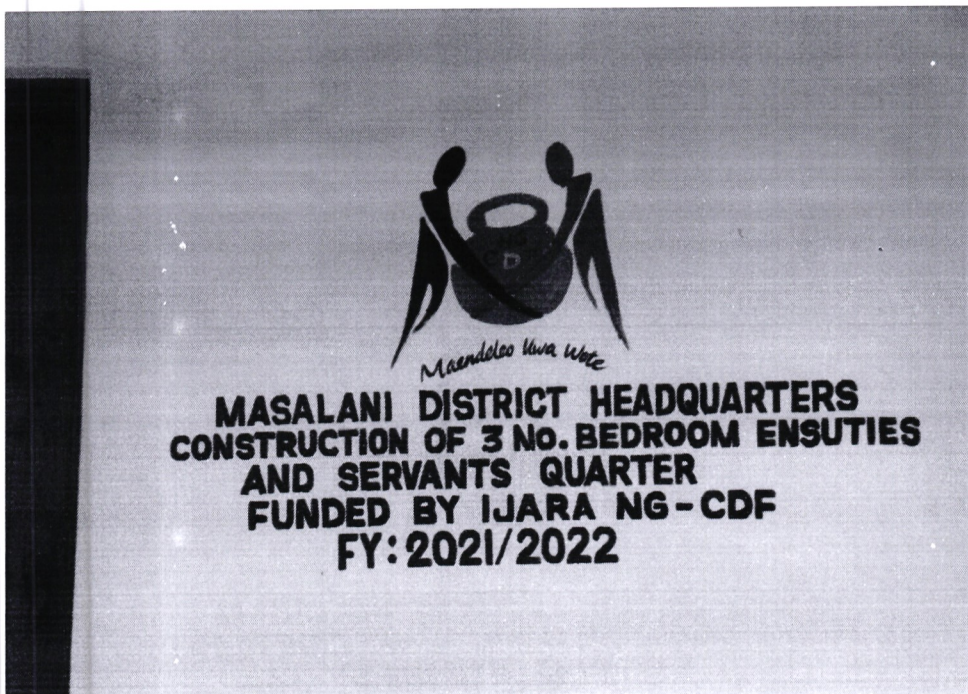
This year the release of funds from the board was a major problem since treasury was not releasing funds to the board. In fact, the monies were released in small portions. This hampered the implementation of projects since the funds released by the board were not adequate.

IMPLEMENTATION CHALLENGE

The corona pandemic also hindered the implementation of projects on time. The project management committee does not have the capacity in implementing the projects as per the required regulations. Funds' not being released on time from the board was also a challenge. Projects cannot be implemented within the financial year because of lack of funding. Lack of procurement personnel at the sub-county level to guide the committee on the procurement procedures. The NG-CDF board should far track and ensure adequate procurement personnel are posted to the sub-county. Lack of public works officers in the sub-county was also a challenge.

National government through the ministry of interior to provide proper security for easy implementation of NG-CDF project.

The following are some of the projects implemented by NG-CDF Ijara during 2021/2022 financial year.



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





.....
Nasir Bare
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of NGCDF-Ijara Constituency's 2018-2022 plans are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

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 Accessibility	To improve access, affordability and availability of quality education	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 20/21 -we increased the number of classrooms from 300 to 340, -dormitories from 12 to 13, -administration blocks from 14 to 18 - tertiary institutions from 0 to 1 and -laboratories from 5 to 7
Security	To enhance security in the constituency for better service delivery	-Construction/renovation of administration chiefs' offices	Number of usable physical infrastructures built in locations, sub-	-number of construction of chiefs' offices increased from 15

Tjara Constituency

National Government Constituencies Development Fund (NGCDF)

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

		-fencing of security offices, construction of housing units, offices and fencing police stations	locations and police stations Number of police stations fenced	to 16 -number of assistant chiefs' offices increased from 10 to 11 -number of police stations fenced increased from 5 to 7
Environment	To promote environmental sustainability	Provision of tree seedlings and nurseries to institutions Construction of water tanks and installation of gutters for rain water harvesting	-number of institutions provided with seedlings and nurseries -number of institutions with water harvesting facilities	-number of institutions provided with seedlings and nurseries increased from 10 to 14 -number of institutions with water harvesting facilities increased from 8 to 10
Youth and Sports	To empower the youth and harness their talent	-creating awareness among the youth on the establishment of youth groups, and assessing devolved funds -funding of youth sporting initiatives	-number of youth groups empowered -number of youth groups funded	-number of youth groups empowered and trained increased from 4 to 10 -number of youth groups funded increased from 4 to 10
Tracking of results	To improve tracking of implementation of NG-CDF programmes at the right time and information used in decision making	-capacity building of NG-CDFC's and PMC's -organising regular projects monitoring field visits	-number of times capacity building of PMC's and NG-CDFC's was done -number of times projects monitoring is done	-the capacity building of PMC's and NG-CDFC's has improved from one in a year to two times in a year -monitoring of projects and field visits has improved from quarterly monitoring to monthly monitoring.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Ijara NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

3. Employee welfare

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

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

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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


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

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

Public Awareness

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

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


.....
Hassan Kassim
FAM

V. Statement of Management Responsibilities

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

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

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

The Accounting Officer in charge of the NGCDF Ijara Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were

Ijara Constituency

National Government Constituencies Development Fund (NGCDF)

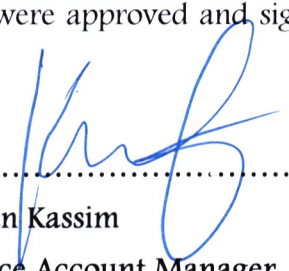
Annual Report and Financial Statements for The Year Ended June 30, 2022

used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

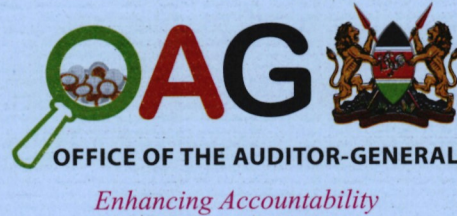
The NGCDF- Ijara Constituency financial statements were approved and signed by the Accounting Officer on 25/4/2022


.....
Nasir Bare
Chairman – NGCDF Committee


.....
Hassan Kassim
Finance Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ijara Constituency set out on pages 1 to 30, which

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

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

In my opinion, except for the 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 National Government Constituencies Development Fund - Ijara Constituency as at 30 June, 2022 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

Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers balance of Kshs.103,714,658 which, as disclosed in Note 5 to the financial statements, includes bursary amounts of Kshs.22,420,450 and Kshs.26,535,449 disbursed to secondary schools and tertiary institutions respectively, both totalling to Kshs.48,955,899. However, included in the latter amount are bursary payments totalling to Kshs.6,944,500 whose supporting acknowledgement letters or official receipts from the receiving institutions were not provided for audit.

In the circumstances, the accuracy, completeness and authenticity of the bursary payments of Kshs.6,944,500 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 - Ijara Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various audit issues included in the audit report for the previous year remained unresolved as at 30 June, 2022 as disclosed in the Progress on Follow-Up of Auditor

Recommendation section of my report. Management did not provide reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Expenditure from Emergency Reserve

The statement of receipts and payments reflects other grants and transfers balance of Kshs.103,714,658 which, as disclosed in Note 5 to the financial statements, includes an expenditure of Kshs.10,771,177 from emergency reserve. However, Management spent Kshs.10,771,177 from emergency reserve against an approved budget of Kshs.10,731,333, resulting in unauthorized over-expenditure of Kshs.39,844. This was contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations, 2015, which provides that National Government entities shall execute their approved budgets based on the annual appropriation legislation and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the Contingencies Fund or supplementary estimates.

Further, the utilization of the emergency reserve was not reported to the National Government Constituencies Development Fund Board within thirty (30) days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Valuation of Assets

Annex 2 to the financial statements reflects assets with historical cost of Kshs.22,146,874. However, Management did not provide evidence to confirm that assets whose value may have significantly changed overtime were revalued.

In the circumstances, it was not possible to confirm the valuation status of the assets.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

30 May, 2023

Ijara Constituency

National Government Constituencies Development Fund (NGCDF)

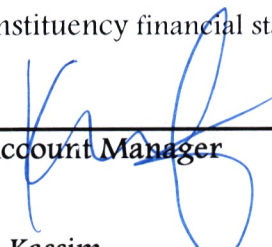
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

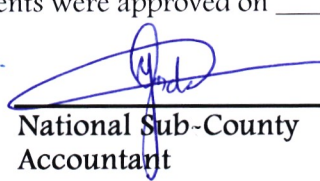
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	164,177,758	112,200,000
Total Receipts		164,177,758	112,200,000
Payments			
Compensation Of Employees	2	4,867,940	4,383,144
Use Of Goods and Services	3	9,052,081	9,871,482
Transfers To Other Government Units	4	70,705,000	78,850,000
Other Grants and Transfers	5	103,714,658	67,111,408
Acquisition Of Assets		-	-
Other Payments		-	-
		-	-
Total Payments		188,339,679	160,216,034
Surplus/(Deficit)		(24,161,921)	(48,016,034)

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

The Constituency financial statements were approved on 20/4/ 2023 and signed by:

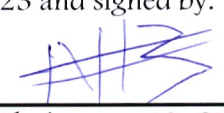

Fund Account Manager

Hassan Kassim


National Sub-County
Accountant

Yasin Golicha

ICPAK M/No: 12255


Chairman NG-CDF
Committee

Nasir Bare

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

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

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	6	9,665	24,171,586
Cash Balances (Cash at Hand)		-	-
Total Cash and Cash Equivalents		9,665	24,171,586
Accounts Receivable			
Outstanding Imprests		-	-
Total Financial Assets		9,665	24,171,586
Financial Liabilities			
Accounts Payable (Deposits)			
Retention			
Gratuity		-	-
Total Financial Liabilities		-	-
Net Financial Assets		9,665	24,171,586
Represented By			
Fund Balance B/Fwd	7	24,171,586	72,187,619
Prior Year Adjustments			
Surplus/Deficit for The Year		(24,161,921)	(48,016,034)
Net Financial Position		9,665	24,171,586

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

The Constituency financial statements were approved on 20/4/ 2023 and signed by:

Fund Account Manager

Hassan Kassim

National Sub-County
Accountant

Yasin Golicha

ICPAK M/No: 12255

Chairman NG-CDF
Committee

Nasir Bare

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

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

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	164,177,758	112,200,000
Other Receipts		-	-
Total Receipts		164,177,758	112,200,000
Payments			
Compensation Of Employees	2	4,867,940	4,383,144
Use Of Goods and Services	3	9,052,081	9,871,482
Transfers To Other Government Units	4	70,705,000	78,850,000
Other Grants and Transfers	5	103,714,658	67,111,408
Acquisition of Assets		-	-
Other Payments		-	-
Total Payments		188,339,679	160,216,034
Total Receipts Less Total Payments		-	-
Adjusted For:		-	-
Decrease/(Increase) In Accounts Receivable		-	-
Increase/(Decrease) In Accounts Payable		-	-
Prior Year Adjustments			
Net Cash Flow from Operating Activities		(24,161,921)	(48,016,034)
Cashflow From Investing Activities		-	-
Proceeds From Sale of Assets		-	-
Acquisition Of Assets		-	-
Net Cash Flows from Investing Activities			
Net Increase In Cash And Cash Equivalent		(24,161,921)	(48,016,034)
Cash & Cash Equivalent At Start Of The Year	8	24,171,586	72,187,619
Cash & Cash Equivalent At End Of The Year	8	9,665	24,171,586

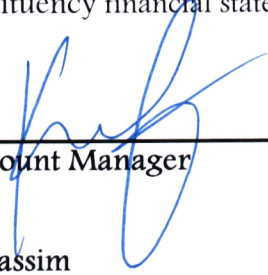
Jjara constituency


National Government Constituencies Development Fund(NGCDF)


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

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

The Constituency financial statements were approved on 29/4/ 2023 and signed by:


Fund Account Manager
Hassan Kassim


National Sub-County
Accountant
Yasin Golicha
ICPAK M/No: 12255


Chairman NG-CDF
Committee
Nasir Bare

Ijara Constituency

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

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

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	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	137,088,879	24,171,586	27,088,879	188,349,344	188,349,344	0	
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	
TOTAL RECEIPTS	137,088,879	24,171,586	27,088,879	188,349,344	188,349,344	0	100.0%
PAYMENTS							
Compensation of Employees	4,180,000	700,000	0	4,880,000	4,867,940	12,060	99.8%
Use of goods and services	8,157,999	802,036	950,000	9,910,035	9,052,081	857,954	91.3%
Transfers to Other Government Units	49,400,000	7,720,000	13,719,745	70,839,745	70,705,000	134,745	99.8%
Other grants and transfers	75,350,880	14,949,550	12,419,134	102,719,564	103,714,658	-995,094	100.96%
Acquisition of Assets	0	0	0	0	-	-	
Other Payments	0						
TOTAL	137,088,879	24,171,586	27,088,879	188,349,344	188,339,679	9,665	100.0%

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes .

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

Ijara constituency
National Government Constituencies Development Fund(NGCDF)
Annual Report and Financial Statements For The Year Ended June 30, 2022

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

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	9,665
Less undisbursed funds receivable from the Board as at 30th June 2022	0
Add Accounts payable	0
Less Accounts Receivable	0
Add/ Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	9,665

The Constituency financial statements were approved on 27/4/2023 and signed by:


Hassan Kassim


National Sub-County Accountant

Hassan Kassim

Yasin Golicha


Chairman NG-CDF Committee

Nasir Bare

ICPAK M/No: 12255

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c - d)	% of Utilisation(f=d/ c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent	Kshs		Kshs	Kshs	Kshs		
1.1 Compensation of employees	4,180,000	700,000.00	-	4,880,000	30/06/2022 4,867,940.00	12,060	100
1.2 Committee allowances	1,600,000	14,904.00	-	1,614,904	1,600,000.00	14,904	99
1.3 Use of goods and services	2,445,333	-	550,000	2,995,333	2,977,412.00	17,921	99
Total	8,225,333	714,904	550,000	9,490,237	9,445,352.00	44,885	100
2.0 Monitoring and evaluation							
2.1 Capacity building	1,457,491	-	-	1,457,491	1,043,804.00	413,687	72
2.2 Committee allowances	2,055,175	700,000.00	-	2,755,175	2,743,865.00	11,310	100
2.3 Use of goods and services	600,000	87,132.00	-	687,132	687,000.00	132	100
Total	4,112,666	787,132	-	4,899,798	4,474,669.00	425,129	91
3.0 Emergency							
3.1 Primary Schools	7,192,207	3,100,000.00	439,126	10,731,333	10,721,477.00	9,856	100
3.2 Secondary schools	-	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
Total	7,192,207	3,100,000	439,126	10,731,333	10,721,477.00	9,856	100
4.0 Bursary and Social Security							

Ijara constituency
National Government Constituencies Development Fund(NGCDF)
Annual Report and Financial Statements For The Year Ended June 30, 2022

4.1 Secondary Schools	15,175,118	1,700,000.00	810,386	17,685,504	17,685,404.30	100	100
4.2 Tertiary Institutions	20,000,000	-	-	20,000,000	20,000,000.00	-	100
4.3 Social Security	-	-	-	-	-	-	
4.4 Special Needs	-	-	-	-	-	-	
Total	35,175,118	1,700,000	810,386	37,685,504	37,685,404.30	100	100
5.0 Sports							
5.1	2,741,778	519,646.59	649,623	3,911,047	3,908,000.00	3,047	100
Total	2,741,778	519,647	649,623	3,911,047	3,908,000.00	3,047	100
6.0 Environment							
6.1 Bothai Primary	-	108,125.53	-	108,126	100,000.00	8,126	92
Ijara Ngcdf Office	1,200,000	-	-	1,200,000	1,200,000.00	-	100
Ijara Ngcdf Office	516,445	-	-	516,445	516,445.00	(0)	100
Ijara Ngcdf Office	100,000	-	-	100,000	100,000.00	-	100
Ijara Ngcdf Office	241,778	-	-	241,778	241,778.00	(0)	100
Budhai Sub County Dec Office	241,778	-	-	241,778	241,778.00	(0)	100
Masalani Sub County Dec Office	241,778	-	-	241,778	241,778.00	(0)	100
Masalani Sub County Dec Office	100,000	-	-	100,000	88,221.00	11,779	88
Budhai Sub County Dec Office	100,000	-	-	100,000	-	100,000	-
Total	2,741,778	108,126	-	2,849,903	2,730,000.00	119,903	96
7.0 Primary Schools Projects							
Korisa Primary School	-	600,000.00	0.00	600,000	600,000.00	-	100
Khalangalderow Primary School	-	1,400,000.00	0.00	1,400,000	1,400,000.00	-	100
Ruqa Primary School	-	500,000.00	0.00	500,000	500,000.00	-	100
7.5 Garabey Primary School	-	800,000.00	1,100,000.00	1,900,000	1,900,000.00	-	100

Ijara constituency
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7.9 Warsame Primary School	-	-	900,000.00	900,000.00	-	900,000.00	100
7.8 Gesireb Primary Sch	800,000	-	0.00	800,000	-	800,000.00	100
7.8 Gumaray Primary Sch	800,000	-	0.00	800,000	-	800,000.00	100
7.8 Korisa Primary Sch	1,200,000	-	0.00	1,200,000	-	1,200,000.00	100
7.8 Abalatero Primary Sch	1,100,000	-	0.00	1,100,000	-	1,100,000.00	100
Bona Primary School	-	250,000.00	350,000.00	600,000	-	600,000.00	100
Total	3,900,000	3,550,000	2,350,000	9,800,000	-	9,800,000.00	100
8.0 Secondary Schools Projects							
Ijara Secondary School	-	-	1,500,000.00	1,500,000	-	1,500,000.00	100
Sophira Girls Secondary School	-	-	700,000.00	700,000	-	700,000.00	100
Sophira Girls Secondary School	-	3,400,000.00	-	3,400,000	-	3,400,000.00	100
Sophira Girls Secondary School	-	770,000.00	4,075,745.00	4,845,745	-	4,845,745.00	100
Sophira Girls Secondary School	-	-	1,959,000.00	1,959,000	-	1,959,000.00	100
Sophira Girls Secondary School	7,200,000	-	-	7,200,000	-	7,200,000.00	100
Sophira Girls Secondary School	2,000,000	-	-	2,000,000	-	2,000,000.00	100
Sophira Girls Secondary School	2,000,000	-	-	2,000,000	-	2,000,000.00	100
Sophira Girls Secondary School	7,700,000	-	-	7,700,000	-	7,700,000.00	100
Sophira Girls Secondary School	6,500,000	-	-	6,500,000	-	6,500,000.00	100
Sophira Girls Secondary School	3,000,000	-	-	3,000,000	-	3,000,000.00	100
Sophira Girls Secondary School	4,500,000	-	-	4,500,000	-	4,500,000.00	100
Sophira Girls Secondary School	9,000,000	-	2,630,000.00	11,630,000	-	11,565,255.00	99
Sophira Girls Secondary School	3,600,000	-	-	3,600,000	-	3,600,000.00	100
Total	45,500,000	4,170,000	10,864,745	60,534,745	-	60,470,000.00	100
9.0 Tertiary Institutions Projects							

Ijara constituency
National Government Constituencies Development Fund(NGCDF)
Annual Report and Financial Statements For The Year Ended June 30, 2022

Bothai Sub-County Dcc Staff Houses	3,900,000	-	-	3,900,000	3,760,000.00	140,000	96
Bothai Dcc	6,500,000	-	-	6,500,000	6,500,000.00	-	100
Bothai Dcc	1,000,000	-	-	1,000,000	500,000.00	500,000	50
Masalani Deputy County Commissioner Staff House	3,000,000	100,000.00	-	3,100,000	3,100,000.00	-	100
Total	27,500,000	9,521,778	10,919,999	47,941,777	48,599,777.00	(658,000)	101
11.0 Acquisition of assets							
	-						
Total	-	-	-	-	-	-	
12.0 Other payments							
Ijara Technical Training Institute	-	-	505,000.00	505,000.00	505,000.00	-	100
Total	-	-	505,000	505,000	505,000.00	-	100
13.0 unallocated fund							
Unapproved projects							
AIA							
PMC savings							
Total	137,088,879	24,171,586	27,088,879	188,349,344	188,339,679.30	9,665	100

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

XII. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 104902		2,200,000
AIE NO. B 124523		9,000,000
AIE NO. B 124947		12,000,000
AIE NO. B 138816		15,000,000
AIE NO. B 128093		6,900,000
AIE NO. B 128404		8,000,000
AIE NO. B 123870		6,000,000
AIE NO. B 126234		15,000,000
AIE NO. B 126739		6,000,000
AIE NO. B 134678		12,100,000
AIE NO. B 125789		20,000,000
AIE NO. B 128508	16,000,000.00	
AIE NO. B 105974	10,000,000.00	
AIE NO. B 105601	34,000,000.00	
AIE NO. B 105386	34,000,000.00	
AIE NO. B 128819	26,000,000.00	
AIE NO. B 154017	17,088,879.00	
AIE NO. B 140896	27,088,879.30	
TOTAL	164,177,758.30	112,200,000

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

Notes To the Financial Statements (Continued)

2. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,717,280.00	4,272,584
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	150,660.00	110,560
Total	4,867,940.00	4,383,144

3. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Bank service commission and charges	83,264.00	-
Utilities, supplies and services	66,000.00	58,400
Communication, supplies and services	90,000.00	-
Domestic travel and subsistence	1,195,400.00	-
Printing, advertising and information supplies & services		-
Training expenses	775,000.00	-
Hospitality supplies and services	676,000.00	-
Water and sewerage charges		-
Other committee expenses	2,546,069	1,409,800
Committee allowance	2,144,000	3,875,140
Office and general supplies and services	156,195	3,827,738
Fuel, oils and lubricants	912,453.00	613,434
Other operating expenses	407,700.00	86,970
Total	9,052,081.00	9,871,482

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

Notes To The Financial Statements (Continued)

4. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	9,800,000.00	61,760,000
Transfers To Secondary Schools (See Attached List)	60,400,000.00	12,250,000
Transfers To Tertiary Institutions (See Attached List)	505,000.00	4,840,000
Total	70,705,000.00	78,850,000

5. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,420,450.00	18,759,968
Bursary – tertiary institutions (see attached list)	26,535,449.00	20,000,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Bursary (Special Schools)	-	883,000
Security projects (see attached list)	37,399,282.00	17,000,000
Sports projects (see attached list)	3,858,300.00	2,670,440
Environment projects (see attached list)	2,730,000.00	-
Emergency projects (see attached list)	10,771,177.00	7,798,000
Total	103,714,658.00	67,111,408

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Notes To the Financial Statements (Continued)

6. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	(30/06/2022)	(30/06/2021)
<i>FIRST COMMUNITY BANK, GARISSA BRANCH-IJARA NG-CDF, Account No. 50000774</i>	9,664.53	24,171,586
Total	9,664.53	24,171,586
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

Notes To the Financial Statements (Continued)

7. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	24,171,585.53	72,187,619
Cash in hand		
Imprest		
Total	24,171,585.53	72,187,619

8. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	7,868,100.00	8,557,600
Imprest surrendered during the Year (C)	7,868,100.00	8,557,600
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

Notes To the Financial Statements (Continued)

9. Other Important Disclosures

9.1: Unutilized Fund (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	12,060	72,856.00
Use of goods and services	457,954.37	86,941.00
Amounts due to other Government entities (see attached list)	64,745	40,900,000.00
Amounts due to other grants and other transfers (see attached list)	(525,094.03)	10,200,667.00
Acquisition of assets	-	-
Others(specify)	-	-
Funds pending approval	-	-
Total	9,665.34	51,260,464.00

Ijara constituency

National Government Constituencies Development Fund(NGCDF)

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

9.2: PMC account balances (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	615,646.46	5,143
Total	615,646.46	5,143

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

Annex 1: Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance		Comments
		2021/22	2020/21	
Compensation Of Employees		12,060.00	72,856.00	pending disbursement
Use Of Goods & Services		457,954.37	86,941.00	pending disbursement
Amounts Due To Other Government Entities				
Masalani Primary School		-	8,000,000.00	pending disbursement
Masalani Primary School		-	3,000,000.00	pending disbursement
Gumarey Primary School		-	3,900,000.00	pending disbursement
Ege Primary School		-	1,900,000.00	pending disbursement
Korahindi Primary School		-	600,000.00	pending disbursement
Doi Primary School		-	2,500,000.00	pending disbursement
Dabaramatam Primary School		-	1,900,000.00	pending disbursement
Khalangalderow Primary School		-	1,400,000.00	pending disbursement
Ijara Technical Training Institute		-	7,200,000.00	pending disbursement
Ijara Secondary School		-	1,500,000.00	pending disbursement
County Council Secondary School		-	5,000,000.00	pending disbursement
Ijara District Education Headquarters		-	4,000,000.00	pending disbursement
Sub-Total:		470,014.37	41,059,797.00	

Ijara constituency
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 8.0 Secondary Schools Projects

Sophira Girls Secondary School	64,745.00	-	pending disbursement
Sub-Total	64,745.00	-	
Amounts Due To Other Grants And Other Transfers			
Emergency	9,856.00	2,720,000.00	pending disbursement
Sport	3,047.00	624,685.90	pending disbursement
Bursary	100.30	1,785,981.10	pending disbursement
Social Security	-	2,570,000.00	pending disbursement
Hulugho Dc Office	-	2,500,000.00	pending disbursement
Masalani Dcc Office	111,779.00	-	pending disbursement
Bothai Primary	8,123.67	-	pending disbursement
Bothai District Office	2,000.00	-	pending disbursement
Ijara Criminal Investigation Offices	800,000.00	-	pending disbursement
Hulugho Dcc	(2,100,000.00)	-	pending disbursement
Bothai Dcc Staff Houses	140,000.00	-	pending disbursement
Bothai Dcc	500,000.00	-	pending disbursement
Ijara Deputy County	-	-	pending disbursement
Sub-Total	(525,094.03)	10,200,667.00	

Ijara constituency
National Government Constituencies Development Fund(NGCDF)
Annual Report and Financial Statements For The Year Ended June 30, 2022

Acquisition Of Assets					
Construction Of Cdf Office	-				pending disbursement
Purchase Of Computers	-				pending disbursement
Others (<i>Specify</i>)	-				pending disbursement
Strategic Plan	-				pending disbursement
Sub-Total	-				
Grand Total	9,665.34			51,260,464.00	

*Ijara constituency
National Government Constituencies Development Fund(NGCDF)
Annual Report and Financial Statements For The Year Ended June 30, 2022*

Annex 2: Summary of Fixed Asset Register

Asset class	Historical Cost b/f/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land	-	-	-	-
Buildings and structures	13,450,000.00	-	-	13,450,000.00
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	2,171,174.00	-	-	2,171,174.00
ICT Equipment, Software and Other ICT Assets	660,000.00	-	-	660,000.00
Other Machinery and Equipment	5,865,700.00	-	-	5,865,700.00
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,146,874.00	-	-	22,146,874.00

*Ijara constituency
National Government Constituencies Development Fund(NGCDF)
Annual Report and Financial Statements For The Year Ended June 30, 2022
Annex 3: PMC Bank Balances As At 30th June 2022*

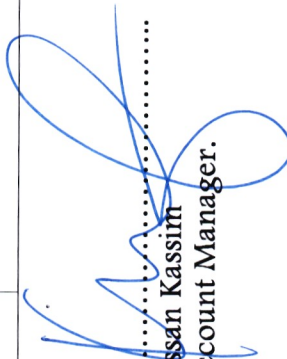
PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
BOTHAI DISTRICT OFFICE ADMINISTRATION PMC	KCB	00116685101	2,320.00	
GUMAREY PRIMARY SCHOOL PMC	KCB	5000207301	5,337.00	
KORISA PRIMARY SCHOOL PMC	KCB	5000206901	105,709.46	
MASALANI DISTRICT PMC	KCB	2987728101	501,280.00	
KOTILE GIRLS SECONDARY SCHOOL PMC	KCB	001667201	1,000.00	
TOTAL			615,646.46	

*Ijara constituency
National Government Constituencies Development Fund(NGCDF)
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Annex 4: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
IJARA/CDF/AUD/VOL.II/1	Un supported expenditure	To be responded	Not yet resolved	30 th June, 2023
IJARA/CDF/AUD/VOL.II/2	Lack of authority to incur expenditure	To be responded	Not yet resolved	30 th June, 2023
IJARA/CDF/AUD/VOL.II/3	Un supported project management committee bank account balance	To be responded	Not yet resolved	30 th June, 2023

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 Hassan Kassim
 Fund Account Manager.