

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

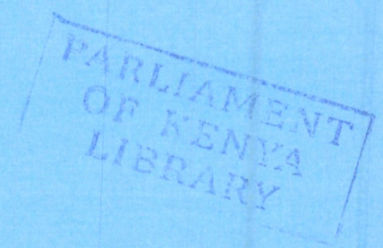
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
GARSEN CONSTITUENCY

FOR THE YEAR  
ENDED 30 JUNE 2018











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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND GARSEN  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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







**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
GARSEN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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

**Reports and Financial Statements  
For the year ended June 30, 2018**

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
GARSEN CONSTITUENCY**

**Reports and Financial Statements**

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**Core Values**

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

**(b) Key Management**

The NG-CDF GARSEN day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Josef Kumbatha
3.	Sub-County Accountant	Ramadhan K Zungi
4.	Chairman NG-CDFC	Daudi Dube Mukulo

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF -GARSEN Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF 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) NG-CDF GARSEN Constituency Headquarters**

P.O. Box 48 - 80201  
Garsen NG-CDF Office Building  
Minjila  
Malindi - Lamu Road  
Garsen, KENYA



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
GARSEN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**(f) NG-CDF GARSEN Constituency Contacts**

Telephone: (254) 725 281 889  
E-mail: [cdfgarsen@ngcdf.go.ke](mailto:cdfgarsen@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NG-CDF GARSEN Constituency Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. KCB Bank  
Garsen Branch  
P.O. Box 48 - 80201  
Garsen, 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 CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
GARSEN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE GARSEN**

I am pleased to forward the Financial Statements and Reports for Garsen NG-CDF for the period ended 30<sup>th</sup> June, 2018 as the expended Budget for the Financial Year 2017/2018. The actual receipts from the CDF Board of the referred period was kshs.43,405,172.00 against an Annual Budget of kshs.98,189,654.00 for the FY 2017/2018. The actual expenditure for the referred period was kshs.43,467,221.00 backed up by cashbook opening balances of kshs.79,868.00.

The absorption rate is below 50% with a unconvincing utilisation rate of approximately 44.2% per cent overall as indicated by the Appropriation analysis summary.

Major achievements have been realised in the disbursement of funds especially in bursaries. The coordination role of bringing all stakeholders on board in the identification, prioritization, implementation, monitoring and usage of output has boosted the overall performance of the fund.

Despite a few challenges here and there, NG-CDF continues to be one of the most preferred devolved funds at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were leaving in despair and ravaging poverty.

We hope that the NG-CDF Board shall improve in the disbursement speed so as to enable the NG-CDFCs utilize funds in time and also call upon all the other stakeholders with interest in the management of NG-CDF to develop a positive thinking approach towards NG-CDF issues rather than treating the fund as a political tool that lacks professionalism in its administration, a very misleading fallacy.



**CHAIRMAN NG-CDF COMMITTEE GARSEN**





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

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**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 NG-CDF-GARSEN 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 2017/2018 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 NG-CDF-GARSEN 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-GARSEN 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 NG-CDF-GARSEN 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-GARSEN Constituency financial statements were approved and signed by the Accounting Officer on 02/04/2019.



Fund Account Manager

Name: JOSEPH KUMBATHI



Sub-County Accountant

Name: Kamadhan K. Zungu  
ICPAK Member Number: 23209





# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GARSEN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Garsen Constituency set out on pages 7 to 24, which comprise the statement of financial assets and liabilities as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and 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 National Government Constituencies Development Fund – Garsen Constituency as at 30 June 2018 and 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 Constituencies Development Fund Act, 2015.

##### Basis for Qualified Opinion

###### 1. Use of Goods and Services

The use of goods and services reflects Kshs.3,291,810 which includes Kshs.1,190,000 and Kshs.620,000 on other committee expenses and committee expenses respectively as reflected under note 3 to the financial statements. Review of expenditure records however revealed that payments amounting to Kshs.1,055,000 spent on committee expenses were made without relevant supporting documents for monitoring and evaluation activities and Constituency Development Fund Committee meetings. Payment schedules attached did not indicate dates when the alleged meetings took place and minutes to support the expenditure were not provided for audit review. The field allowances paid were not also supported with monitoring and evaluation reports to confirm the exercise was executed.

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund –  
Garsen Constituency for the year ended 30 June 2018*



In view of foregoing, it was not possible to ascertain the probity of the expenditure for Kshs.1,055,000 as at 30 June 2018.

## **2. Transfer to Other Government Units**

The transfer to other Government units reflects Kshs.11,297,788 as per note 4 to the financial statements, which includes payments totaling to Kshs.5,400,00 for construction of three classrooms and a toilet block at Kipao Secondary School. However, review of payment documents and project files revealed the following anomalies:

- i). Advertisement for the construction works was made locally instead of inviting tenders through advertisement in at least two daily newspapers of national circulation, or dedicated Government tenders' portal or in the Fund's website as required under Section 96 (2) of the Public Procurement and Asset Disposal Act, 2015.
- ii). Project files provided for audit review did not contain key tender documents such as signed opening and evaluation minutes, inspection and acceptance reports, handing over report and certificate of practical completions as required.
- iii). There were no contract agreements signed between the contractors and the Projects Management Committees as required by Section 135 (2) of the Public Procurement and Asset Disposal Act, 2015.
- iv). Bank statements of the Project Management Committee accounts, project work plan and returns on how the administration expenses of all projects were utilized were not provided for audit review as required by Section 9 and 10 of National Government Constituencies Development Fund Act, 2015.
- v). Physical verification of projects carried out on 15 February 2019 revealed that construction of three classrooms and six toilets at Kipao Secondary School was complete and in use. However, the project was not labeled as at the time of audit verification.

In view of the foregoing, the probity of Kshs.5,400,000 could not be confirmed.

## **3. Other Grants and Other Payment**

The other grants and other payments figure of Kshs.26,849,344 includes bursary amounting to Kshs.21,926,506. However, audit review of the expenditure revealed that bursaries amounting to Kshs.2,739,000 had no acknowledgement receipts or letters from the purported beneficiary institutions. It was further noted that bursary applications register was not maintained to record names of applicants, their identification details and location of domicile.

In the circumstances, it was not possible to ascertain to the probity of Kshs.2,739,000 as at 30 June 2018.

## **4. Outstanding Imprest**

The outstanding imprest reflects a balance of Kshs.2,223,131 as at 30 June 2018. A review of the imprest records revealed that the amount had been outstanding for more than one year and nine months. The outstanding balance comprised of twelve (12) temporary



imprests issued to the former Fund Accounts Manager contrary to Section 93 (4) (b) of the Public Finance Management (National Government) Regulations, 2015 which provides that before issuing temporary imprests the accounting officer shall ensure that the applicant has no outstanding imprests.

Consequently, the financial assets balance of Kshs.2,240,950 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Garsen Constituency in accordance with ISSAI 30 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### Other Matter

#### 1. Budget and Budgetary Control

##### 1.1 Budget Performance Analysis

The budget absorption during the year under review is analyzed below:

Item	Approved Budget Kshs	Actual Kshs	Variance Kshs
Receipts	0	43,405,172	54,884,351
<b>Expenditure</b>			
Compensation of employees	3,320,000	2,028,279	1,291,721
Use of goods and services	5,596,936	3,291,810	2,305,126
Transfer to other government units	42,598,276	11,297,788	31,300,488
Other grants and other transfers	46,754,311	26,849,344	19,904,967
<b>Total</b>	<b>98,269,523</b>	<b>43,467,221</b>	<b>54,802,302</b>

As indicated in the analysis above, the approved budget for the Fund was Kshs.98,269,523 out of which an amount of Kshs.79,868 was brought forward from 2016/2017 financial year. However, the amount received during the year was Kshs.43,405,172 and actual expenditure during the year was Kshs.43,467,221 resulting to under-expenditure of Kshs.62,049.



As at close of the financial year, the National Government Constituencies Development Fund Board had not released Kshs.54,784,482 which is part of the approved budget of Kshs.98,269,523. This led to non-implementation of all development programmes included in the approved budget.

Consequently, the constituents may not have obtained full benefits from the approved programmes.

## **2. Under-Payment of Staff Salary**

The compensation of employees reflects Kshs.2,028,279 during the year under review. However, a review of the of salary payment schedules indicated that the gross salary paid did not include all the applicable allowances as provided in the National Government Constituencies Development Fund Board Circular Ref. BOARD/CIRCULARS/VOL.I.I/166. It was further noted that commuter and hardship allowances were not included in the gross salary leading to under-payment of employees by Kshs.858,600.

In the circumstances. it was not possible to ascertain the probity of the expenditure for Kshs.2,028,279 as at 30 June 2018.

## **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.

### **1. Failure to Maintain Updated Asset Register**

Annex 4 to the financial statements on summary of fixed asset register indicate that cumulative cost of assets acquired by the Fund as at 30 June 2018 was Kshs.12,615,000. However, the asset register maintained was not updated as key asset details such as date of acquisition and cost at acquisition were not provided in the asset register which was last updated in 2016 contrary to Section 143 (1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the absence of proper fixed asset register, it was not possible to ascertain the validity, completeness and accuracy of the fixed assets balance of Kshs.12,615,000 as at 30 June 2018.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Weaknesses in Internal Controls**

All payments from the Fund are supposed to be approved by the Fund Account Manager and authorized by the Sub-County Accountant. However, audit examination of payment vouchers for committee expenses revealed that payment vouchers worth Kshs.1,105,000 were not authorized by the Sub-County Accountant.

Consequently, the authenticity of expenditure of Kshs.1,105,000 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and Those Charged with Governance**

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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.

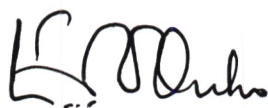


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 going concern 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 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**13 August 2019**





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

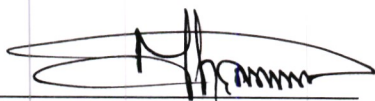
**Reports and Financial Statements**

**For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>RECEIPTS</b>			
Transfers from NG-CDF Board	1	43,405,172	142,577,442
<b>TOTAL RECEIPTS</b>		<b>43,405,172</b>	<b>142,577,442</b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,028,279	1,965,428.80
Use of goods and services	3	3,291,810	10,345,391.90
Transfers to Other Government Units	4	11,297,788	92,500,000.00
Other grants and transfers	5	26,849,344	54,712,409.30
<b>TOTAL PAYMENTS</b>		<b>43,467,221</b>	<b>159,523,230</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(62,049)</u></b>	<b><u>(16,945,788)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-GARSEN Constituency financial statements were approved on 08/04/2019 and signed by:



Fund Account Manager

Name: JOSEPH KUMBATA



Sub-County Accountant

Name: Kamadhan K. Zungi  
ICPAK Member Number: 23209



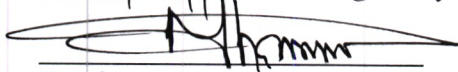


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
 GARSEN CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2018**

**V. STATEMENT OF ASSETS**

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	6	17,819	79,868
<b>Total Cash and Cash Equivalents</b>		<b>17,819</b>	<b>79,868</b>
Outstanding Imprests	8	<u>2,223,131</u>	<u>0.00</u>
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>2,240,950</u></b>	<b><u>79,868.00</u></b>
<b>FINANCIAL LIABILITIES</b>			
<b>NET FINANCIAL ASSETS</b>		<b>2,240,950</b>	<b>79,868</b>
<b>REPRESENTED BY</b>			
Fund Balance B/fwd 1st July...	7	79,868	17,025,656
Surplus/(Deficit) for the year		(62,049)	(16,945,788)
Prior year adjustments	9	<u>2,223,131</u>	<u>0.00</u>
<b>NET FINANCIAL POSITION</b>		<b><u>2,240,950</u></b>	<b><u>79,868.00</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-GARSEN Constituency financial statements were approved on 02/04/2019 and signed by:



Fund Account Manager

Name: JOSEPH KUMBATHA



Sub-County Accountant

Name: Ramadhan K. Zungi  
 ICPAK Member Number: 23209



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

GARSEN CONSTITUENCY

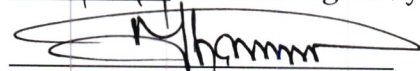
Reports and Financial Statements

For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NG-CDF Board	1	43,405,172	142,577,442
		43,405,172	142,577,442
Payments for operating expenses			
Compensation of Employees	2	2,028,279	1,965,428.80
Use of goods and services	3	4,591,810	10,345,391.90
Transfers to Other Government Units	4	11,297,788	92,500,000.00
Other grants and transfers	5	25,549,344	54,712,409.30
		43,467,221	159,523,230
Adjusted for:			
Adjustments during the year	9	2,223,131	0
Net cash flow from operating activities		(62,049)	(16,945,788)
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		2,161,082	(16,945,788)
Cash and cash equivalent at BEGINNING of the year	7	79,868	17,025,656
Cash and cash equivalent at END of the year		<u>2,240,950</u>	<u>79,868.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-GARSEN Constituency financial statements were approved on 02/04/2019 and signed by:



Fund Account Manager

Name: JOSEPH KUMBATITA



Sub-County Accountant

Name: Lamadhan K. Zungi  
ICPAK Member Number: 23269





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GARSEN CONSTITUENCY**


**Reports and Financial Statements  
For the year ended June 30, 2018**


**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
a	b	c=a+b	d	e=c-d	f=d/c %	
<b>RECEIPTS</b>						
Transfers from CDF Board	98,189,654	79,868	98,269,522	43,405,172	54,864,350	44.2%
<b>TOTAL RECEIPTS</b>	<b>98,189,654</b>	<b>79,868</b>	<b>98,269,522</b>	<b>43,405,172</b>	<b>54,864,350</b>	<b>44.2%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,320,000	-	3,320,000	2,028,278	1,291,722	61.1%
Use of goods and services	5,517,068	79,868	5,596,936	3,291,810	2,305,126	58.8%
Transfers to Other Government Units	42,598,276	-	42,598,276	11,297,788	31,300,487	26.5%
Other grants and transfers	46,754,311	0	46,754,311	26,849,344	19,904,967	57.4%
<b>TOTAL</b>	<b>98,189,655</b>	<b>79,868</b>	<b>98,269,523</b>	<b>43,467,220</b>	<b>54,802,302</b>	<b>44.2%</b>

- (a) The station was NOT in a position to generate any income during the financial period under review
  - (b) Overall utilization rate fell below average due to delays in receipt of funds from the NG-CDF Board
  - (c) All sectors across the board performed below per due to delays in receipts of funds that was occasioned by a stretched political stand-off that lasted over eight months thus affecting unilaterally all government operations during the financial year
- The difference between the Original budget totals and the Final budget totals originates from the Cash book balances brought forward from the previous financial year.

The NG-CDF, GARSEN Constituency financial statements were approved on 03/04/2019 and signed by:

  
Fund Account Manager  
Name: Joseph Kwumrafutu

  
Sub-County Accountant  
Name: Ramadhan K. Zung'i  
ICPAK Member Number: 23209





**VIII. 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-GARSEN Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of receipts**

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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





**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

During the year ended 30<sup>th</sup> 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.

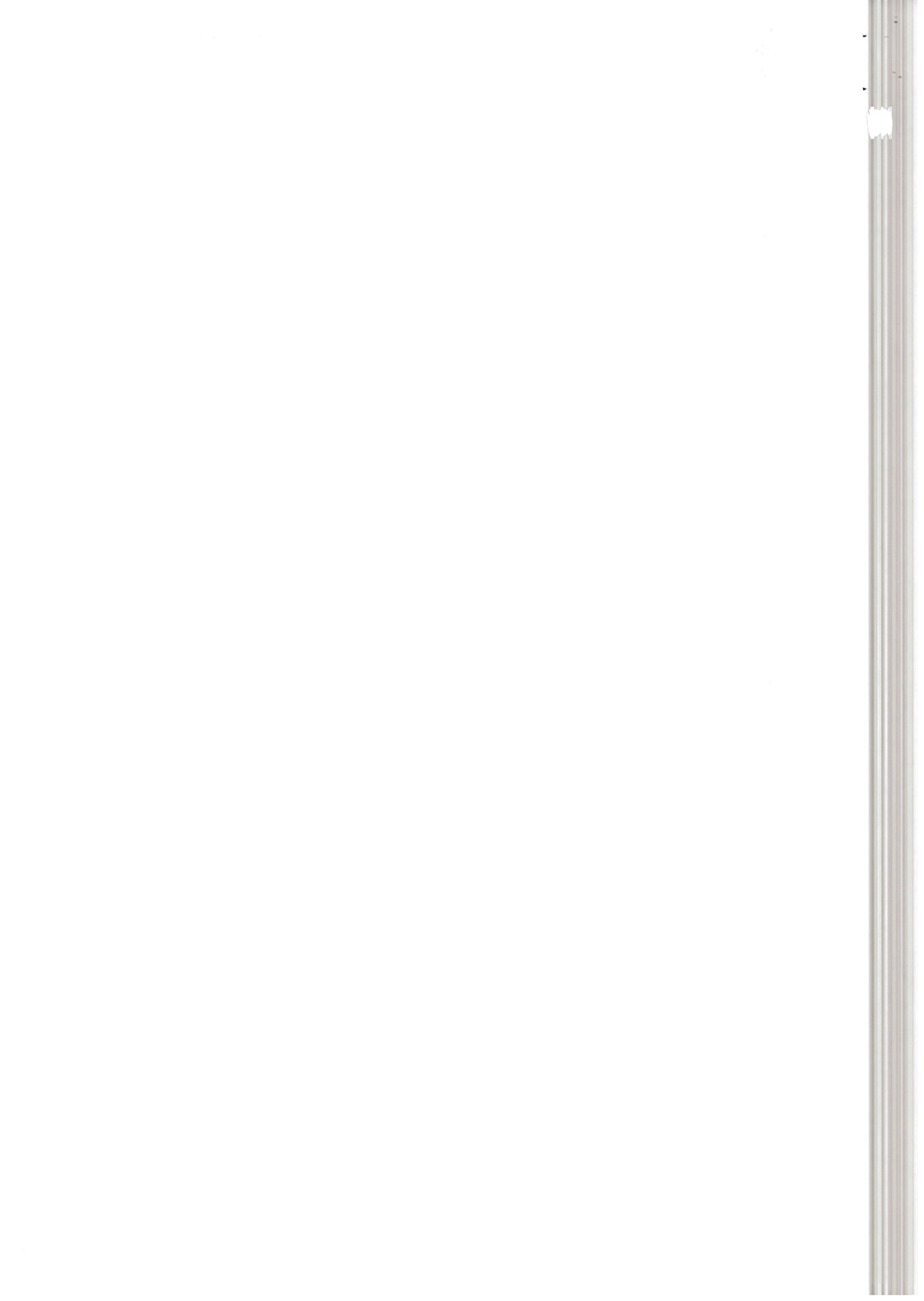
**Use of Goods and Services**

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.





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
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**Reports and Financial Statements**

**For the year ended June 30, 2018**

**SIGNIFICANT ACCOUNTING POLICIES**

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**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized 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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
GARSEN CONSTITUENCY**

**Reports and Financial Statements**

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**SIGNIFICANT ACCOUNTING POLICIES**

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**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 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 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 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 (NG-CDF) –  
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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES**

Description	2017-2018	2016-2017
	Kshs	Kshs
NGCDF Board		
AIE NO. A855806	5,500,000	
AIE NO. A892944	37,905,172	
AIE NO. A825848		61,080,891.00
AIE NO. 829549		4,094,827.00
AIE NO. A855165		36,853,449.00
AIE NO. A855673		40,548,275.00
<b>TOTAL</b>	<b>43,405,172</b>	<b>142,577,442.00</b>

**2. COMPENSATION OF EMPLOYEES**

Description	2017 - 2018	2016 - 2017
		Kshs
Basic wages of contractual employees	1,469,570	1,334,403.20
Employer contribution to NSSF	83,088	143,876.00
Gratuity-contractual employees	475,620	487,149.70
<b>TOTAL</b>	<b>2,028,278</b>	<b>1,965,428.80</b>

**3. USE OF GOODS AND SERVICES**

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	41,510	218,778.40
Communication, supplies and services	50,000	0
Domestic travel and subsistence	180,600	75,000.00
Printing, advertising and information supplies & services	252,400	0
Training expenses	216,000	0
Hospitality supplies and services	28,200	99,100.00
Other committee expenses	1,190,000	7,017,960.70
Committee Expenses	620,000	501,062.00
Office and general supplies and services	502,550	475,094.00
Fuel , oil & lubricants	27,700	1,594,383.00
Other operating expenses	60,000	0
Bank service commission and charges	0	218,683.30
Routine maintenance - vehicles and other transport equipment	0	145,330.00
Routine maintenance- other assets	122,850	0
<b>TOTAL</b>	<b>3,291,810</b>	<b>10,345,391.00</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary schools	497,788	43,600,000
Transfers to Secondary schools	10,800,000	48,900,000
<b>TOTAL</b>	<b>11,297,788</b>	<b>92,500,000</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary -Secondary	11,426,506	17,199,957.30
Bursary -Tertiary	10,500,000	10,501,590.00
Mocks & CAT	-	3,000,000.00
Security	-	8,300,000.00
Sports	250,000	3,637,931.00
Environment	-	3,637,931.00
Other Capital grants and transfer		4,435,000.00
Emergency Projects	3,372,838	4,000,000.00
Preparation of 5 Year Strategic Plan	1,300,000	
<b>TOTAL</b>	<b>26,849,344</b>	<b>54,712,409.30</b>

**6. BANK ACCOUNTS (CASH BOOK BANK BALANCES)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
KCB Bank - Garsen branch - 110796735	17,819	79,867
<b>Total</b>	<b>17,819</b>	<b>79,867</b>

**7. BALANCES BROUGHT FORWARD**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	79,868	14,082,525
Cash in hand	0	2,943,131
<b>Total</b>	<b>79,868</b>	<b>17,025,656</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
GARSEN CONSTITUENCY**

**Reports and Financial Statements  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8: OUTSTANDING IMPRESTS**

Name of Officer or Institution	Date Imprest Taken	Imprest No.	Cheque No.	Amount Taken	Amount Surrendered	Balance
				Kshs	Kshs	Kshs
John Mwangi Chege				133,131	0	133,131
John Mwangi Chege	03/08/2017	2865638	5721	500,000	0	500,000
John Mwangi Chege	06/09/2017	2865612	5723	100,000	0	100,000
John Mwangi Chege	04/08/2017	2865640	5723	235,000	0	235,000
John Mwangi Chege	03/08/2017	2865639	5724	100,000	0	100,000
John Mwangi Chege	06/09/2017	2865641	5739	100,000	0	100,000
John Mwangi Chege	13/09/2017	2865642	5744	100,000	0	100,000
John Mwangi Chege		2865750	5745	260,000	0	260,000
John Mwangi Chege	18/10/2017	3143951	5746	270,000	0	270,000
John Mwangi Chege	09/11/2017	3143957	5752	90,000	0	90,000
John Mwangi Chege	22/12/2017	3143984	5753	35,000	0	35,000
John Mwangi Chege	07/02/2018	3143997	5754	200,000	0	200,000
John Mwangi Chege	26/03/2018	007753	5829	100,000	0	100,000
<b>Total</b>						<b>2,223,131</b>

**9. PRIOR YEAR ADJUSTMENTS**

Description	2017- 2018	2016-2017
	Kshs	Kshs
Imprest	2,223,131	0
<b>Total</b>	<b>2,223,131</b>	<b>00</b>

**10. OTHER IMPORTANT DISCLOSURES**

**10.1: UNUTILIZED FUNDS (See Annex 2)**

Description	Kshs	Kshs
Compensation of employees	1,291,721	0
Use of goods and services	5,005,127	0
Amounts due to other Government entities (see attached list)	32,800,487	0
Amounts due to other grants and other transfers (see attached list)	15,704,965	0
<b>Total</b>	<b>54,802,300</b>	<b>00</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
GARSEN CONSTITUENCY**

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.2: PMC account balances (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Kipao Secondary School - 1233232568	5,400,000	0
Hashaka Secondary School - 1233417428	5,400,000	0
Kipao Primary School - 1109502834	2,212	0
	10,802,212	00

ANNEX 1 –PMC BANK BALANCES AS AT 30 JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kipao Secondary School	KCB Bank - Garsen branch	1233232568	5,400,000	0
Hashaka Secondary School	KCB Bank - Garsen branch	1233417428	5,400,000	0
Kipao Primary School	KCB Bank - Garsen branch	1109502834	2,212	0
<b>Total</b>			<b>10,802,212</b>	<b>00</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) GARSEN CONSTITUENCY**  
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**ANNEX 2 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,291,721.00		
Use of goods & services		5,005,127.00	79,868	
<b>Amounts due to other Government entities</b>				
1. Ongonyo primary school		3,720,000.00		
2. Kipao primary school		122,211.52		
3. Gubani primary school		3,420,000.00		
4. Handaraku primary school		3,120,000.00		
5. Odole primary school		3,120,000.00		
6. Kon Kona primary school		3,720,000.00		
7. Kikomo primary school		1,690,000.00		
8. Sheli primary school		1,100,000.00		
9. Bahati primary school		240,000.00		
10. Sane Girls secondary school		2,000,000.00		
11. Gerarsa secondary school		2,400,000.00		
12. Gadeni secondary school		800,000.00		
13. Katsangani primary school		2,424,137.94		
14. Ramadha primary school		2,424,137.93		
15. Kipao High School		500,000.00		
16. Hashaka Secondary School		500,000.00		
17. Tana Delta Sub-county Education		1,500,000.00		
<b>Sub-Total</b>		<b>32,800,487.39</b>	<b>79,868</b>	
<b>Amounts due to other grants and other transfers</b>				
1. Tana Delta sub-county Head Quarters		1,000,000.00		
2. Strategic Plan		2,700,000.00		
3. Constituency Innovation Hubs		4,677,027.20		
4. Environment - Imani primary school		75,862.20		
- Dalu primary school		75,862.20		
- Kipini primary school		75,862.20		
- Kipao secondary school		100,000.00		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) GARSEN CONSTITUENCY**  
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	- Hashaka secondary school	100,000.00		
	- Hurara secondary school	100,000.00		
	- Hurara secondary school	200,000.00		
	- Gademi secondary school	100,000.00		
	- Gademi secondary school	200,000.00		
	- Galili secondary school	100,000.00		
	- Onkolde primary school	100,000.00		
5. Sports		977,586.20		
6. Emergency		1,765,093.34		
7. Bursary		3,357,671.62		
	<b>Sub-Total</b>	<b>15,704,965</b>		
<b>TOTAL</b>		<b>54,802,302.00</b>		





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) GARSEN CONSTITUENCY**  
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**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	1,000,000.00	0	0	1,000,000.00
Buildings and structures	5,000,000.00	0	0	5,000,000.00
Transport equipment	6,000,000.00	0	0	6,000,000.00
Office equipment, furniture and fittings	250,000.00	0	0	250,000.00
ICT Equipment, Software and Other ICT Assets	365,000.00	0	0	365,000.00
<b>Total</b>	<b>12,615,000</b>	<b>00</b>	<b>00</b>	<b>12,615,000.00</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) GARSEN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**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)
1.0	Presentation of Financial Statements		Former FAM	Pending	June 2019
2.0	Inaccuracies in the Financial Statements		Former FAM	Pending	June 2019
3.0	Cash and Cash Equivalents		Former FAM	Pending	June 2019
4.0	Unsupported Expenditure		Former FAM	Pending	June 2019



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
GARSEN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

**ANNEX 5 - FINANCIAL YEAR.....2017 1ST JULY TO 30TH JUNE 2018..... ORIGINAL  
BUDGET ESTIMATE**

Project Name	Original Cost - Kshs.	Supplimentary Budget - Kshs.	Total Allocation - Kshs.	Sector Totals
<b>COMPENSATION OF EMPLOYEES</b>				
Employees Salaries	3,000,000	-	3,000,000	
NSSF	120,000	-	120,000	
NHIF	200,000	-	200,000	<b>3,320,000</b>
<b>USE OF GOODS AND SERVICES</b>			-	
Administration - Committee Expenses	684,000	682,759	1,366,759	
Administration - Goods and Services	1,204,620		1,204,620	
M&E - Committee Expenses	652,308	341,379	993,687	
M&E - Goods and Services	1,200,000		1,200,000	
M&E - CDFC, PMC & Staff Capacity Building	752,003		752,003	<b>5,517,068</b>
<b>TRANSFERS TO OTHER GOVERNMENT UNITS</b>			-	
Katsangani primary school		2,424,138	2,424,138	
Ramadha primary school		2,424,138	2,424,138	
Ongonyo Primary School	3,720,000		3,720,000	
Handaraku Primary School	3,120,000		3,120,000	
Kipao Primary School	620,000		620,000	
Bahati Primary School	240,000		240,000	
Kikomo Primary School	1,690,000		1,690,000	
Gubani Primary School	3,420,000		3,420,000	
Sheli Primary School	1,100,000		1,100,000	
Odole Primary School	3,120,000		3,120,000	
Konkona Primary School	3,720,000		3,720,000	
Gadeni Secondary School	800,000		800,000	
Hashaka Secondary School	5,900,000		5,900,000	
Kipao Secondary School			5,900,000	





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
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	5,900,000			
Gerarsa Secondary School			2,400,000	
	2,400,000			
Sane Girls High School School			2,000,000	
	2,000,000			42,598,276
<b>OTHER GRANTS AND TRANSFERS</b>			-	
Secondary Schools Bursary		2,482,759	15,984,180	
	13,501,421			
Tertiary Institutions Bursary		1,500,000	12,000,000	
	10,500,000			
Tana Delta Sub-county Head Quarters Office Compound			1,000,000	
	1,000,000			
Tana Delta sub-county Education Office			1,500,000	
	1,500,000			
Garsen Constituency Youth ICT Hub Centres			4,677,027	
	4,677,027			
Environment - Kipao Secondary School			100,000	
	100,000			
Environment - Hashaka Secondary School			100,000	
	100,000			
Environment - Hurara Secondary School			300,000	
	300,000			
Environment - Gadeni Secondary School			300,000	
	300,000			
Environment - Galili Primary School			100,000	
	100,000			
Environment - Onkolde Primary School			100,000	
	100,000			
Environment - Kipini Primary School		75,862	75,862	
Environment - Dalu Primary School		75,862	75,862	
Environment - Imani Primary School		75,862	75,862	
Sports Tournament		227,586	1,227,586	
	1,000,000			
Strategic Plan		500,000	4,000,000	
	3,500,000			
Emergency		568,966	5,137,931	
	4,568,966			46,754,311
<b>TOTAL</b>	<b>86,810,344</b>	<b>11,379,311</b>	<b>98,189,655</b>	<b>98,189,655</b>

