


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



 THE NATIONAL ASSEMBLY OF KENYA	
DATE: 21 OCT 2021	DAY: Thursday
BY: LOMP	
CLERK-AT THE-TABLE:	Maina Warjitu

**THE AUDITOR GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – BANISA CONSTITUENCY**

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



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**BANISA**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
(NG-CDF)**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

### **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.

### **(a) Key Management**

The NGCDF Banisa 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)

**(b) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Yussuf Abdi
2.	Sub-County Accountant	Dickson C Kinyanjui
3.	Chairman NGCDFC	Ahamed Wethow
4.	Member NGCDFC	Mohamed Maalim

**(b) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of National Government Constituencies Development Fund Board (NG-CDFB) provides overall fiduciary oversight on the activities of National Government Constituency Development Fund Banisa Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the National Government Constituency Development Fund Committees (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the NG-CDF Board to the Cabinet Secretary and National Assembly Select Committee.

**(c) NGCDF Banisa Constituency Headquarters**

The physical and postal address of National Government Constituency Development Fund (NG-CDF) Banisa is:

NG-CDF Banisa Offices

Along Takaba – Banisa - Mandera Road

P.O. BOX 231 - 70300 Mandera

**(d) NGCDF Banisa Constituency Contacts:**

Telephone: (+254) 0728-205570

E-mail: [cdfbanisa@ngcdf.go.ke](mailto:cdfbanisa@ngcdf.go.ke)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(e) NGCDF Banisa Constituency Bankers**

Equity Bank, Mandera branch

Account No. 1000261939394

P.O. Box 536 - 70300 Mandera, Mandera County, Kenya.

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**(f) Independent Auditors**

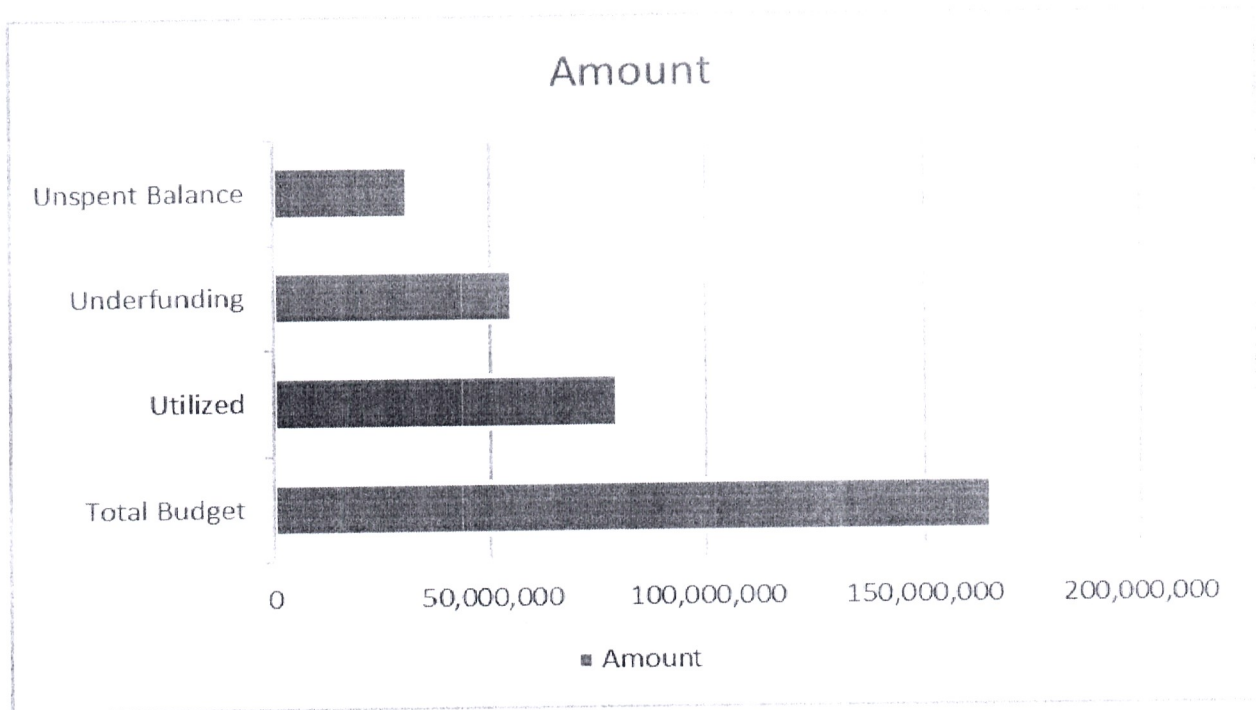
The Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(g) Principal Legal Adviser**

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



II. FORWARD BY THE NG-CDF COMMITTEE CHAIRMAN



The National Government Constituencies Development Fund (NG-CDF) which is a program meant to promote poverty eradication through decentralization was enacted through the NG-CDF Act 2015. The main aim of its establishment was to iron out imbalances brought about by patronage politics by providing funds to parliament jurisdictions, that is, Constituencies to fight poverty. The program is designed to fight poverty through the implementation of development projects which are National government functions at the local level and particularly those that provide basic needs like education, social welfare, security and education bursaries.

During the Financial year under review, National Government Constituency Development Fund Banisa Constituency was allocated a total of Kshs. 109,040,876.

The NG-CDF Banisa had a balance brought forward of Kshs **56,287,872** in 2017-18 which constitutes previous financial year balances. The fund could not utilise an amount of Kshs **85,806,553** due to underfunding of Kshs **55,040,876**. Disbursement was made to the PMCs promptly and the projects were implemented well. The fund has over the years been used to develop and construct infrastructural structures that have helped to upgrade the conditions of schools, Security institutions and even roads. Through the fund, there has been an



improvement in our schools, security institutions and in the sectors of environment and sports. This has in turn been very essential in providing education with the relevant resources in the schools and the structures have been a motivation for learners to find it encouraging going to schools. People who could not join higher institutions of learning because of financial difficulties are now able to get an education through bursary grants. The fund has been used to help needy students from poor backgrounds. This has greatly helped needy students to have access to the much needed education.

The National Government Constituency Development Fund Banisa has undertaken some key projects during the financial year under review. The major beneficiary was the education sector. More than 4,000 needy and poor students in secondary schools and tertiary institutions benefitted from the bursary disbursement. The fund constructed 30 new classrooms, 4 masonry water tanks, 1 number 80 bed capacity dormitory with fittings. Fencing works were done at 3 Primary Schools. In addition, laboratory equipment as well as lockers and chairs were supplied to five secondary schools. 590 three-seater desks were supplied to 16 primary schools.

To boost security in the constituency; An administration office was built for Kiliwehiri Deputy County Commissioner's office and Chief's Offices in 2 locations were constructed. The Constituency sport tournament has been planned and different teams would participate.

The main emerging issues during the year under review were increasing population and settlements and increased number of needy students in learning institutions which meant an increase in school enrolment and widening of the resources available Vs needs gap

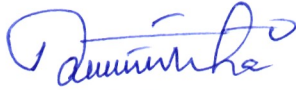
implementation challenges during the financial year included low/lack of Capacity in some Project Management Committees, security threats/Clan conflicts, low literate levels and Persistent droughts leading lack of water sources for construction and usage

Prevalent droughts have been a deterrent factor and the situation exasperated by the immense gap between the resources available and the needs of the community. The Banisa NG-CDF has ensured that the resources have been equally distributed to spread the gains from the fund. Despite the numerous challenges, the fund has been at the fore front in the provision of basic

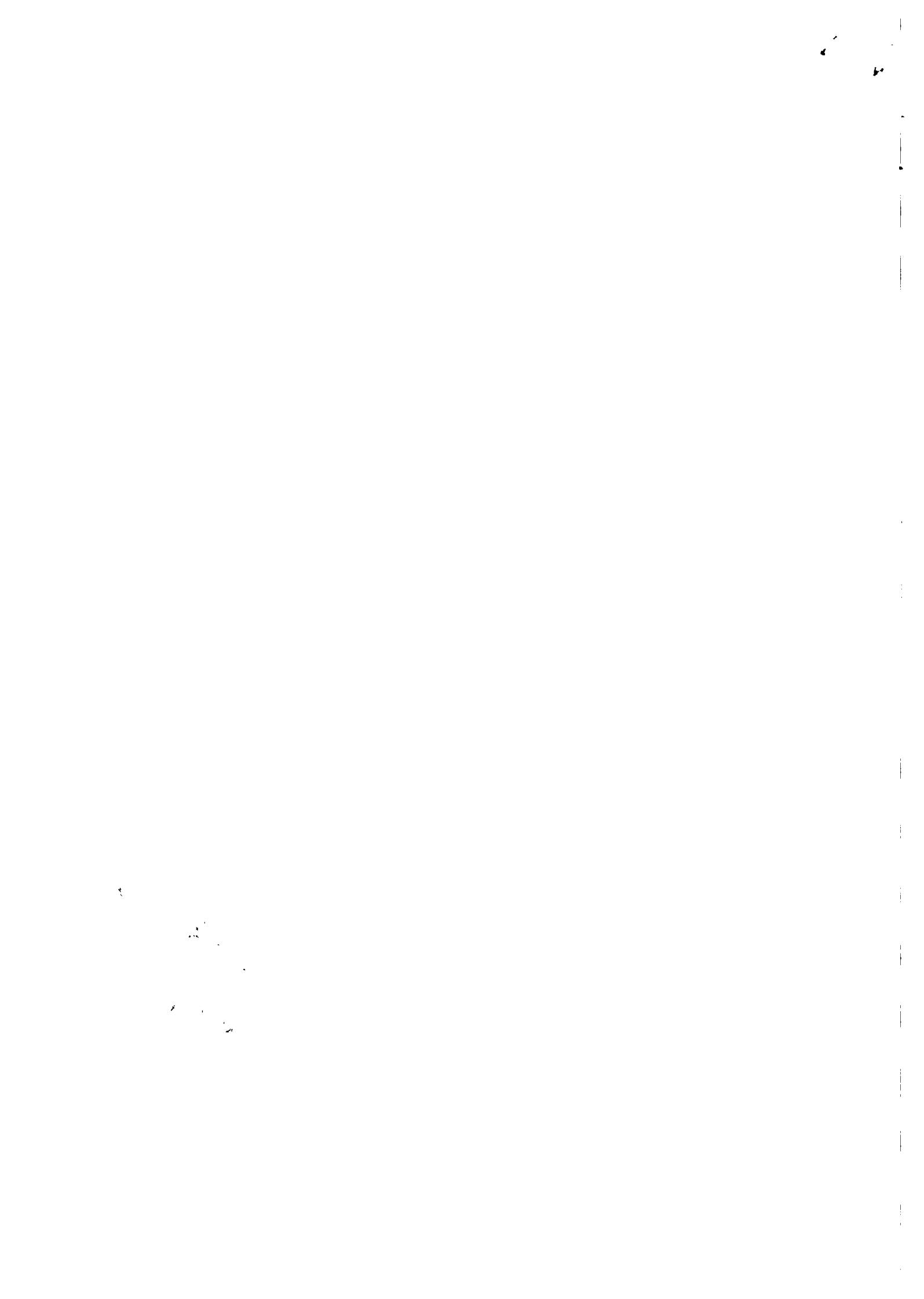
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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social amenities, improved the general economic standards of the population and has thus been considered transformational by the community. By and large the impact of NG-CDF Banisa is felt and appreciated in the constituency.



*Sign:* .....  
**CHAIRPERSON NGCDF COMMITTEE**  
Date: 14<sup>th</sup> August 2019



### III. STATEMENT OF NG-CDF COMMITTEE 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 the National Government Constituency Development Fund (NG-CDF) shall prepare financial statements in respect of that NG-CDF. Section 81(3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of National Government Constituency Development Fund Banisa is responsible for the preparation and presentation of the **NG-CDF Banisa** financial statements, which give a true and fair view of the state of affairs of the NG-CDF Banisa for and as at the end of the financial year (period) ended on June 30, 2019. 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 NG-CDF; (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 NG-CDF; (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 NG-CDF Banisa accepts responsibility for the *NG-CDF Banisa* 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 *NG-CDF Banisa* financial statements give a true and fair view of the state of *NG-CDF Banisa* transactions during the financial year ended June 30, 2019, and of the *NG-CDF Banisa* financial position as at that date. The Accounting Officer in charge of the *NG-CDF Banisa* further confirms the completeness of the accounting records maintained for the *NG-CDF Banisa*, which have been relied upon in the preparation of the *NG-CDF Banisa* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *NG-CDF Banisa* confirms that the NG-CDF Banisa has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF Banisa 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 *NG-CDF Banisa* 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 *NG-CDF Banisa* financial statements were approved and signed by the Accounting Officer on 14<sup>th</sup> August 2019.



Yussuf Abdi

Fund Account Manager

**DISTRICT ACCOUNTANT  
BANISA DISTRICT**

Date: \_\_\_\_\_



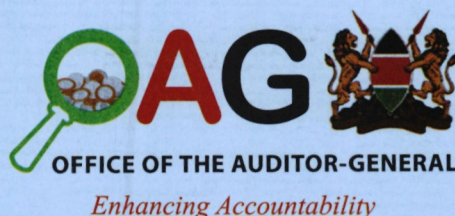
Dickson Kinyanjui

Sub-County Accountant

ICPAK Member Number: 13823

# REPUBLIC OF KENYA

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Anniversary Towers  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BANISA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Banisa Constituency set out on pages 9 to 28 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 effect of the matters 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 - Banisa Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the 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 Projects**

Review of the Project Implementation Status Report as at 30 June, 2019 revealed that the Fund allocated a budget totalling to Kshs.72,188,203 to fifty-five (55) projects in various sectors including education, security and sport. Fifty-three (53) projects were completed and two (2) projects were on going. However, it was noted that despite fifty-three (53) projects being stated as complete, there were no payments made to the Project Management Committee as at the time of audit and no completion certificates were provided.

In the circumstances, the accuracy, completeness and validity of the expenditure totalling to Kshs.72,188,203 on projects for the year ended 30 June, 2019 could not be confirmed.

## **2. Unsupported Bursaries**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers totalling to Kshs.32,018,000. The balance includes an amount of Kshs.7,000,000 and Kshs.14,000,000 for bursary transfers to secondary schools and tertiary institutions respectively. However, review of documents provided revealed that bursaries amounting to Kshs.1,295,000 was not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.

In the circumstances, the accuracy, completeness and validity of the expenditure on bursary to secondary schools and tertiary institutions totalling to Kshs.1,295,000 for the year ended 30 June, 2019 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 - Banisa 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**

### **1. Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.165,328,748 and Kshs.110,287,748 respectively, resulting to an under-funding of Kshs.55,040,876 or 34% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.165,328,748 and Kshs.79,522,195 respectively, resulting to an under expenditure of Kshs.85,806,553 or 52% of the budget.

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



## **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

### **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**

##### **Emergency Reserve Fund**

Included in the other grants and other payments balance of Kshs.32,018,000 reflected under Note 7 to the financial statements is an expenditure on emergency projects amounting to Kshs.5,943,000. However, a review of the expenditure revealed that Management did not prepare and submit written report on the utilization of funds to the Board. This is contrary to section 20(2) of the National Government Constituencies Development Fund Regulations, 2016 requires the utilization of the emergency funds to be reported to the Board within 30 days.

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

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

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

#### **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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**

**06 October, 2021**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	109,484,483	43,905,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>109,484,483</b>	<b>43,905,172</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,759,760	1,120,800
Use of goods and services	5	5,799,435	8,249,980
Transfers to Other Government Units	6	38,945,000	35,000,000
Other grants and transfers	7	32,018,000	30,653,171
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>79,522,195</b>	<b>75,023,951</b>
<b>SURPLUS/DEFICIT</b>		<b>29,962,288</b>	<b>(31,118,779)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14<sup>th</sup> August 2019 and signed by:

**DISTRICT ACCOUNTANT**

**BANISA DISTRICT**

Date: .....

Dickson Kinyanjui

Sub-County Accountant

ICPAK Member Number: 13823



Yussuf Abdi

Fund Account Manager

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V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	30,765,677	803,388
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>30,765,677</b>	<b>803,388</b>
<b>Current Receivables</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>30,765,677</b>	<b>803,388</b>
<b>FINANCIAL LIABILITES</b>			
<b>Accounts Payable</b>			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
<b>NET FINANCIAL ASSETS</b>		<b><u>30,765,677</u></b>	<b><u>803,388</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	803,388	31,922,167
Surplus/Defict for the year		29,962,288	(31,118,779)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b><u>30,765,677</u></b>	<b><u>803,388</u></b>

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

The National Government Constituency Development Fund Banisa financial statements were approved on 14<sup>th</sup> August 2019 and signed by:

**DISTRICT ACCOUNTANT  
 BANISA DISTRICT**

Date: Diekson Kimyanjui

Sub-County Accountant

ICPAK Member Number: 13823



Yussuf Abdi

Fund Account Manager



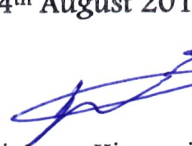


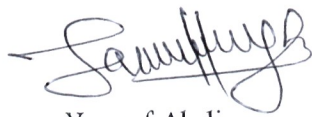
**VI. STATEMENT OF CASHFLOW**

**CASH FLOWS FROM OPERATING ACTIVITIES**

		2018 - 2019	2017 - 2018
<b>Receipts</b>			
Transfers from CDF Board	1	109,484,483	43,905,172
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>109,484,483</b>	<b>43,905,172</b>
<b>Payments</b>			
Compensation of Employees	4	2,759,760	1,120,800
Use of goods and services	5	5,799,435	8,249,980
Transfers to Other Government Units	6	38,945,000	35,000,000
Other grants and transfers	7	32,018,000	30,653,171
Other Payments	9	-	-
<b>Total Payments</b>		<b>79,522,195</b>	<b>75,023,951</b>
<b>Total Receipts Less Total Payments</b>		<b>29,962,288</b>	<b>(31,118,779)</b>
<b>Adjusted for:</b>			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>29,962,288</b>	<b>(31,118,779)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>29,962,288</b>	<b>(31,118,779)</b>
Cash and cash equivalent at BEGINNING of the year	13	803,388	31,922,167
<b>Cash and cash equivalent at END of the year</b>		<b>30,765,677</b>	<b>803,388</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Banisa financial statements were approved on 14<sup>th</sup> August 2019 and signed by:

  
**DISTRICT ACCOUNTANT**  
**BANISA DISTRICT**  
 Date:.....  
 Dickson Kinyanjui  
 Sub-County Accountant  
 ICPAK Member Number: 13823

  
 Yussuf Abdi  
 Fund Account Manager

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Reports and financial statements  
For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	56,287,872	165,328,748	110,287,872	55,040,876	66.7%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>56,287,872</b>	<b>165,328,748</b>	<b>110,287,872</b>	<b>55,040,876</b>	<b>66.7%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,473,600	2,634,363	6,107,963	2,759,760	3,348,203	45.2%
Use of goods and services	6,340,079	2,009,066	8,349,145	5,799,435	2,549,710	69.5%
Transfers to Other Government Units	68,114,868	40,445,001	108,559,869	38,945,000	69,614,869	35.9%
Other grants and transfers	31,112,329	6,517,415	37,629,744	32,018,000	5,611,744	85.1%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	4,682,027	4,682,027	-	4,682,027	-
<b>TOTAL</b>	<b>109,040,876</b>	<b>56,287,872</b>	<b>165,328,748</b>	<b>79,522,195</b>	<b>85,806,553</b>	<b>48.1%</b>

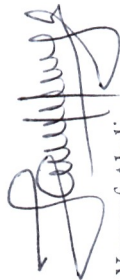
**Reports and Financial Statements  
For the year ended June 30, 2019**

From the summary of appropriation statement, the overall budget performance stood at 48.1%. The low absorption of funds is explained below:

- i. **Compensation of Employees** were below 90% because of partly provision for service gratuity and partly due to underfunding..
- ii. **Use of goods and services** were below 90% because funding from the NG-CDF Board delayed hence delay in procurement and utilization of funds.
- iii. **Transfer to other government units** were below 90% because funding from the NG-CDF Board delayed hence delay in procurement and utilization of funds.
- iv. **Other grants and transfers** were below 90% because funding from the NG-CDF Board delayed hence delay in procurement and utilization of funds.

The NG-CDF Banisa financial statements were approved on 14<sup>th</sup> August 2019 and signed by:

**DISTRICT ACCOUNTANT,  
BANGSA DISTRICT**  
Date: .....



Yussuf Abdi

Fund Account Manager



Dickson Kinyanjui

Sub-County Accountant

ICPAK Member Number: 13823

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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
Compensation of Employees					
Compensation of employees	3,452,000	2,510,363	5,962,363	2,746,360	3,216,003
NHIF	-	72,000	72,000	-	72,000
NSSF	21,600	52,000	73,600	13,400	60,200
<b>Sub-Total</b>	<b>3,473,600</b>	<b>2,634,363</b>	<b>6,107,963</b>	<b>2,759,760</b>	<b>3,348,203</b>
Use of goods and services					
Use of goods and services	1,501,263	1,394,239	2,895,502	2,444,953	450,549
Committee allowances	1,567,589	245,172	1,812,761	932,000	880,761
Use of goods and services	998,226	219,655	1,217,881	1,034,482	183,399
Committee allowances	923,000	150,000	1,073,000	820,000	253,000
Capacity building	1,350,000	-	1,350,000	568,000	782,000
<b>Sub-Total</b>	<b>6,340,079</b>	<b>2,009,066</b>	<b>8,349,145</b>	<b>5,799,435</b>	<b>2,549,710</b>
Transfers to Other Government Units					
Primary school Desks	2,379,000	-	2,379,000	-	2,379,000
Diribor Primary School	498,300	-	498,300	-	498,300
Banisa Primary School	950,000	-	950,000	-	950,000
Lulis Primary School	1,500,000	-	1,500,000	-	1,500,000
Qaba Guto Primary	950,000	-	950,000	-	950,000
Hardawa Primary	2,850,000	-	2,850,000	-	2,850,000
Handarak Primary	950,000	-	950,000	-	950,000
Yattani Primary	1,200,000	-	1,200,000	-	1,200,000
Chiracha Primary	300,000	-	300,000	-	300,000
Haji Mohamed Primary	950,000	-	950,000	-	950,000
Haji Mohamed Primary	3,950,000	-	3,950,000	-	3,950,000
Eymole Primary School	800,000	-	800,000	-	800,000
Eymole Primary School	950,000	-	950,000	-	950,000
Dakarbor Primary School	950,000	-	950,000	-	950,000
Gesreb Primary School	950,000	-	950,000	-	950,000

**Reports and Financial Statements  
For the year ended June 30, 2019**

Khatis Primary School	950,000	-	950,000	-	950,000
Dambala Galle Primary	950,000	-	950,000	-	950,000
Birkan Primary School	950,000	-	950,000	-	950,000
Garbi Primary School	950,000	-	950,000	-	950,000
Garse Bibi Primary	950,000	-	950,000	-	950,000
Funan Teso Primary	950,000	-	950,000	-	950,000
Bulla Fullay Primary	300,000	-	300,000	-	300,000
Kiliwehiri Primary	1,000,000	-	1,000,000	-	1,000,000
Diribor Primary School	3,000,000	-	3,000,000	-	3,000,000
Derkhale Primary School	1,300,000	-	1,300,000	-	1,300,000
Derkhale Primary School	750,000	-	750,000	-	750,000
Kukub Primary School	950,000	-	950,000	-	950,000
Qordobo Abero Primary	950,000	-	950,000	-	950,000
Tarama Primary School	1,300,000	-	1,300,000	-	1,300,000
Farjan Primary School	950,000	-	950,000	-	950,000
Hulow Primary School	1,500,000	-	1,500,000	-	1,500,000
Soroba Primary School	950,000	-	950,000	-	950,000
Doomal Primary School	300,000	-	300,000	-	300,000
Chorogo Primary School	1,500,000	-	1,500,000	-	1,500,000
Qotgot Primary School	950,000	-	950,000	-	950,000
Kiliwehiri Secondary	453,000	-	453,000	-	453,000
Banisa Girls Secondary	453,000	-	453,000	-	453,000
Guba Secondary	301,000	-	301,000	-	301,000
Banisa Girls Secondary	301,000	-	301,000	-	301,000
Kiliwehiri Secondary	301,000	-	301,000	-	301,000
Wayam Secondary	301,000	-	301,000	-	301,000
Banisa Mix Day Sec School	301,000	-	301,000	-	301,000
Banisa Mix Day Sec School	4,000,000	-	4,000,000	-	4,000,000
Wayam Secondary School	4,000,000	-	4,000,000	-	4,000,000
Kiliwehiri Secondary	3,950,000	-	3,950,000	-	3,950,000
Wayam Secondary School	1,526,568	-	1,526,568	-	1,526,568
Banisa Girls Secondary	3,500,000	-	3,500,000	-	3,500,000
Kiliwehiri Secondary	3,500,000	-	3,500,000	-	3,500,000
Malkamari Secondary	1,500,000	-	1,500,000	-	1,500,000
Guba Secondary School	2,200,000	-	2,200,000	-	2,200,000

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**Reports and Financial Statements**  
**For the year ended June 30, 2019**

	-	1	1	-	1
Health Vote book Balance	-			-	1
Chief haji primary School	-	850,000	850,000	850,000	-
Yattani primary	-	850,000	850,000	850,000	-
Merile primary	-	850,000	850,000	850,000	-
Chiracha primary	-	800,000	800,000	800,000	-
Diribor Primary	-	2,000,000	2,000,000	2,000,000	-
Tarama primary	-	1,600,000	1,600,000	1,600,000	-
kukub primary	-	850,000	850,000	850,000	-
Burashum primary	-	850,000	850,000	850,000	-
Qoljo Primary	-	1,500,000	1,500,000	1,500,000	-
Funan Teso Primary	-	1,700,000	1,700,000	1,700,000	-
Karari Dertu Primary	-	850,000	850,000	850,000	-
Khotkhot Primary	-	850,000	850,000	850,000	-
Umur Primary	-	1,700,000	1,700,000	1,700,000	-
Orqoqle Primary	-	850,000	850,000	850,000	-
Aemey Primary	-	850,000	850,000	850,000	-
Dakarbor Primary	-	850,000	850,000	850,000	-
Moratelo Primary	-	850,000	850,000	850,000	-
Tarbei Primary	-	850,000	850,000	850,000	-
Qotqot Primary	-	850,000	850,000	850,000	-
Hulow Primary	-	1,000,000	1,000,000	1,000,000	-
Farjan Primary	-	850,000	850,000	850,000	-
Malkaruqa Primary	-	850,000	850,000	850,000	-
Doomal Primary	-	1,700,000	1,700,000	1,700,000	-
Tarama primary School	-	1,900,000	1,900,000	1,900,000	-
Eymole Primary	-	301,000	301,000	301,000	-
Kiliwehiri Primary	-	294,000	294,000	294,000	-
Guba Primary School	-	1,700,000	1,700,000	1,700,000	-
Wayam Secondary	-	2,500,000	2,500,000	2,500,000	-
Banisa Girls secondary	-	1,700,000	1,700,000	1,700,000	-
Banisa Girls secondary	-	300,000	300,000	300,000	-
Kiliwehiri Secondary	-	1,400,000	1,400,000	1,100,000	300,000
Malakamari Secondary	-	1,400,000	1,400,000	1,100,000	300,000
Wayam Secondary	-	1,400,000	1,400,000	1,100,000	300,000
Banisa Girls Secondary	-	1,400,000	1,400,000	1,100,000	300,000



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND BANISA CONSILIENCY

Reports and Financial Statements  
For the year ended June 30, 2019

Banisa Mixed Day Sec	-	1,400,000	1,400,000	1,100,000	300,000
<b>Sub-Total</b>	<b>68,114,868</b>	<b>40,445,001</b>	<b>108,559,869</b>	<b>38,945,000</b>	<b>69,614,869</b>
9.0 Other grants and transfers					
Emergency	5,738,993	568,966	6,307,959	5,943,000	364,959
Bursary Secondary School	7,000,000	306,174	7,306,174	7,000,000	306,174
Bursary Tertiary School	14,000,000	6,069	14,006,069	14,000,000	6,069
Mandera West Constituency Sports Tournament	373,335	-	373,335	-	373,335
Guba Primary School	-	700,000	700,000	700,000	-
Kiliwehiri DCC Office	300,000	-	300,000	-	300,000
Malkamari Chief's Office	1,300,000	-	1,300,000	-	1,300,000
Malkamari AP	600,000	-	600,000	-	600,000
Banisa AP Camp	300,000	-	300,000	-	300,000
Kiliwehiri DCC Office	-	1,700,000	1,700,000	1,700,000	-
Choroqo AP Station	-	1,500,000	1,500,000	1,500,000	-
Banisa Sub County Treasury	1,500,000	-	1,500,000	-	1,500,000
Environment Activities	-	1,175,000	1,175,000	1,175,000	-
Bansia Primary School	-	561,206	561,206	-	561,206
<b>Sub-Total</b>	<b>31,112,329</b>	<b>6,517,415</b>	<b>37,629,744</b>	<b>32,018,000</b>	<b>5,611,744</b>
10.0 OTHERS					
Other Payment Balance(2013/14fy)	-	5,000	5,000	-	5,000
Constituency Innovation Hubs	-	4,677,027	4,677,027	-	4,677,027
Sub-Total	-	4,682,027	4,682,027	-	4,682,027
<b>GRAND TOTALS</b>	<b>109,040,876</b>	<b>56,287,873</b>	<b>165,328,748</b>	<b>79,522,195</b>	<b>85,806,553</b>

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

## **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-Banisa 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**

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 30<sup>th</sup> June 2019, 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 recognizes 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 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 authorized 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 fulfillment 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 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

#### **14. Errors**

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

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

#### **15. Related Party Transactions**

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



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<b>I. NOTES TO THE FINANCIAL STATEMENTS</b>				
<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>				
<b>Description</b>			<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
1330407	Normal Allocation	B005020	54,784,483	
		B005142	700,000	
		B006289	9,000,000	
		B030137	10,000,000	
		B030349	10,000,000	
		B042710	12,000,000	
		B042980	13,000,000	
		A855759		5,500,000
		A892816		37,905,172
		A892651		500,000
1330408	Conditional grants	AIE NO...		-
				-
				-
1330409	Receipt from other Constituency			-
	<b>TOTAL</b>		<b>109,484,483</b>	<b>43,905,172</b>

<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>				
<b>Description</b>			<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
3510202	Receipts from the Sale of Buildings		-	-
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-	-
3510801	Receipts from the Sale Plant Machinery and Equipment		-	-
3510803	Receipts from the Sale of Office and General Equipment		-	-
	<b>TOTAL</b>		<b>-</b>	<b>-</b>

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<b>1400000</b>	<b>3 OTHER RECEIPTS</b>			
	<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of Tender Documents		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	<b>TOTAL</b>		-	-

<b>2110000</b>	<b>4 COMPENSATION OF EMPLOYEES</b>			
	<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees		2,746,360	1,110,000
2110202	Basic wages of casual labour		-	0
	Personal allowances paid as part of salary			0
2110301	House allowance		-	0
2110314	Transport allowance		-	0
2110320	Leave allowance		-	0
2110326	Other personnel payments		-	0
2120101	Employer contribution to NSSF		13,400	10,800
2710120	Gratuity-Paid		-	0
	Gratuity-Accrued		-	0
	<b>TOTAL</b>		<b>2,759,760</b>	<b>1,120,800</b>

<b>2200000</b>	<b>5 USE OF GOODS AND SERVICES</b>			
	<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
2210100	Utilities, supplies and services		-	0
2210101	Electricity		-	0
2210102	Water & sewerage charges		-	0
2210104	Office rent		-	800,000
2210200	Communication, supplies and services		-	0
2210300	Domestic travel and subsistence		-	0
2210500	Printing, advertising and information supplies & services		-	0
2210600	Rentals of produced assets		-	0



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2210700	Training expenses	568,000	1,200,000
2210800	Hospitality supplies and services	-	0
2210802	Other committee expenses	820,000	650,000
2210809	Committee allowance	932,000	1,205,920
2210900	Insurance costs	-	0
2211000	Specialised materials and services	-	0
2211100	Office and general supplies and services	2,444,953	644,060
2211200	Fuel, oil & lubricants	-	0
2211300	Other operating expenses	1,034,482	3,750,000
2211301	Bank service commission and charges	-	0
2211313	Security operations	-	0
2220100	Routine maintenance - vehicles and other transport equipment	-	0
2220200	Routine maintenance- other assets	-	0
	Strategic Plan	-	0
	<b>TOTAL</b>	<b>5,799,435</b>	<b>8,249,980</b>

<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>		
	<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
2630204	Transfers to Primary schools	28,945,000	29,900,000
2630205	Transfers to Secondary schools	10,000,000	5,100,000
2630206	Transfers to Tertiary institutions	-	0
	TIVET	-	
	<b>TOTAL</b>	<b>38,945,000</b>	<b>35,000,000</b>

<b>2640000</b>	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>		
	<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
2640101	Bursary -Secondary	7,000,000	4,924,500
2640102	Bursary -Tertiary	14,000,000	15,623,500
2640104	Bursary-Special schools	-	0
2640105	Mocks & CAT	-	0
2640507	Security	3,200,000	3,500,000
2640509	Sports	700,000	1,736,206



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2640510	Environment		1,175,000	0
2640200	Emergency Projects		5,943,000	4,868,965
	<b>TOTAL</b>		<b>32,018,000</b>	<b>30,653,171</b>

<b>3100000</b>	<b>8 ACQUISITION OF ASSETS</b>			
	<u>Non Financial Assets</u>		<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		-	-
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles		-	-
3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles		-	-
3111001	Purchase of office furniture and fittings		-	-
3111002	Purchase of computers ,printers and other IT equipments		-	-
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipments		-	-
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	<b>TOTAL</b>		-	-

	<b>9 Other Payments</b>			
	specify		-	-
	<b>TOTAL</b>		-	-

	<b>10A: Bank Balances (cash book bank balance)</b>			
	<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>Kshs</b>	<b>Kshs</b>
			<b>(30/6/2019)</b>	<b>(30/6/2018)</b>
	<i>Equity Bank Mandera Branch</i>	<i>1000261939394</i>	<i>30,765,677</i>	<i>803,388</i>

	<b>10B: CASH IN HAND)</b>			
			<b>2018-2019</b>	<b>2017 - 2018</b>

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		Kshs (30/6/2019)	Kshs (30/6/2018)
	Location 1	-	-
	Other receipts (specify)	-	-
	<b>TOTAL</b>	-	-

<b>11: OUTSTANDING IMPRESTS</b>					
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2019)</i>
		Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		-	-	-	-
	<b>TOTAL</b>	-	-	-	-

<b>12 Retention</b>				
	<i>Supplier/Contractor</i>	<i>PV No.</i>	<b>2018-2019</b>	<b>2017-2018</b>
		-	-	-
	<b>TOTAL</b>	-	-	-

<b>13 BALANCES BROUGHT FORWARD</b>				
			<b>2018-2019</b>	<b>2017 - 2018</b>
			<b>(1/7/2018)</b>	<b>(1/7/2017)</b>
			Kshs	Kshs
	Bank accounts		803,388	31,922,167
	Cash in hand			-
	Imprest			-
	<b>TOTAL</b>		<b>803,388</b>	<b>31,922,167</b>

<b>14</b>				
<b>PRIOR YEAR ADJUSTMENTS</b>				
			<b>2018-2019</b>	<b>2017 - 2018</b>
			Kshs	Kshs
	Bank accounts		-	-
	Cash in hand		-	-
	Imprest		-	-
	<b>TOTAL</b>		<b>-</b>	<b>-</b>

**15. OTHER IMPORTANT DISCLOSURES**





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15.1: PENDING ACCOUNTS PAYABLE

	2018- 2019 Kshs	2017-2018 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods and Services	-	-
	-	-

15.2: PENDING STAFF PAYABLES

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	-	-

15.3: UNUTILIZED FUNDS (See Annex 1)

	Kshs	Kshs
Compensation of employees	3,348,203	2,634,363
Use of goods and services	2,549,710	2,009,066
Amounts due to other Government entities (see attached list)	69,614,869	40,445,001
Amounts due to other grants and other transfers (see attached list)	5,611,744	6,517,415
Acquisition of assets	-	-
Others ( <i>specify</i> )	4,682,027	4,682,027
	<b>85,806,553</b>	<b>56,287,872</b>

15.4: PMC account balances (See Annex 3)

	2018- 2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	40,467.00	13,017.00
<b>Total</b>	<b>40,467.00</b>	<b>13,017.00</b>

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ANNEX 1: UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18
Compensation of employees	NG-CDFC staffs salaries	3,348,203	2,634,363
Use of goods & services	Committee sitting allowances, travel and subsistence and other general office administrations	2,549,710	2,009,066
<b>Amounts due to other Government entities</b>			
Health Vote book Balance	Votebook Balance	1	1
Chief haji primary	Construction of 1no. Classroom	-	850,000
Yattani primary	Construction of 1no. Classroom	-	850,000
Merile primary	Construction of 1no. Classroom	-	850,000
Chiracha primary	Renovations to 4 classrooms	-	800,000
Diribor Primary	Construction of 2 classrooms & Twin Toilets	-	2,000,000
Tarama primary	Construction of Administration block	-	1,600,000
kukub primary	Construction of 1 No classroom	-	850,000
Burashum primary	Construction of 1No classroom	-	850,000
Qoljo Primary	Construction of 1 Number Water Tank	-	1,500,000
Funan Teso Primary	Construction of 2 No classrooms	-	1,700,000
Karari Dertu Primary	Construction of 1 No classroom	-	850,000
Khotkhot Primary	Construction of 1no. Classroom	-	850,000
Umur Primary	Construction of 2no. Classrooms	-	1,700,000
Orqoqle Primary	Construction of 1no. Classroom	-	850,000
Aemey Primary	Construction of 1no. Classroom	-	850,000
Dakarbor Primary	Construction of 1no. Classroom	-	850,000
Moratelo Primary	Construction of 1no. Classroom	-	850,000
Tarbei Primary	Construction of 1no. Classroom	-	850,000
Qotqot Primary	Construction of 1no. Classroom	-	850,000



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Hulow Primary	Renovations to 1 No. dormitory	-	-	1,000,000
Farjan Primary	Construction of 1no. Classroom	-	-	850,000
Malkaruqa Primary	Construction of 1no. Classroom	-	-	850,000
Doomal Primary	Construction of 2no. Classrooms	-	-	1,700,000
Banisa Girls Sec	Construction of 2no classrooms	-	-	1,700,000
Wayam Secondary	Renovations to 1 No. laboratory	-	-	2,500,000
Guba Secondary	Construction of 2no. Classrooms	-	-	1,700,000
Tarama primary School	Additional Funds for Construction of Administration Block	-	-	1,900,000
Eymole Primary	Mattresses	-	-	301,000
Kiliwehiri Primary	Mattresses	-	-	294,000
Banisa Girls secondary	Construction of Twin Toilets	-	-	300,000
Kiliwehiri Secondary	Purchase and Delivery of Science Laboratory Equipments	300,000	300,000	1,400,000
Malakamari Secondary	Purchase and Delivery of Science Laboratory Equipments	300,000	300,000	1,400,000
Wayam Secondary	Purchase and Delivery of Science Laboratory Equipments	300,000	300,000	1,400,000
Banisa Girls Secondary	Purchase and Delivery of Science Laboratory Equipments	300,000	300,000	1,400,000
Banisa Mixed Day Sec	Purchase and Delivery of Science Laboratory Equipments	300,000	300,000	1,400,000
Primary school Desks	540 number 3-seater desks	2,379,000.00	-	-
Diribor Primary School	Purchase and Delivery of 33 Number Double Decker Beds	498,300.00	-	-
Banisa Primary School	Construction of 1No. Classroom	950,000.00	-	-
Lulis Primary School	Construction of 50M <sup>3</sup> Masonry Water Tank	1,500,000.00	-	-
Qaba Guto Primary	Construction of 1No. Classroom	950,000.00	-	-
Hardawa Primary	Construction of 3No. Classrooms	2,850,000.00	-	-
Handarak Primary	Construction of 1No. Classroom	950,000.00	-	-



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Yattani Primary	Construction of Administration Block	1,200,000.00	-
Chiracha Primary	Construction of Twin Toilets	300,000.00	-
Haji Mohamed Primary	Construction of 1No. Classroom	950,000.00	-
Haji Mohamed Primary	Concrete Chain Link Fencing of 1300 Meters school compound	3,950,000.00	-
Eymole Primary School	Renovation works to Dormitory (Floor & wall repairs, Repairing and/or Replacing broken Doors and Windows, Painting, Roofing Works where necessary, Project Labeling)	800,000.00	-
Eymole Primary School	Construction of 1No. Classroom	950,000.00	-
Dakarbor Primary School	Construction of 1No. Classroom	950,000.00	-
Gesreb Primary School	Construction of 1No. Classroom	950,000.00	-
Khatis Primary School	Construction of 1No. Classroom	950,000.00	-
Dambala Galle Primary	Construction of 1No. Classroom	950,000.00	-
Birkan Primary School	Construction of 1No. Classroom	950,000.00	-
Garbi Primary School	Construction of 1No. Classroom	950,000.00	-
Garse Bibi Primary	Construction of 1No. Classroom	950,000.00	-
Funan Teso Primary	Construction of 1No. Classroom	950,000.00	-
Bulla Fullay Primary	Construction of 1No. Classroom	300,000.00	-
Kiliwehiri Primary	Renovation Works to 4 Classrooms (Floor & wall repairs, Repairing and/or Replacing broken Doors and Windows, Painting, Roofing Works where necessary, Project Labeling)	1,000,000.00	-
Diribor Primary School	Construction of 80 Bed Dormitory	3,000,000.00	-
Derkhale Primary School	Construction of Kitchen & Store	1,300,000.00	-
Derkhale Primary School	Renovation Works to 3 Classrooms (Floor & wall repairs, Repairing and/or Replacing broken Doors and Windows, Painting, Roofing Works where necessary, Project Labeling)	750,000.00	-
Kukub Primary School	Construction of 1No. Classroom	950,000.00	-
Qordobo Abero Primary	Construction of 1No. Classroom	950,000.00	-
Tarama Primary School	Construction of Kitchen & Store	1,300,000.00	-
Farjan Primary School	Construction of 1No. Classroom	950,000.00	-



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Hulow Primary School	Construction of 50M <sup>3</sup> Masonry Water Tank	1,500,000.00	-
Soroba Primary School	Construction of 1No. Classroom	950,000.00	-
Doomal Primary School	Construction of Twin Toilets	300,000.00	-
Choroqo Primary School	Construction of 50M <sup>3</sup> Masonry Water Tank	1,500,000.00	-
Qotqot Primary School	Construction of 1No. Classroom	950,000.00	-
Kiliwehiri Secondary	Purchase and Delivery of 30 Number Double Decker Beds	453,000.00	-
Banisa Girls Secondary	Purchase and Delivery of 30 Number Double Decker Beds	453,000.00	-
Guba Secondary	Purchase and Delivery of 43 number Lockers and Chairs	301,000.00	-
Banisa Girls Secondary	Purchase and Delivery of 43 number Lockers and Chairs	301,000.00	-
Kiliwehiri Secondary	Purchase and Delivery of 43 number Lockers and Chairs	301,000.00	-
Wayam Secondary	Purchase and Delivery of 43 number Lockers and Chairs	301,000.00	-
Banisa Mix Day Sec School	Purchase and Delivery of 43 number Lockers and Chairs	301,000.00	-
Banisa Mix Day Sec School	Concrete Chain Link Fencing of 1315 Meters school compound	4,000,000.00	-
Wayam Secondary School	Concrete Chain Link Fencing of 1315 Meters school compound	4,000,000.00	-
Kiliwehiri Secondary	Concrete Chain Link Fencing of 1300 Meters school compound	3,950,000.00	-
Wayam Secondary School	Construction of Library	1,526,568.00	-
Banisa Girls Secondary	Construction of Science Laboratory	3,500,000.00	-
Kiliwehiri Secondary	Construction of Science Laboratory	3,500,000.00	-
Malkamari Secondary	Construction of 50M <sup>3</sup> Masonry Water Tank	1,500,000.00	-
Guba Secondary School	Construction of 2No. Classrooms (Kshs 1,900,000) and Twin Toilets (Kshs 300,000)	2,200,000.00	-
<b>Sub-Total</b>		<b>69,614,869</b>	<b>40,445,001</b>
<b>Amounts due to other grants and other transfers</b>			
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	364,960	500,201
Guba Primary	Purchase and Distribution of Sport Equipment for Banisa Youth Sport	-	700,000



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	Association		
Kiliwehiri DCC Office	Construction of Administration offices for Kiliwehiri Deputy County Commissioner's Office	-	1,700,000
Choroqo AP Station	Construction of 1 No. water tank for Choroqo Administration Police Station	-	1,500,000
Bursary Secondary School	Provision of bursary awards to needy students in secondary education institutions.	306,174	381,009
Bursary Tertiary Institutions	Provision of bursary awards to needy students in Tertiary institutions.	6,069	-
Institutions	Dustbins	-	1,175,000
Banisa Primary School	Purchase, Planting watering and fencing of Trees at Takaba Primary School	561,206	561,206
Banisa Constituency Sports Tournament	Supply of uniforms, balls and Trophies to Banisa Constituency Sports Tournament	373,335.00	
Kiliwehiri DCC Office	Construction of Twin Toilets	300,000.00	
Malkamari Chief's Office	Construction of Chief's Office	1,300,000.00	
Malkamari AP	Renovation works to 50M <sup>3</sup> Masonry Water Tank (Floor & wall repairs, Repairing and/or Roofing Works, Project Labeling)	600,000.00	
Banisa AP Camp	Construction of Twin Toilets	300,000.00	
Banisa Sub County Treasury	Construction of Banisa Sub County Treasury Offices	1,500,000.00	
<b>Sub-Total</b>		<b>5,611,744</b>	<b>6,517,416</b>
<b>Others (specify)</b>			
Other Payment Balance(2013/14fy)	Balance on the allocation of office furniture 2013/14fy	5,000	5,000
Constituency Innovation Hubs	Establishment of (4) CIH in partnership with Ministry of ICT through Telkom Kenya in Banisa, kiliwehiri, Guba, Derkale wards.	4,677,027	4,677,027
<b>Sub-Total</b>		<b>4,682,027</b>	<b>4,682,027</b>
<b>Grand Total</b>		<b>85,806,553</b>	<b>56,287,873</b>



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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	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	1,179,000.00	-	-	1,179,000.00
ICT Equipment, Software and Other ICT Assets	816,000.00	-	-	816,000.00
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>1,995,000.00</b>	<b>-</b>	<b>-</b>	<b>1,995,000.00</b>

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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2017/18
TARBEY PRIMARY SCHOOL PMC	Equity	1000168061251	1,960	-
GUBA PRIMARY SCHOOL PMC	Equity	1000269218905	4,700	-
HULLOW PRIMARY SCHOOL PMC	Equity	1000167978549	790	-
DOMAL PRIMARY SCHOOL	Equity	1020162628797	1,565	1,565
MARILLE PRIMARY SCHOOL	Equity	1020163305584	1,230	1,230
TARAMA PRIMARY SCHOOL	Equity	1000163823927	4,207	1,207
MALKAMARI SECONDARY	Equity	1000269270979	9,447	2,447
WAYAM SECONDARY SCHOOL	Equity	1000264028052	12,410	2,410
TARBEY PRIMARY SCHOOL	Equity	1000168061251	360	360
HAJI MOHAMED GIRA PRIMARY	Equity	1020163288781	84	84
BANISA PRIMARY SCHOOL	Equity	1020162592210	3,714	3,714
<b>Total</b>			<b>40,467</b>	<b>13,017</b>

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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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 1.0	<p><b>4.1 Cash and Cash Equivalent</b>                      The National Government Constituency Development Fund - Banisa maintained one bank account No. A/C 100026939394 with Equity Bank with a bank balance of Ksh.31,922,167.43 as at 30 June, 2017. The balance was supported by certificate of bank balances, cash book, bank statement and bank reconciliation statement. However, a review of the bank reconciliation statement for the month of June 2017 revealed stale cheques amounting to Kshs.564,500 reflected as payments in Cash Book not yet recorded in the Bank Statement (Unrepresented Cheques). Some of the cheques which were paid to various learning institutions being payment of bursaries to needy students and Kenya Revenue Authority were continued reflected as unrepresented cheques. It was not clear</p>	<p>The stale cheques of Kshs 564,500 were payments to various institutions of learning and statutory bodies. However the institutions delayed in presenting the cheques on time to be honoured by the Drawee bank. We have since replaced some of the stale cheques and credited back to the cash book as shown in the attached cash book extract and NG CDFC Minutes. We have however discussed that in subsequent financial year the Fund will use efficient way to address the issue of unrepresented cheques</p>	NG-CDF Fund Account Manager	Not Resolved	October 2018

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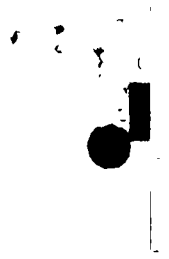
Paragraph 2.0	<p>why the cash book had not been updated.</p> <p><b>4.2 Award of Contracts for Primary School Projects</b></p> <p>Examination of payment vouchers and other records relating to procurement of projects revealed that an amount of Kshs. 12,500,000 transferred as grants for primary school projects had the following anomalies;</p> <p>No contract agreement created as form of agreement was not executed by both parties in the contract against section 235 (2) of the Public Procurement and Asset Disposal Act, 2015 which requires accounting officers to enter into a written contract with the persons submitting the successful tenders</p> <p>There was no evidence available to show that Certificate of practical completion was not availed for audit review.</p> <p>No evidence to show that money for defects was retained.</p> <p>Bill of quantities were not signed by the tender committee on one or more pages as required by the public procurement and disposal Act, 2015</p> <p>Some projects were not labeled as at time of audit verification.</p> <p>It was therefore not possible to confirm whether the projects relate to the financial year under review or implemented by</p>	<p>The NG CDF Act, 2015 section 36(1) provides for the implementation of the Projects through Project Management Committees at the Constituency level</p> <p>Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the PMCs lack the capacity to properly document all procurement procedures. The fund has since identified the need to capacity build all PMCs.</p> <p>Tender opening register form, contract agreement, practical completion certificates and delivery notes were in the files maintained by the PMCs and are now made available for audit verification</p> <p>Notification of Grant is sent out to the PMCs detailing the guidelines to be used in procuring the project</p>	NG-CDF Fund Account Manager	Not Resolved	October 2018
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<p>Paragraph 3.0</p>	<p>another entity.  The NGCDF procured and supplied office furniture to six primary schools within the constituency at a cost of Kshs.3,000,000. The items were procured through Quotations. The Quotations were however opened by only one person, the Secretary to the Project Management Committee an indication that there was no competitive procurement procedures. A visit to some of the schools revealed the furniture was supplied and in use. However, there were no signed distribution lists or delivery notes showing the recipient of the furniture. It was also noted that the furniture was not labeled to show the name of the NGCDF and the Financial Year the items were procured. It was therefore not possible to confirm whether the project related to the Financial Year or the items were supplied by other entities</p> <p><b>4.3 Award of Contracts for Secondary School Projects</b>  A review of the project files revealed that they lacked vital documents such as evaluation reports, certificate of practical completions, inspection and acceptance committee reports and contract agreement signed between the PMC</p>	<p>The NG CDF Act, 2015 section 36(1) provides for the implementation of the Projects through Project Management Committees at the Constituency level. Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the</p>	<p>NG-CDF Fund Account Manager</p>	<p>Not Resolved</p>	<p>October 2018</p>
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	<p>and the contractors. There was no tender opening register maintained by the Project management committees to show that they actually sat and deliberated on the said procurements. Tender notices did not set the criteria to be used in the evaluation of the tenders</p> <p>The original Bills of Quantities for some of the projects were not made available for audit review. It was also noted that Confidential Business Questionnaires were not properly filled as required by the procurement Laws.</p>	<p>PMCs lack the capacity to properly document all procurement procedures. The fund has since identified the need to capacity build all PMCs.</p> <p>-Tender analysis was done and that the evaluation minutes with criteria was indeed used as the basis for recommending the successful bidder</p> <p>-Tender opening register form, contract agreement, practical completion certificates and Original Bill of Quantities were in the files maintained by the PMCs and are now made available for audit verification</p> <p>-Inspection and acceptance committee was constituted as per PPDA 2015 section 48 and the committee verified the works as having being satisfactorily been completed</p> <p>-Notification of Grant is sent out to the PMCs detailing the guidelines to be used in procuring the project</p>	
<p>Paragraph 4.0</p>	<p><b>4.4 Unaccounted For Monitoring And Evaluation</b></p> <p>Lists of projects visited during the monitoring and evaluation exercise and the progress reports on the status of the projects visited were not produced for audit scrutiny. Temporary work tickets, contract agreements, copies of the log books, insurance covers and drivers driving licenses for the vehicles purported to have been hired for the exercise were not attached to the payment vouchers or made available for audit review</p>	<p>Lists of projects visited during the monitoring and evaluation exercise, progress reports on the status of the projects visited, Temporary work tickets, contract agreements, copies of the log books, insurance covers and drivers driving licenses for the vehicles hired were in the Monitoring &amp; Evaluation file at the time of the audit and are now made available for audit review</p>	<p>Resolved</p> <p>NG-CDF Fund Account Manager</p>



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<p>Paragraph 5.0</p>	<p><b>4.5 Unaccounted For Bursary Expenses</b>                  However, examination of payment vouchers and its supporting documents revealed that an amount of Kshs.2,885,440 disbursed to various institutions has not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions                  Further, cheque dispatch register was not maintained to record the cheques that were issued out, It was also noted that the payment schedules did not indicate the level of studies for the beneficiaries and the minutes of the bursary vetting committee were neither attached to the payment vouchers nor availed for audit review.</p>	<p>The cheques attached with covering letter and beneficiaries list is physically delivered to the Institutions however, some of the Institutions delay in acknowledging the cheque payments as they wait the funds to be credited into their account. The fund managed to get official receipts/ acknowledgement for some of the amounts being queried and we are making efforts to ensure all receipts of funds are fully accounted for by the recipient institutions in the future. Further cheques are physically delivered to different Institutions across the Republic and Institutions acknowledge receipt by way of Issuing official fees receipt/ or stamp the copy of the cheque and the beneficiary list hence acts as dispatch record.                  It's a requirement that all applicants indicate their names, institution, level of study and registration number in the application form. All payment schedules indicate names of the bursary beneficiaries and sometimes due to regular updating of the list, the payment schedule may have one or two beneficiaries with level of studies missing                  Vetting of the beneficiaries is done by the NG CDFC and minutes are maintained as proof of vetting done</p>	<p>Resolved</p>	<p>October 2018</p>
<p>Paragraph 6.0</p>	<p><b>4.6 Appointment of the Constituency Oversight Committee</b>                  It was observed that constituency oversight committee was not appointed as at the time of audit</p>	<p>The fund has initiated the process of complying with the National Government Constituency Development Act, 2015 and it is Regulation, 2016 by writing to the Area Member of Parliament on the requirement of the Law by appointing constituency oversight committees.</p>	<p>Not Resolved</p>	<p>October 2018</p>



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<p>Paragraph 7.0</p>	<p>4.7 on-Maintenance of financial and accounting records for PMCs  Records of the bank accounts held by the various project Management committees were not maintained by National Government Development Fund – Bainsa. No PMC’s Bank Statements and cash books were maintained subsequently no reconciliations were carried out for the PMCs accounts</p>	<p>The accounting records were not maintained due to lack of capacity by the PMCs in the Constituency.  However PMCs have been advised to maintain records of all projects implemented such as bank statements, cash books and reconciliations</p>	<p>NG-CDF  Fund Account  Manager</p>	<p>Not Resolved</p>	<p>October 2018</p>
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<p>Paragraph 8.0</p>	<p><b>4.8 Budget Control and Performance</b> Out of the Kshs.155,128,695.09 budgeted for the financial year under review, an amount of Kshs.72,732,143.37 was unspent balance from the financial year 2015/2016. The above analysis reflects actual receipts of Kshs.161,051,765 against budgeted amount of Kshs.161,751,765 resulting in a short fall of Kshs.700,000 or 0.5% of funds budgeted for the year. Further, the National Government Constituency Development Fund - Banisa incurred an under expenditure of Kshs.129,129,599 resulting to under expenditure of Kshs.32,622,166 or 20% of the approved budget.</p>	<p>The delay in disbursement of all budgeted funds from the board made the fund unable to meet its expenditure needs fully. We have since brought the same to the attention of the Board to ensure release of all budgeted funds to realize implementation of projects for the benefit of the constituents</p>	<p>NG-CDF Fund Account Manager</p>	<p>Not Resolved</p>	<p>October 2018</p>
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Prepared by:



YUSUF A. ALI  
FUND ACCOUNT MANAGER  
BANISA

Date: 14<sup>th</sup> August 2019



