

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- BALAMBALA CONSTITUENCY**

**FOR THE YEAR
ENDED 30 JUNE 2018**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BALAMBALA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BALAMBALA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 (NGCDF) –
BALAMBALA CONSTITUENCY**

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For the year ended June 30, 2018

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Ibrahim Amir Tawane
3.	Sub-County Accountant	Josepk K. Gikera
4.	Chairman NGCDFC	Bishar Abdi Hussein
5.	Member NGCDFC	Abdi Shalle Bulle

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF BALAMBALA Constituency Headquarters

P.O. Box 259-70100
GARISSA, KENYA

BALAMBALA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF BALAMBALA Constituency Contacts

Telephone: (254) 0723 794 740
E-mail: cdfbalambala@ngcdf.go.ke
Website: www.ng-cdf.go.ke

(g) NGCDF BALAMBALA Constituency Bankers

1. Equity Bank
Garissa Branch
Account Number:-0580268598022
P.O. Box 700-70100
Garissa, Kenya

2. Chase Bank
Garissa Branch
Account Number:-8212210001
P.O. Box 259-70100
Garissa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am pleased to present the unaudited financial statements for Balambala Constituency for the financial year ended 30th June 2018. During the year, the constituency was allocated a total of Kshs.98,189,655.16 consisting of Kshs. 86,810,344.82 as normal allocation and Kshs. 11,379,310.34 as supplementary allocation.

Our receipt of the above allocations, Balambala National Government Constituency Development Fund Committee (NGCDFC) pursuant to the provision of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meeting held across the constituency. It is noteworthy that during the FY 2017/2018, we received 50% of the normal constituency funding equivalent to Kshs. 43,405,172 and these funds were then disbursed to earmarked projects.

The budget performance against the actual amount was impressive with 90% absorption rate for the funds received in the financial year 2017/2018.

During the financial year under review the constituency was able to issue bursary to deserving and needy student within the constituency with 95% distribution of the amount received as at 30/6/2018.

Constituents are well informed on the NG CDF functions and coming forward with their proposal to improve the general wellbeing of residents. Peace and security are the major concern due scarce resource within the pastoral communities along the constituency border as a result of climatic changes.

To reap the maximum benefits to the residents NG CDF funds should be disbursed within the financial year to ensure smooth transformation of the areas covered.

As a way forward, Balambala NG-CDFC should do continuous monitoring of projects and roll out proper capacity building programs to project management committees. Programs and projects should be designed to mitigate the effect of climate change both in the short time and long term.

More public education should be carried out to encourage pastoralists to take their children to school to improve literacy levels.

I wish to sincerely thank the NGCDF Committee, NGCDF staff, Project Management Committee and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going for the committee envisions performing and attaining better results in its performance targets for FY 2018/2019.

Sign



**BISHAR ABDI HUSSEIN,
CHAIRMAN BALAMBALA NGCDF COMMITTEE.**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA 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 NGCDF-BALAMBALA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-BALAMBALA 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-BALAMBALA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

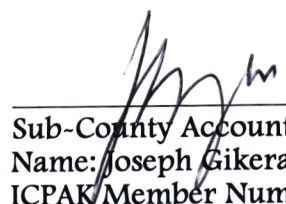
The Accounting Officer in charge of the NGCDF-BALAMBALA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-BALAMBALA Constituency financial statements were approved and signed by the Accounting Officer on 31st August 2018.



Fund Account Manager
Name: Ibrahim A. Tawane



Sub-County Accountant
Name: Joseph Gikera
ICPAK Member Number:



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Balambala Constituency set out on pages 1 to 26, which comprise the statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development 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 - Balambala Constituency as at 30 June 2018 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Transfers to Other Government Units

Note 6 to the financial statements reflects Kshs.24,365,517 being transfers to other Government units which includes Kshs.20,865,517 transfer to primary schools, which in turn includes Kshs.19,724,138 and Kshs.1,075,862 paid to General Motors East Africa Limited and Commissioner of Domestic Taxes respectively for the purchase of two (2) water bowsers, GK B443S and GK B445S (Isuzu) through direct procurement method. However, the following anomalies were noted: -

- i. The logbooks were not availed for audit confirmation and thus the ownership of the vehicles could not be ascertained.
- ii. Payment was made without an invoice and only a pro-forma invoice was used to support the payment.

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

- iii. Approved project code list to show whether the Fund budgeted for the water bowsers was not availed for audit review.
- iv. Physical verification conducted in March 2019 revealed that the two (2) water bowsers are being used by the community as opposed to primary schools project and thus the management and maintenance of the vehicles remains uncertain.

Consequently, the probity of the expenditure of Kshs.20,800,000 as at 30 June 2018 could not be ascertained.

2. Other Grants and Transfers

Included in the other grants and transfers amount of Kshs.23,660,800 under note 7 to the financial statements is an amount of Kshs.14,000,000 and Kshs.7,146,000 allocated to secondary schools and tertiary institutions respectively as bursary transfers. However, a review of the expenditure and other supporting documents revealed that an amount of Kshs.2,268,000 was not supported with acknowledgement receipts or letters from learning institutions that were purported to have received the bursaries.

In the circumstances, the probity of the expenditure of Kshs.2,268,000 as at 30 June 2018 could not be confirmed.

3. Cash and Cash Equivalents

Note 9 and 10A to the financial statements reflects a bank balance of Kshs.37,586,286 as at 30 June 2018 which includes an amount of Kshs.23,891,043 held at Chase Bank, Garissa Branch (Acc. No.8212210001). However, the following anomalies were noted:

- i. The Chase Bank has been put under receivership by the Central Bank of Kenya due to underperformance and the recoverability of the public funds held at the bank remains uncertain.
- ii. The bank reconciliation statement for the month of June 2018 revealed that there were unrepresented cheques totaling to Kshs.10,783,726, out of which cheques amounting to Kshs.811,400 were stale as at 30 June 2018. These cheques had not been reversed in the cash book consequently overstating the payments.

In the circumstances, it has not been possible to confirm that the cash and cash equivalents balance of Kshs.37,586,286 as at 30 June 2018 is fairly stated.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Balambala 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 of my report, I have determined that there were no Key Audit Matters to communicate in my report.

Other Matter

1. Budget Control and Performance

1.1 Budget Performance Analysis

A review of the statement of budget appropriation revealed that, the Fund had an approved budget of Kshs.124,095,192. Out of the amount budgeted, a sum of Kshs.25,905,537 was unspent balance from the financial year 2016/2017. Budget utilization on receipts and expenditure are as follows: -

Item	Budget Kshs.	Actual Kshs.	Under-difference Kshs.	Actual % of Budget
Receipts	124,095,192	43,405,172	80,690,020	35%
Expenditure	124,095,192	55,615,466	68,479,726	45%

The above analysis reflects actual receipts of Kshs.43,405,172 against budgeted amount of Kshs.124,095,192 resulting in a short fall of Kshs.80,690,020 representing 65% of undisbursed funds from the National Government Constituencies Development Fund Board. Further, the Fund spent an amount of Kshs.55,615,466 representing 45% of the approved budget of Kshs.124,095,192.

1.2 Under Expenditure on Overall Budget

The Fund recorded an overall 45% under expenditure during the year under review as follows:

Item	Approved Budget Kshs	Actual Expenditure Kshs	Under - Expenditure Kshs	% Difference in Under - Expenditure
Compensation of employees	2,694,140	1,331,728	1,362,412	49%
Use of goods and services	6,564,083	4,861,792	1,702,290	26%
Transfer to other Government units	55,476,383	24,365,517	31,110,866	56%
Other grants and transfers	49,587,931	23,660,800	25,927,131	52%
Acquisition of assets	1,395,630	1,395,629	0	0 %
Other payments	8,377,027	0	8,377,027	100%
Total	124,095,192	55,615,466	68,479,726	45%

From the above analysis, the Fund realized under expenditure in all the 5 items budgeted for the year under review.

1.3 Project Implementation and Management

During the financial year under review the Fund allocated Kshs.64,068,722 to nineteen (19) projects in various sectors including education, sport and security. Under Education sector,

the Fund purchased two (2) water bowsers and one (1) 51-seater bus for Balambala Secondary School.

Analysis of the project implementation status revealed that the two (2) projects were completed while seventeen (17) had not started as detailed below: -

Sector	Project Status	Project Cost Kshs.	No. of Projects
Education	Complete	24,300,000	2
	Ongoing	0	0
	Not started	28,668,722	11
Security	Complete	0	0
	Ongoing	0	0
	Not started	9,400,000	5
Sport	Complete	0	0
	Ongoing	0	0
	Not started	1,700,000	1
Total		64,068,722	19

Failure to complete the projects within the stipulated period is likely to deny the Balambala constituents the much-needed services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Opinion

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

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 1315. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance was maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting, unless the management either intends to liquidate the Fund or to cease operations, or 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 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:

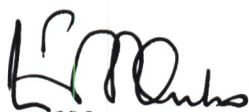
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 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 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 to the Fund 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 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

24 July 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

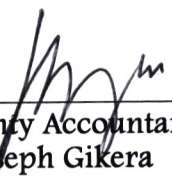
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	43,405,172	137,643,225
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		43,405,172	137,643,225
PAYMENTS			
Compensation of employees	4	1,331,728	1,693,616
Use of goods and services	5	4,861,792	9,262,723
Transfers to Other Government Units	6	24,365,517	50,520,000
Other grants and transfers	7	23,660,800	50,261,349
Acquisition of Assets	8	1,395,629	-
Other Payments	9	-	-
TOTAL PAYMENTS		55,615,466	111,737,688
SURPLUS/DEFICIT		(12,210,294)	25,905,537

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BALAMBALA Constituency financial statements were approved on 31st August 2018 and signed by:



Fund Account Manager
Name: Ibrahim A. Tawane



Sub-County Accountant
Name: Joseph Gikera

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
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For the year ended June 30, 2018**

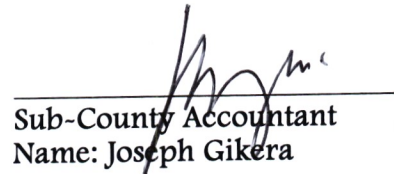
V. STATEMENT OF ASSETS

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	37,586,286	49,796,581
Cash Balances (cash at hand)	10B	-	-
Cash and Cash Equivalents Totals		37,586,286	49,796,581
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		37,586,286	49,796,581
REPRESENTED BY			
Current Payables			
Retention	12		
Fund balance b/fwd 1st July...	13	49,796,581	23,891,044
Surplus/Deficit for the year		(12,210,294)	25,905,537
Prior year adjustments	14	-	-
NET LIABILITIES		37,586,286	49,796,581

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BALAMBALA Constituency financial statements were approved on 31st August 2018 and signed by:



Fund Account Manager
Name: Ibrahim A. Tawane



Sub-County Accountant
Name: Joseph Gikera

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

BALAMBALA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

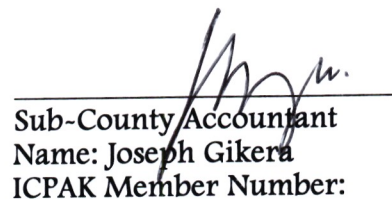
VI. STATEMENT OF CASHFLOW

		2017-2018	2016-2017
Receipts for operating income			
Transfers from CDF Board	1	43,405,172	137,643,225
Other Receipts	3	-	
		43,405,172	137,643,225
Payments for operating expenses			
Compensation of Employees	4	1,331,728	1,693,616
Use of goods and services	5	4,861,792	9,262,723
Transfers to Other Government Units	6	24,365,517	50,520,000
Other grants and transfers	7	23,660,800	50,261,349
Other Payments	9	-	-
		54,219,837	111,737,688
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(10,814,665)	25,905,537
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	1,395,629	-
Net cash flows from Investing Activities		(1,395,629)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(12,210,294)	25,905,537
Cash and cash equivalent at BEGINNING of the year	13	49,796,581	23,891,044
Cash and cash equivalent at END of the year		37,586,286	49,796,581

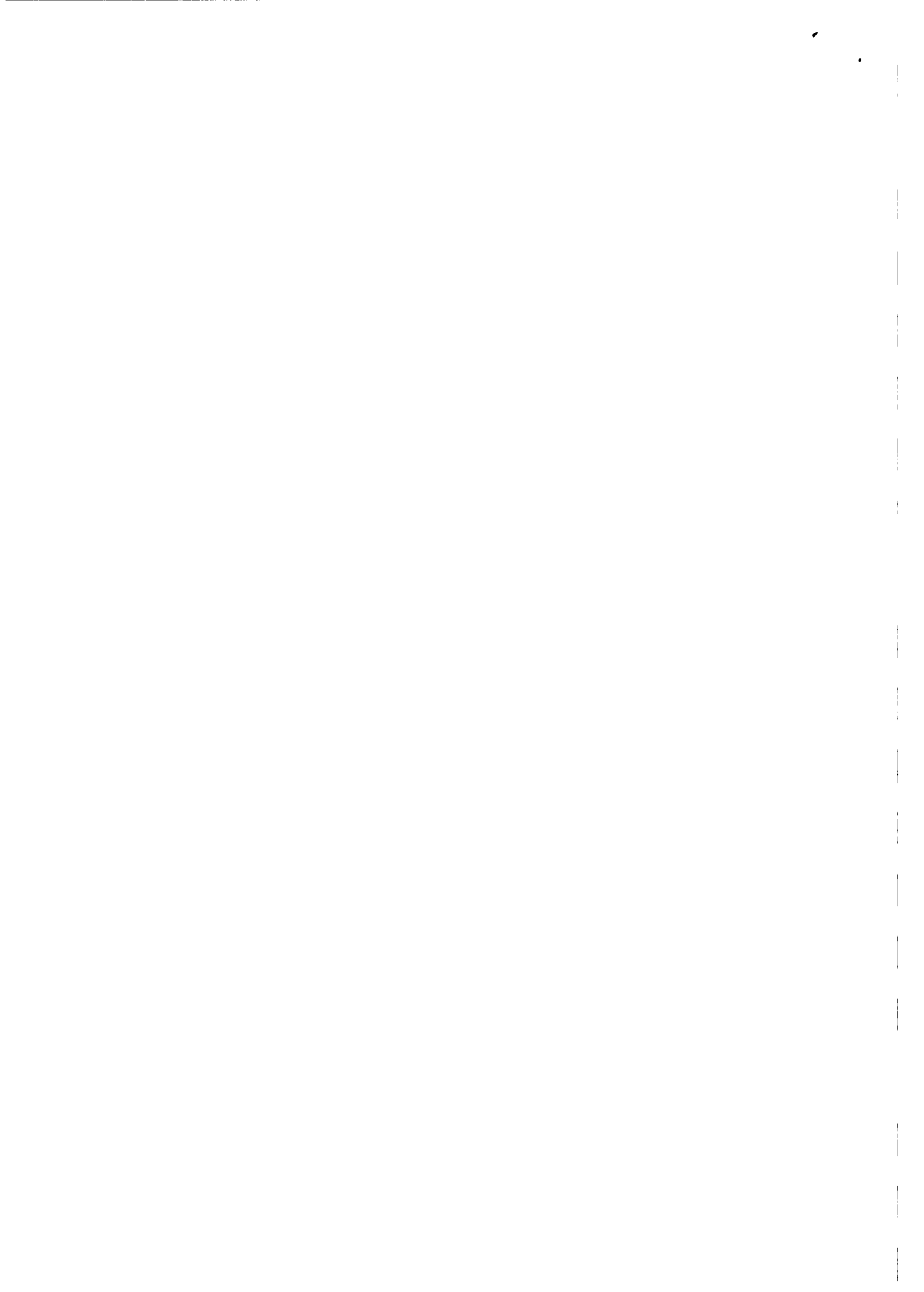
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BALAMBALA Constituency financial statements were approved on 31st August 2018 and signed by:



Fund Account Manager
Name: Ibrahim A. Tawane



Sub-County Accountant
Name: Joseph Gikera
ICPAK Member Number:



I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,344.82	37,284,847.44	124,095,192.26	43,405,172.00	80,690,020.00	34.9%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts				-	-	0.0%
TOTAL	86,810,344.82	37,284,847.44	124,095,192.26	43,405,172.00	80,690,020.00	34.9%
PAYMENTS						
Compensation of Employees	2,694,139.52	-	2,694,139.52	1,331,728.00	1,362,411.52	49.4%
Use of goods and services	4,955,860.48	1,608,222.34	6,564,082.82	4,861,792.49	1,702,290.33	74.1%
Transfers to other Government Units	28,668,722.48	26,807,660.10	55,476,382.58	24,365,517.00	31,110,865.58	43.9%
Other grants and transfers	40,718,965.52	8,868,965.00	49,587,930.52	23,660,800.00	25,927,130.52	47.7%
Acquisition of assets	1,395,629.82	-	1,395,629.82	1,395,629.00	0.82	100.0%
Other Payments	8,377,027.00	-	8,377,027.00	-	8,377,027.00	0.0%
TOTAL	86,810,344.82	37,284,847.44	124,095,192.26	55,615,466.49	68,479,725.77	44.8%

Note: there is overall budget underutilization as a national elections which delayed the formation of a new NG-CDF committee in the time which also subsequently caused delay of disbursement of funds from the Board.

The NGCDF-BALAMBALA Constituency financial statements were approved on 31st August 2018 and signed by:


Fund Account Manager
Name: Ibrahim Tawane


Sub-County Accountant
Name:

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-BALAMBALA 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 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized 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.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th 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 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
Normal Allocation	A855758	5,500,000.00	
	A892815	37,905,172.00	
		-	
	A825837		55,746,673.00
	A825999		4,094,827.60
	A839637		36,853,449.00
	A855692		40,948,275.10
			-
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		43,405,172.00	137,643,224.70

2. PROCEEDS FROM SALE OF ASSETS

Description	2017-2018	2016-2017
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

4 COMPENSATION OF EMPLOYEES			
Description	2017-2018	2016-2017	
	Kshs	Kshs	
Basic wages of contractual employees	1,324,728.00	1,677,216.00	
Basic wages of casual labour	-	-	
Personal allowances paid as part of salary	-	-	
House allowance	-	-	
Transport allowance	-	-	
Leave allowance	-	-	
Other personnel payments	-	-	
Employer contribution to NSSF	7,000.00	16,400.00	
Gratuity-contractual employees	-	-	
TOTAL	1,331,728.00	1,693,616.00	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017-2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	455,000.00	845,000.00
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	1,342,755.00	-
Committee allowance	1,630,897.49	3,417,820.00
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,433,140.00	4,999,903.00
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	4,861,792.49	9,262,723.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**BALAMBALA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018***NOTES TO THE FINANCIAL STATEMENTS (Continued)***6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017-2018	2016-2016
	Kshs	Kshs
Transfers to Primary schools	20,865,517.00	43,000,000.00
Transfers to Secondary schools	3,500,000.00	6,900,000.00
Transfers to Tertiary institutions	-	-
Transfers to Health institutions	-	620,000.00
TOTAL	24,365,517.00	50,520,000.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Bursary -Secondary	14,000,000.00	13,482,000.00
Bursary -Tertiary	7,146,000.00	11,743,000.00
Bursary-Special schools	-	-
Mocks & CAT	-	-
Water	-	1,200,000.00
Food security	-	-
Electricity	-	-
Security	-	5,480,000.00
Roads and Bridges	-	9,254,248.60
Sports	-	1,556,034.00
Environment	-	2,938,839.00
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	2,514,800.00	4,607,227.00
TOTAL	23,660,800.00	50,261,348.60



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	1,395,629.00	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	1,395,629.00	-

9. OTHER PAYMENTS

Name of Bank, Account No. & currency	Account Number	2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
Chase Bank, Garissa Branch	A/C no.8212210001	23,891,043.55	
Equity Bank, Garissa Branch	A/C no.0580268598022	13,695,242.61	49,796,580.65
TOTAL		37,586,286.16	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

BALAMBALA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
<i>Chase Bank, Garissa Branch</i>	<i>A/C no.8212210001</i>		
<i>Equity Bank, Garissa Branch</i>	<i>A/C no.0580268598022</i>	37,586,286.16	49,796,580.65
TOTAL			
10B: CASH IN HAND)			
		2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

BALAMBALA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer	Date imprest taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance (30/6/2018) Kshs
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

12: RETENTION

Supplier/Contractor	PV No.	2017-2018	2016-2017
		-	-
		-	-
TOTAL		-	-

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs (1/7/2018)	2016-2017 Kshs (1/7/2017)
Bank accounts	49,796,580.65	23,891,043.55
Cash in hand		-
Imprest		-
TOTAL	49,796,580.65	23,891,043.55

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

BALAMBALA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

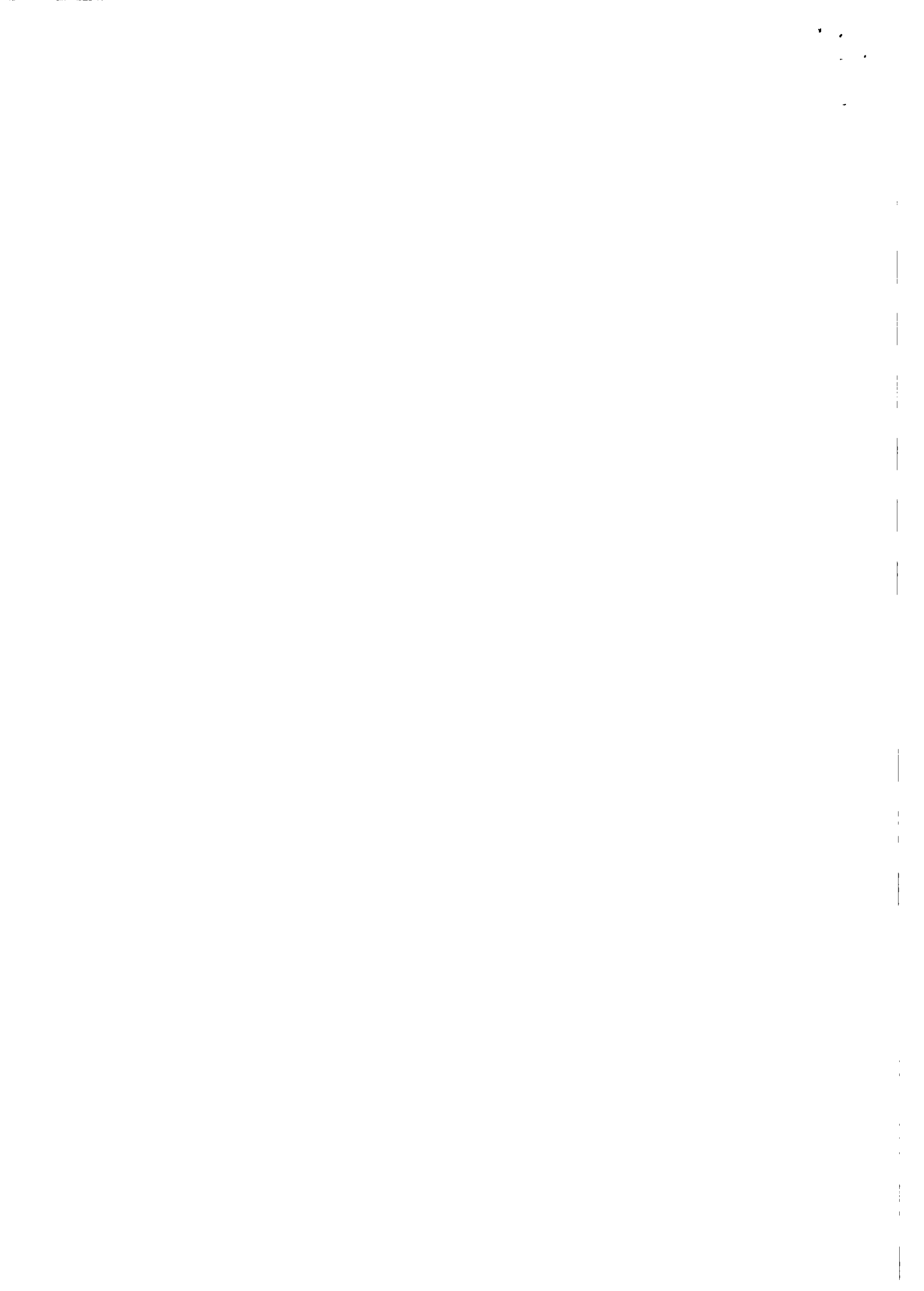
	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017-2018	2016-2017
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	29,368,722	-
Amounts due to other grants and other transfers (see attached list)	23,703,096	-
Others (specify)	15,407,907	-
	68,479,725	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	-	-
	-	-

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)**

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)**

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
Primary schools							
1. Libahlow Primary School		2,000,000.00					
2. Bula Kurow Primary School		1,700,000.00					
3. Hagarjarer Primary School		1,700,000.00					
4. Kuno Primary School		1,700,000.00					
5. Balich Primary School		600,000.00					
6. Dogob Primary School		400,000.00					
7. Hifow Primary School		400,000.00					
8. Magathow Primary School		400,000.00					
9. Shebtaad Primary School		400,000.00					
10. Hirbaya Primary School		4,200,000.00					
11. Nunow Primary School		4,200,000.00					
12. Sankuri Primary School		900,000.00					
13. Debi Primary School		150,000.00					
14. Ashadin Primary School		150,000.00					
15. Kone Primary School		150,000.00					
16. Bura dansa Primary School		150,000.00					
17. Hadley Primary School		250,000.00					
18. Kasha Primary School		150,000.00					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

19. Danyere Primary School		2,000,000.00				
20. Mathahlibah Primary School		1,700,000.00				
Secondary schools						
1. Sankuri Girls Secondary School		500,000.00				
2. Danyere Secondary School		2,700,000.00				
3. Balambala Secondary School		2,100,000.00				
4. Danyere Secondary School		768,722.48				
Sub-Total		29,368,722.48				
Amounts due to other grants and other transfers						
1. Bursary for secondary schools		29,000.00				
2. Bursary for tertiary institutions		2,582,000.00				
3. Security		15,200,000.00				
4. Sports		3,268,965.52				
5. Emergency		2,623,130.52				
Others						
1. Staff salary		1,357,041.52				
2. Admin - goods and services		393,338.68				
3. NHIF		71,200.00				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

4. NSSF						19,600.00				
5. Admin - committee expenses						494,700.75				
6. M & E- capacity building						895,000.00				
7. NHIF cover premier						2,100,000.00				
8. Strategic plan						3,700,000.00				
9. ICT hub						4,677,027.00				
10. Environmental Project						1,700,000.00				
Sub-Total						39,111,003.99				
Grand Total						68,479,726.47				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2017/18	Historical Cost (Kshs) 2016/17
Land	-	-
Buildings and structures	-	-
Transport equipment	8,050,270.00	8,050,270.00
Office equipment, furniture and fittings	2,395,629.00	1,000,000.00
ICT Equipment, Software and Other ICT Assets	-	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	10,445,899.00	9,050,270.00

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Total				

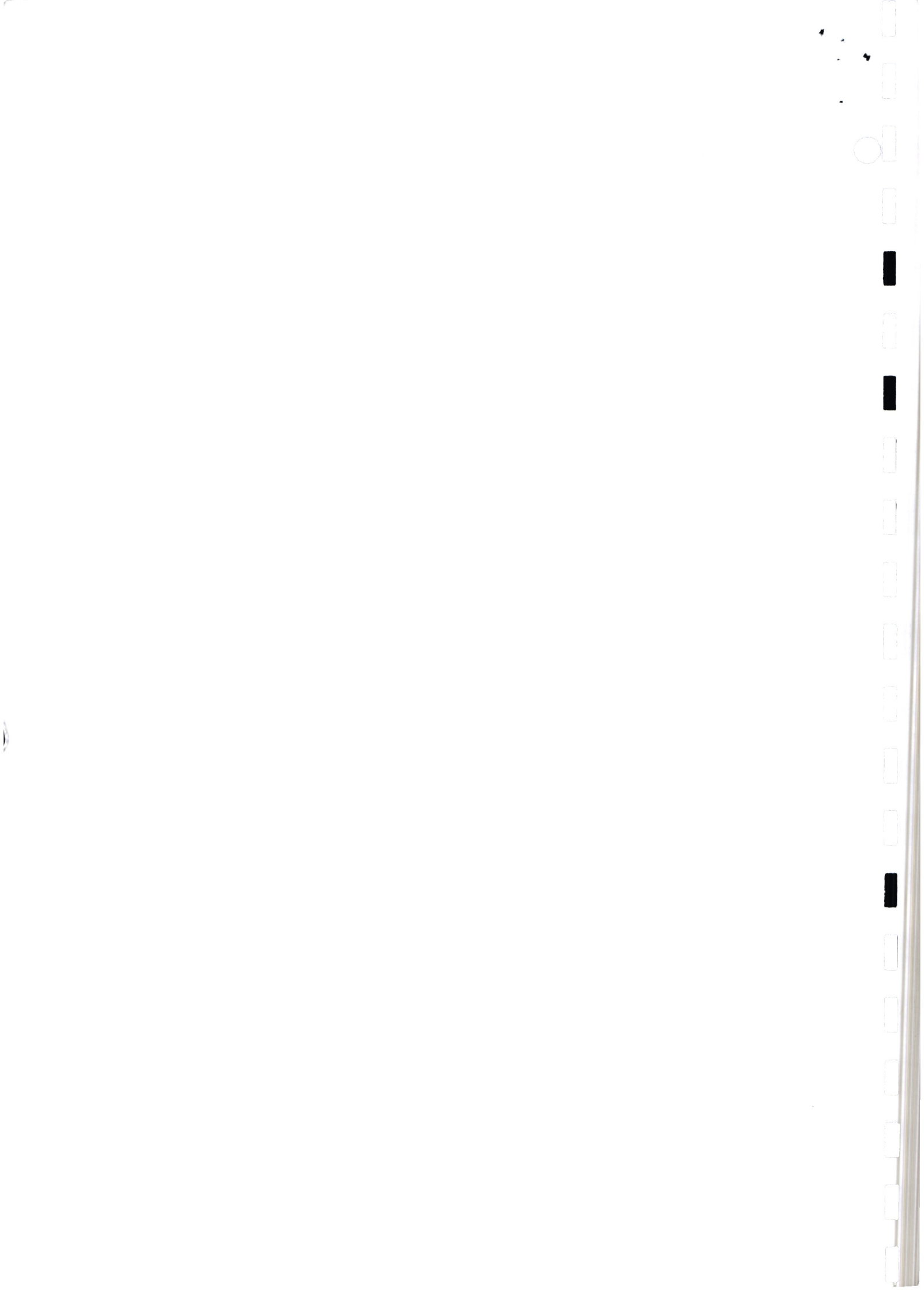


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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref 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)
4.1	Award of contracts for education projects – Kshs.7,630,000.00 Examination of payment vouchers, project files and other records revealed that the NG-CDF – Balambala made payment of Kshs.7,630,000.00 in respect construction of classrooms and administration blocks for various schools within the constituency. However there was no evidence to show that the 10% retention money deducted from the contractors as required by the conditions of the Contract.	The said project were implemented by project management committee and the funds were transferred as grants to the PMCs.	FAM	Responded and Unresolved	30 th December 2018
4.2	Unsupported disbursement from NG-CDF – Kshs.3,629,581.00	The said project were implemented by project management committee and the funds were transferred as grants to the PMCs.	FAM	Responded and Unresolved	30 th December 2018
4.3	Unsupported bursary – Kshs.5,100,000.00 In the financial year 2016/2017, the NG-CDFC for Balambala Constituency disbursed bursaries amounting to Kshs.11,743,000 to various institutions for the benefit of needy students. However, examination of payment vouchers and the supporting documents revealed that an amount of Kshs.5,100,000 disbursed to the institutions has not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions	The bursaries were disbursed to the various institutions. At the time of the audit exercise we provided the acknowledgement letters and receipts from the institutions that ere available at the time. More acknowledgements of the same were received after the audit exercise and now available for review.	FAM	Responded and Unresolved	30 th December 2018



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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)
4.5	<p>Budget performance analysis</p> <p>A review of the budget appropriation revealed that during the year under review, the NGCDF –Balambala had an approved budget amounting to Kshs.161,534,268.28. out of the Kshs. 161,268.28 budgeted for the financial year under review , an amount of Kshs. 23,891,043.55 was unspent balance from the financial year 2015/2016.</p> <p>The funds received all the funds budgeted for during the year under review. Further, the fund incurred an amount of Kshs.111,737,687 resulting to under expenditure of Kshs. 49,769,581 or 30.8% of the approved budget.</p>	<p>The underutilization is largely as a result of Kshs. 23,891,043.55 that is in the chase bank that cannot be accessed as a result of the bank being under receivership. We will however utilize the funds when a direction will be found on the fate of the bank. We also confirm that the balance of the kshs 49,769,581 was a spillover to the next financial year 2017/2018 and was hence spent.</p>	FAM	Responded and Unresolved	30 th December 2018

