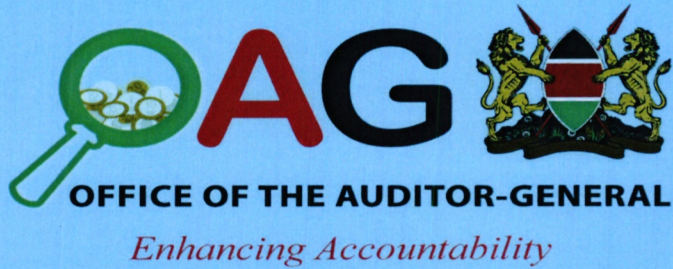


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REPORT

NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 OCT 2021 DAY: THURSDAY

TABLED BY: OF	Lom
CLERK-AT THE-TABLE:	Benson Inzofu

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – GARISSA
TOWNSHIP CONSTITUENCY**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND GARISSA
TOWNSHIP CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 GARISSA TOWNSHIP 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Hassan B.Ismail
3.	Sub-County Accountant	Mohamed A.Aden
4.	Chairman NGCDFC	Siyad .Muhumed
5.	Member NGCDFC	Noor M.Hassan

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Garissa Township Constituency Headquarters

P.O. Box 800-70100
Opposite A.I.C Church
Off Kismayu Rd
Garissa, KENYA

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

(f) NGCDF GARISSA TOWNSHIP Constituency Contacts

Telephone: (254) 723283423
E-mail: cdfgarissatown.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF GARISSA TOWNSHIP Constituency Bankers

1. Equity
Garissa Branch
P.O. Box
Garissa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

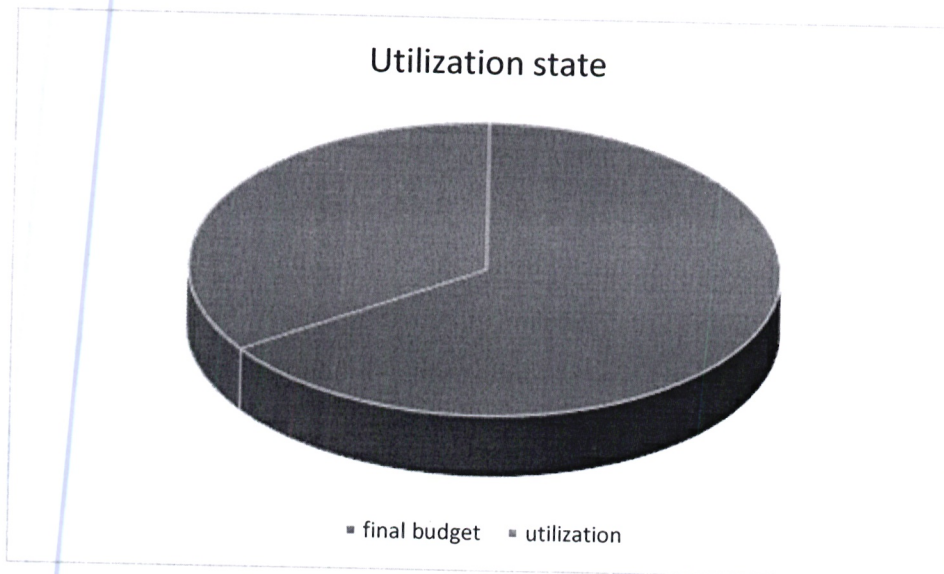
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

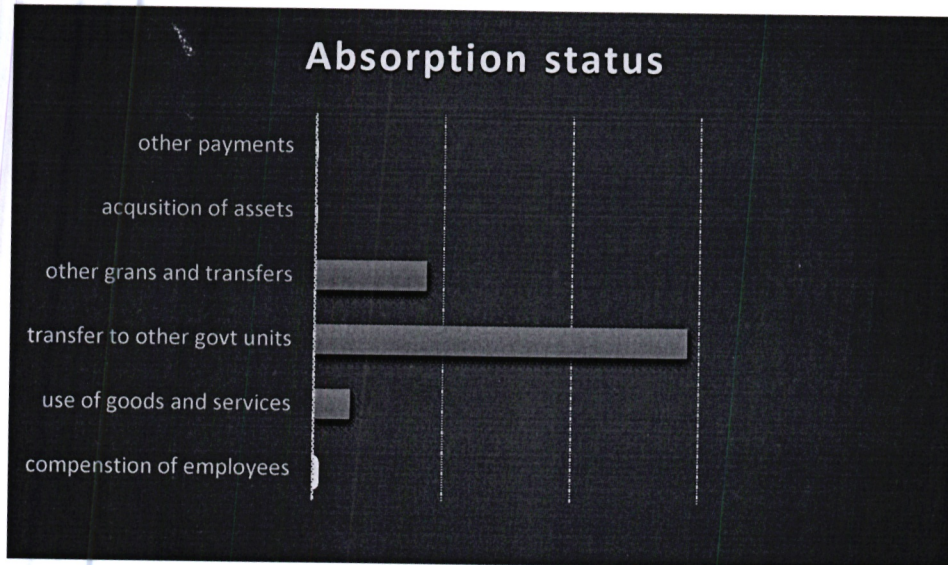
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NGCDFC would wish to have in summary the budget performance against actual amounts for current year based on economic classification and programs. The NG-CDF have improved the Education and Security infrastructures of Garissa Township Constituency.

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues that affected the project implementation process included the late disbursement of funds and time lapse to approval of projects. However, NG CDF Garissa Township managed to perform satisfactorily in terms of ensuring development programs are undertaken despite the said challenges. Included below find pictorial representation of budget expenditure against actual comparable implemented status and the absorption rate per expenditure categorization as incurred through the financial year 2018/2019.



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



Sign

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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-GARISSA TOWNSHIP 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, 2018. 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-GARISSA TOWNSHIP Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-GARISSA TOWNSHIP Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

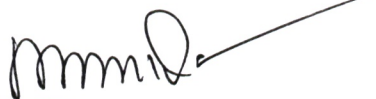
The Accounting Officer in charge of the NGCDF-GARISSA TOWNSHIP Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for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

Approval of the financial statements

The NGCDF-GARISSA TOWNSHIP Constituency financial statements were approved and signed by the Accounting Officer on 13th Sep. 2019.



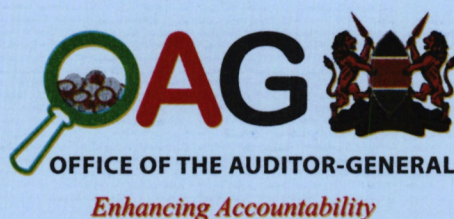
Fund Account Manager
Name: Hassan B. Ismail



Sub-County Accountant
Name: Mohamed A. Aden
ICPAK Member Number

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 – GARISSA TOWNSHIP CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Garissa Township Constituency set out on pages 1 to 25, which comprise of the statement of financial assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Transfer to Other Government Entities

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfer to other government entities totalling to Kshs.47,058,403. The balance includes transfer to primary schools' amount of Kshs.27,648,058 from which an amount of Kshs.3,000,000 was transferred to Al-Farouq Primary School for the renovation of eight (8) classrooms and one administration block. Physical verification conducted in January, 2020 revealed that the project was complete. However, the Management did not avail the project file, bill of quantities and other tender documents.

In the circumstances, the accuracy, completeness and validity of the expenditure amount of Kshs.3,000,000 for renovations for the year ended 30 June, 2019 could not be ascertained.

2. Unsupported Other Grants and Other Payments

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.31,329,000. The balance includes bursaries totalling to Kshs.28,129,000. However, review of records revealed that an amount of Kshs.13,459,000 was not supported by acknowledgement letters from the learning institutions and evidence of cheques' dispatch. Further, the balance includes Kshs.3,200,000 for construction of police offices in Garissa Town. Physical verification conducted on 30 January, 2020 revealed that the project was complete. However, the Management did not avail the project file, bill of quantities and other tender documents.

Consequently, the accuracy, completeness and validity of bursaries expenditure and construction of police offices amounting to Kshs.13,459,000 and Kshs.3,200,000 respectively spent during the year ended 30 June, 2019 could not be confirmed.

3. Unsupported Committee Expenses

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.8,347,280. The balance includes committee expenses amounting to Kshs.5,444,710. Review of records revealed that an amount of Kshs.650,000 was spent on monitoring and evaluation exercise within the Constituency. However, the Management did not provide supporting documents such as; copies of the temporary work tickets, logbooks, insurance stickers, drivers licenses for the hired vehicles and list of the visited projects.

In the circumstances, the accuracy, completeness and validity of the monitoring and evaluation exercise expenditure for totalling to Kshs.650,000 for the year ended 30 June, 2019 could not be confirmed.

4. Unsupported Cash and Cash Equivalents

As disclosed in Note 10A to the financial statements, the statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs. 37,387,706. Review of records revealed that cheques amounting to Kshs.212,150 that dates back to June, 2018 were stale and had not been written back in the cashbook or replaced. Further, Management only provided bank reconciliations for September, 2018, December, 2018, March, 2019 and June, 2019. In addition, Counterfoils for three (3) cheques Nos.001679, 001682, 001716 and bank statements for all Project Management Committee Bank accounts were not provided.

In the circumstances, the accuracy, completeness and validity of cash and cash equivalents balance of Kshs.37,387,706 reflected in the statement of financial assets and liabilities as at 30 June, 2019 could not be confirmed.

5. Lack of Fixed Asset Register

Annex 2 of the financial statements reflects a summary of fixed assets register which discloses the value of the fixed assets of Kshs.850,000 as at 30 June, 2019. However, the

Management did not provide a fixed asset register and no valuation was conducted on the assets.

In the circumstances, it was not possible to ascertain the validity completeness and accuracy of the fixed assets balance of Kshs. 850,000 as at 30 June, 2019.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.117,134,719 and Kshs.108,514,515 respectively resulting to an underfunding of Kshs.8,620,204 or 7% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.117,134,719 and Kshs.87,220,633 respectively resulting to an under expenditure of Kshs.29,914,086 or 26% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 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. Non-compliance with the Public Sector Accounting Standards Board Requirements

Review of annual reports and financial statements for the year ended 30 June, 2019 revealed the following errors; follow up on audit recommendations has shown all issues as

resolved but the report has not been discussed in parliament, the report contains instruction materials. This is contrary to the template Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

Consequently, the Management is in breach of the law.

2. Delay in Projects' Implementation

Analysis of the project implementation status revealed that during the year under review, the Management allocated a total of Kshs.99,938,693 to thirty-seven (37) projects in various sectors. During the year, fourteen (14) projects were completed while twenty-three (23) projects with an allocation total of Kshs.49,680,290 had not been started.

In the circumstances, I am unable to confirm when and whether the public will obtain value for money on the delayed projects totalling Kshs.49,680,290.

3. Unsatisfactory Implementation of Projects

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfer to other government entities total of Kshs.47,058,403. The balance includes transfer to secondary schools' amount of Kshs.19,410,345 for projects through open tender. Review of records and physical verifications on 30 January, 2020 revealed the following unsatisfactory matters:

3.1. Construction of Libraries

The balance includes an amount of Kshs.5,200,000 transferred to Tetu Secondary School and Kshs.5,200,000 to County High School for the construction of libraries. However, tender opening was done twenty-eight (28) days before the official deadline of 18 September, 2018 and the winning bidder did not avail performance security or bank guarantee and the execution program.

At County High School two coats bituminous painting was not done but instead an undercoat was applied and gauge 30 roofing iron sheets were used instead gauge 28 indicated on the bill of quantities. Clearing of the site and labelling of the project had not been undertaken.

3.2. Construction of Classrooms

Further, the Management allocated a total of Kshs.1,800,000 to Yathrib Girls Secondary School for the construction of two (2) classrooms. However, tender opening was done twenty-eight (28) days before the official deadline of 18 September, 2018, the winning bidder did not avail performance security or bank guarantee and the execution program and the project had not been labelled.

In the circumstances, the validity and value for money of the expenditure in the above projects for the year ended 30 June, 2019 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 overall 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi


15 September, 2021


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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,514,515.25	45,384,081
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,514,515.25	45,384,081
PAYMENTS			
Compensation of employees	4	485,950	1,260,000
Use of goods and services	5	8,347,280	4,133,980
Transfers to Other Government Units	6	47,058,403	17,349,000
Other grants and transfers	7	31,329,000	26,867,000
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		87,220,633	49,609,980
SURPLUS/(DEFICIT)		21,293,882.25	(4,225,899)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GARISSA TOWNSHIP Constituency financial statements were approved on 13th sep 2019 and signed by:


Fund Account Manager
Name: Hassan B. Ismail


Sub-County Accountant
Name: Mohamed A. Aden
ICPAK Member Number:

NATIONAL GOVERN *NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY*

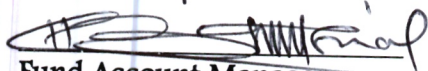
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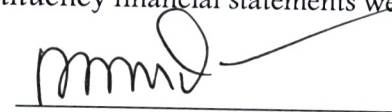
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
			Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalentents			
Bank Balances (as per the cash book)	10A	37,387,706.45	16,093,844
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash equivalentents		37,387,706.45	16,093,844
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		37,387,706.45	16,093,844
FINANCIAL LIABILITIES			
Accounts payable - Retention	12 A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS REPRESENTED BY		37,387,706.45	16,093,844
Retention	-	-	-
Fund balance b/fwd 1st July...	13	16,093,844	20,319,743
Surplus/Deficit for the year		21,293,882.25	(4,225,899)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		37,387,726.25	16,093,844

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GARISSA TOWNSHIP Constituency financial statements were approved on 13th Sep 2019 and signed by:


Fund Account Manager
 Name: Hassan B. Ismail



Sub-County Accountant
 Name: Mohamed A. Aden
 ICPAK Member Number:

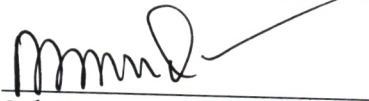
NATIONAL GOVERN *NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT*
FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2018-2019	2017 - 2018
Transfers from NGCDF Board	1	108,514,515.25	45,384,081
Other Receipts	3	-	-
		108,514,515.25	45,384,081
Payments for operating expenses			
Compensation of Employees	4	485,950	1,260,000
Use of goods and services	5	8,347,280	4,133,980
Transfers to Other Government Units	6	47,058,403	17,349,000
Other grants and transfers	7	31,329,000	26,867,000
Other Payments	9	-	-
Total payments		87,220,633	49,609,980
Total Receipts Less Total Payments		21,293,882.25	(4,225,899)
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Prior year adjustments	14		
Net Adjustments			
Net cash flow from operating activities		21,293,882.25	(4,225,899)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		21,293,882.25	(4,225,899)
Cash and cash equivalent at BEGINNING of the year	13	16,093,844	20,319,743
Cash and cash equivalent at END of the year		37,387,726.25	16,093,844

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GARISSA TOWNSHIP Constituency financial statements were approved on 13th sep 2019 and signed by:


Fund Account Manager
Name: Hassan B. Ismail


Sub-County Accountant
Name: Mohamed A. Aden
ICPAK Member Number


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

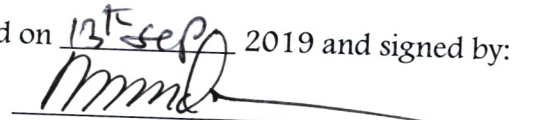
VII SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Com-parable Basis	Budget Utilisa-tion Difference	% of Utili-sation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	101,040,875.51.00	16,093,844.2	117,134,719.71	108,514,515.25	8,620,204.46	92%
Proceeds from Sale of Assets						
Other Receipts						
Total Receipts	101,040,875.51.00	16,093,844.2	117,134,719.71	108,514,515.25	8,620,204.46	92%
PAYMENTS						
Compensation of Employees	1,500,000.00	850,000	2,350,000.00	485,950	1,864,050.00	21%
Use of goods and services	8,313,678.79.00	4,843,844.2	13,157,522.99	8,347,280	4,810,242.99	63%
Transfers to Other Gov-ernment Units	43,823,897.02	10,400,000	54,223,897.02	47,058,403	7,165,494.02	87%
Other grants and transfers	47,403,299.7	-	47,403,299.7	31,329,000	16,074,299.7	66%
Acquisition of Assets	0.00	-	-	-	-	-
Other Payments		-	-	-	-	-
Total Payments	101,040,875.51	16,093,844.2	117,134,719.71	87,220,633	29,914,086.71	74%
Surplus/Deficit	-	-	-	21,293,882.25	(21,293,882.25)	

From the above statement items underutilized below 50% are as a result of inability to access funds for development projects from the board in time. Projects from the financial year 2017/2018 where given priority as funding from that financial year was received during this current financial year hence not much done concerning the financial year 2018/2019 budgeted items.

The NGCDF-GARISSA TOWNSHIP Constituency financial statements were approved on 13th sep 2019 and signed by:


FUND ACCOUNT MANAGER
NAME: HASSAN B. ISMAIL


SUB COUNTY ACCOUNTANT
NAME: MOHAMED A. ADEN

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on compa- rable basis 30/06/2019	Budget utiliza- tion difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,500,000.00	850,000.00	2,350,000.00	485,950.00	1,864,050.00
1.2 Committee allowances	2,400,000.00	4,443,844.2	6,843,844.2	5,444,710.00	1,399,134.2
1.3 Payment of NSSF	67,200.00	0.00	67,200.00	0.00	67,200.00
1.4 Payment of NHIF	49,600.00	0.00	49,600.00	0.00	49,600.00
1.5 Use of goods and services	2,525,652.53	400,000.00	2,925,652.53	2,902,570.00	23,082.53
1.6 Acquisition of assets	0.00	0.00	0.00	0.00	0.00
2.0 Monitoring and evaluation					
2.1 Capacity building	1,300,000.00	0.00	1,300,000.00	0.00	1,300,000.00
2.2 Committee allowances	1,971,226.26		1,971,226.26	0.00	1,971,226.26
3.0 Emergency	5,738,993.45	0.00	5,738,993.45	0.00	5,738,993.45
3.1 Primary Schools	24,500,000	8,600,000.00	33,100,000.00	27,648,058.00	5,451,942.00
3.2 Secondary schools	19,323,897.02	1,800,000.00	21,123,897.02	19,410,345.00	1,713,552.02
3.3 Tertiary institutions					
3.4 Security projects	3,500,000	0.00	3,500,000	0.00	3,500,000.00
3.5 bal b/f				3,200,000.00	0.00
3.6 others		-		-	
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools & Tertiary Institutions	38,164,306.25	0.00	38,164,306.25	28,129,000.00	10,035,306.25

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on compa- rable basis 30/06/2019	Budget utiliza- tion difference
4.3 Social Security					
5.0 Sports					
5.1 bal b/f					
	-	-	-	-	
6.0 Environment					
7.0 Primary Schools Projects					
7.1 balance b/f					
7.2 Al-farouq primary school					
7.3 Iftin primary school		3,000,000.00	3,000,000.00	3,000,000.00	0.00
7.4 Nasib Primary school		3,200,000.00	3,200,000.00	3,200,000.00	0.00
7.5 Nasib primary school	1,000,000.00	2,400,000.00	2,400,000.00	2,400,000.00	0.00
7.6 Garissa primary school	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.7 Jaribu primary school	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.8 Tumaini primary school	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.9 Alfatah primary school	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.10 Bulla College primary school	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.11 Hyuga Girls primary school	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.12 Jaribu primary school	400,000.00	0.00	1,000,000.00	1,000,000.00	0.00
7.13 Hyuga girls primary school	600,000.00	0.00	400,000.00	0.00	400,000.00
7.14 Garissa primary school	600,000.00	0.00	600,000.00	0.00	600,000.00
7.15 Alfatah primary school	600,000.00	0.00	600,000.00	0.00	600,000.00
7.16 Tumaini primary school	400,000.00	0.00	600,000.00	0.00	600,000.00
7.17 Nasib primary school	600,000.00	0.00	400,000.00	0.00	400,000.00
7.18 Iftin primary school	600,000.00	0.00	600,000.00	0.00	600,000.00
7.19 Tetu primary school	600,000.00	0.00	600,000.00	0.00	600,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on compa- rable basis 30/06/2019	Budget utiliza- tion difference
7.20 Yathrib primary school	600,000.00	0.00	600,000.00	0.00	600,000.00
7.21 ADC primary school	600,000.00	0.00	600,000.00	0.00	600,000.00
7.22 Hyuga primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
7.23 Bulla Argy primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
7.24 Jarerot primary school	1,500,000.00	0.00	1,500,000.00	0.00	1,500,000.00
7.25 Afath primary school	3,000,000.00	0.00	3,000,000.00	0.00	3,000,000.00
7.26 Bulla college primary school	3,000,000.00	0.00	3,000,000.00	0.00	3,000,000.00

8.0 Secondary Schools Projects					
8.0 balance b/f					
8.1 Tumaini Boys Secondary school		1,800,000.00	1,800,000.00	1,800,000.00	0.00
8.2 Boystown secondary school	5,000,000.00	0.00	5,000,000.00	0.00	5,000,000.00
8.3 Yathrib Girls secondary school	1,800,000.00	0.00	1,800,000.00	0.00	1,800,000.00
8.4 Tumaini Boys secondary school	5,000,000.00	0.00	5,000,000.00	0.00	5,000,000.00
8.5 Umu-salama girls sec. school	1,800,000.00	0.00	1,800,000.00	0.00	1,800,000.00
8.6 Garissa special secondary school for the Deaf	5,723,897.02	0.00	5,723,897.02	0.00	5,723,897.02
9.0 Health institutions Projects		0.00			
9.1 balances b/f					
10.0 Security Projects					
10.1 DCIO Residence	2,000,000.00		2,000,000.00	0.00	2,000,000.00
10.2 Assistant County Commissioner Office	1,500,000.00		1,500,000.00	0.00	1,500,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARISSA TOWNSHIP CONSTITUENCY
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11.0 Acquisition of assets					
11.1 Motor Vehicles					0.00
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment					0.00
11.4 Purchase of computers					0.00
12.0 ROADS					
13.0 Others					
13.1 Strategic Plan					0.00
13.2 Innovation Hub					
13.2 TIVET					0.00
TOTALS	101,040,875.51.00	16,093,844.2	117,134,719.71	87,220,633	29,914,086.71

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GARISSA TOWNSHIP CONSTITUENCY
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

External Assistance

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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External assistance is received through grants and loans from multilateral and bilateral development partners.

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

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

During the year ended 30th June 2018, 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.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GARISSA TOWNSHIP CONSTITUENCY
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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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GARISSA TOWNSHIP CONSTITUENCY
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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 2018.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 GARISSA TOWNSHIP CONSTITUENCY
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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO B005303	1	24,932,751	5,500,000.00
AIE NO B005360	2	17,379,319.25	37,905,172.00
AIE NOB030011	3	2,700,000	1,978,909.00
AIE NO	4	2,445	
AIE NO B030053	5	10,000,000	
AIE NO B030389	6	20,000,000.00	
AIE NO B006330	7	6,000,000.00	
AIE NO A699045	8	11,000,000	
AIE NO B042691	9	500,000	
AIE NO B042734	10	7,000,000	
AIE NO B042658	11	9,000,000	
		108,514,515.25	45,384,081.00

2. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received		
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
	0	0
Total	0	0

. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Receipts from the Sale of Vehicles and Transport Equipment	0	
Receipts from sale of office and general equipment	0	
Receipts from the Sale Plant Machinery and Equipment	0	
Total	0	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 GARISSA TOWNSHIP CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	251,850	1,244,400
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity	230,950	
Other personnel payments(NSSF)	600	15,600.00
Other personnel payments(NHIF)	2,550	
Total	485,950	1,260,000.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Allowances	5,444,710	3,250,000.00
Utilities, supplies and services	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Committee expense	1,063,400	-
Training expenses	-	-
Office Rent	420,000	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	302,400	298,980.00
Other operating expenses	16,770	185,000
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Fuel, oil & lubricants	1,100,000	400,000.00
Total	8,347,280	4,133,980.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	27,648,058	17,349,000.00
Transfers to secondary schools (see attached list)	19,410,345	
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)		
TOTAL	47,058,403.00	17,349,000.00

6. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,317,000	22,889,000
Bursary – tertiary institutions (see attached list)	812,000	-
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	
Security projects (see attached list)	3,200,000	2,000,000
Sports projects (see attached list)	-	
Environment projects (see attached list)	-	1,978,000
Emergency projects (see attached list)	-	
Roads		
Total	31,329,000	26,867,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank, Garissa</i>	37,387,706.45	16,093,844
Total	37,387,706.45	16,093,844
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	37,387,706.45	16,093,844
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Sur-rendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

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

12 RETENTION

	2018-2019	2017-2018
	Kshs	Kshs
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
Total	XX	XX

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	37,387,706.45	16,093,844
Cash in hand	-	-
Imprest	-	-
Total	37,387,706.45	16,093,844

[Provide short appropriate explanations as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	XX	XX
Cash in hand	XX	XX
Imprest	XX	XX
Total	XX	XX

15. OTHER IMPORTANT DISCLOSURES		
15.1: PENDING ACCOUNTS PAYABLE		
	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	XX	XX
Construction of civil works	XX	XX
Supply of goods	XX	XX
Supply of services	XX	XX
	XX	XX

15.2: PENDING STAFF PAYABLES		
	Kshs	Kshs
Senior management	XX	XXX
Middle management	XX	XXX
Unionisable employees	XX	XXX
Others (<i>specify</i>)	XX	XXX
XX		XXX

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15.3: UNUTILIZED FUNDS (See Annex 1)

	2018-2019	2017- 2018
	ksh	Kshs
Compensation of employees	1,864,050	850,000
Use of goods and services	4,810,242.99	4,843,844.2
Amounts due to other Government entities (see attached list)	11,439,113.76	10,400,000
Amounts due to other grants and other transfers (see attached list)	19,274,299.7	
Acquisition of assets		
Others (<i>specify</i>)		
Total	37,387,706.45	16,093,844.2

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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 For the year ended June 30, 2019)
 ANNEX 1 – UNUTILIZED FUNDS**

Name	Brief Trans- action De- scription	Outstanding Bal- ance 2018-2019	Outstanding Balance 2017-2018	Comments
Compensation of employees		1,864,050	850,000	Delays in funding form the Board
Use of goods & services		4,810,242.99	4,843,844.2	Delays in funding form the Board
Amounts due to other Government entities		11,439,113.76	10,400,000	Delays in funding form the Board
Amounts due to other grants and other transfers (see attached list)		19,274,299.7		Delays in funding form the Board
Sub-Total		37,387,706.45	16,093,844	
Amounts due to other grants and other transfers				Delays in funding form the Board
Sub-Total				
Sub-Total				
Acquisition of assets				
Others (specify)				
Sub-Total				
Grand Total		37,387,706.45	16,093,844	

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 ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	850,000			850,000
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	850,000.00			850,000.00

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATION

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when expect the issue resolved)
GSA/TOWNSHIP/INSHIP/INSP/CDF/7/VOL1(21)	a) Under expenditure on overall Budget	This was due to delays in funding of the A.I.Es from the NG-CDFB.	FAM	Resolved	
	b) Project Implementation and management	Ensures timely disbursement of funds	FAM	Resolved	
	c) Award of contract for primary school projects ksh 7,100,000	The projects in questions were complete and the documents which were missing during the audit review were availed for verification.	FAM	Resolved	
	d) Unsupported Bursary expenditure ksh 2,039,000	The acknowledgement letters file availed for verification.	FAM	Resolved	
	e) Unaccounted for fuel ksh 400,000	The copies of work tickets, delivery notes and detailed orders which were missing during the Audit review were availed for verification	FAM	Resolved	
	f) Unaccounted for Committee Expenses ksh 750,000	The missing documents during the exercise were availed for verification	FAM	Resolved	
	g) Unreconciled deficit variance	The Variance has been reconciled and availed for verification	FAM	Resolved	
	h) Lack Asset Register	The copy of Asset register which was missing during the Audit was availed for verification.	FAM	Resolved	