

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
REPORT



OF
THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 17 SEP 2019 TUESDAY
MAJORITY LEADER
ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
DADAAB CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018



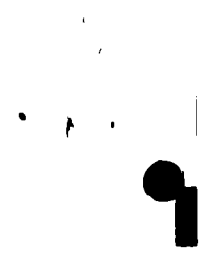


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND DADAAB
CONSTITUENCY**

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)
DADAAB CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	5
IV. STATEMENT OF RECEIPTS AND PAYMENTS	6
V. STATEMENT OF ASSETS AND LIABILITIES	7
VI. STATEMENT OF CASHFLOW	8
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	9
VIII. SIGNIFICANT ACCOUNTING POLICIES	11
IX. NOTES TO THE FINANCIAL STATEMENTS.....	15



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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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:

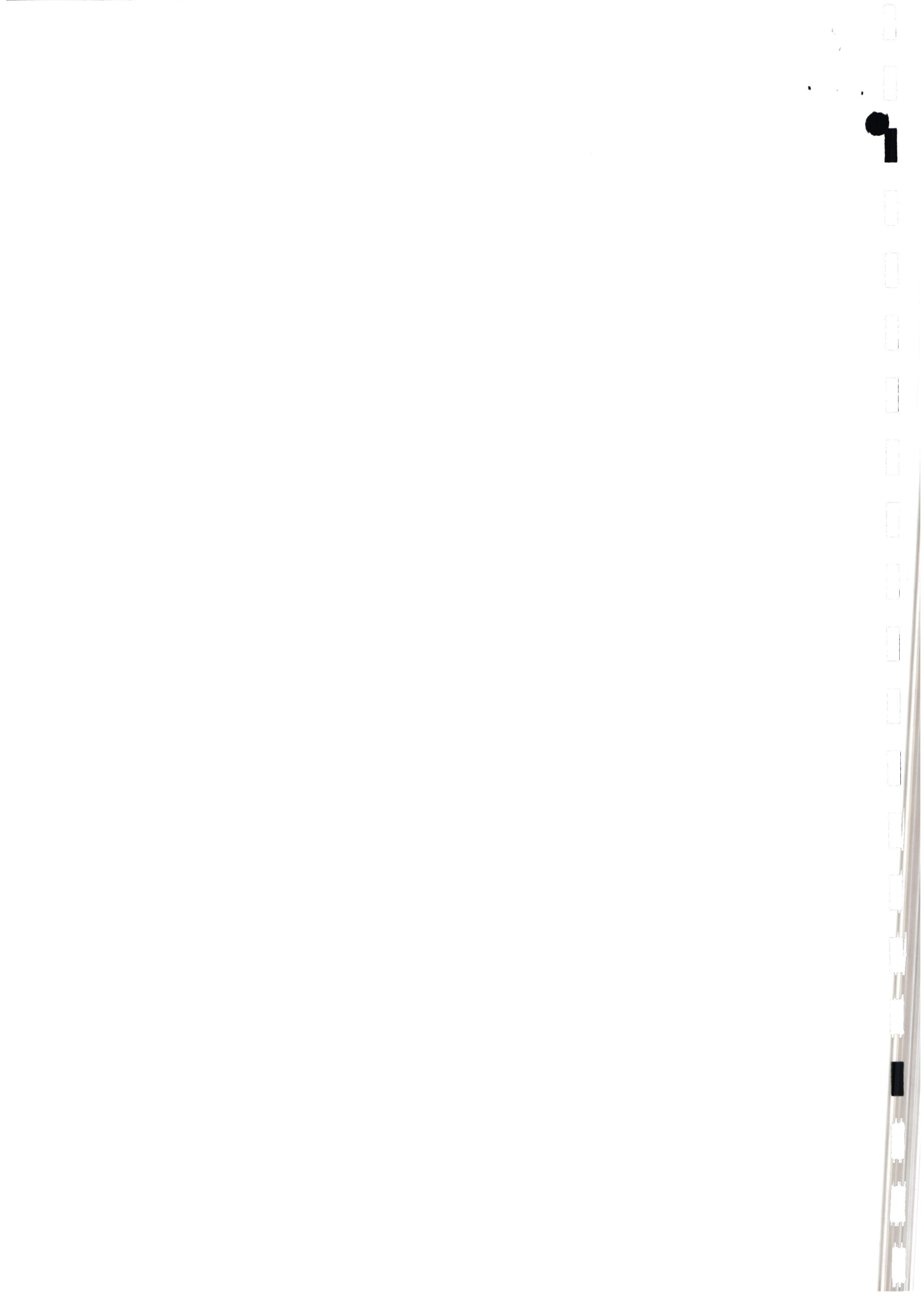
- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide 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)
DADAAB CONSTITUENCY**

**Reports and Financial Statements
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 DADAAB 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:

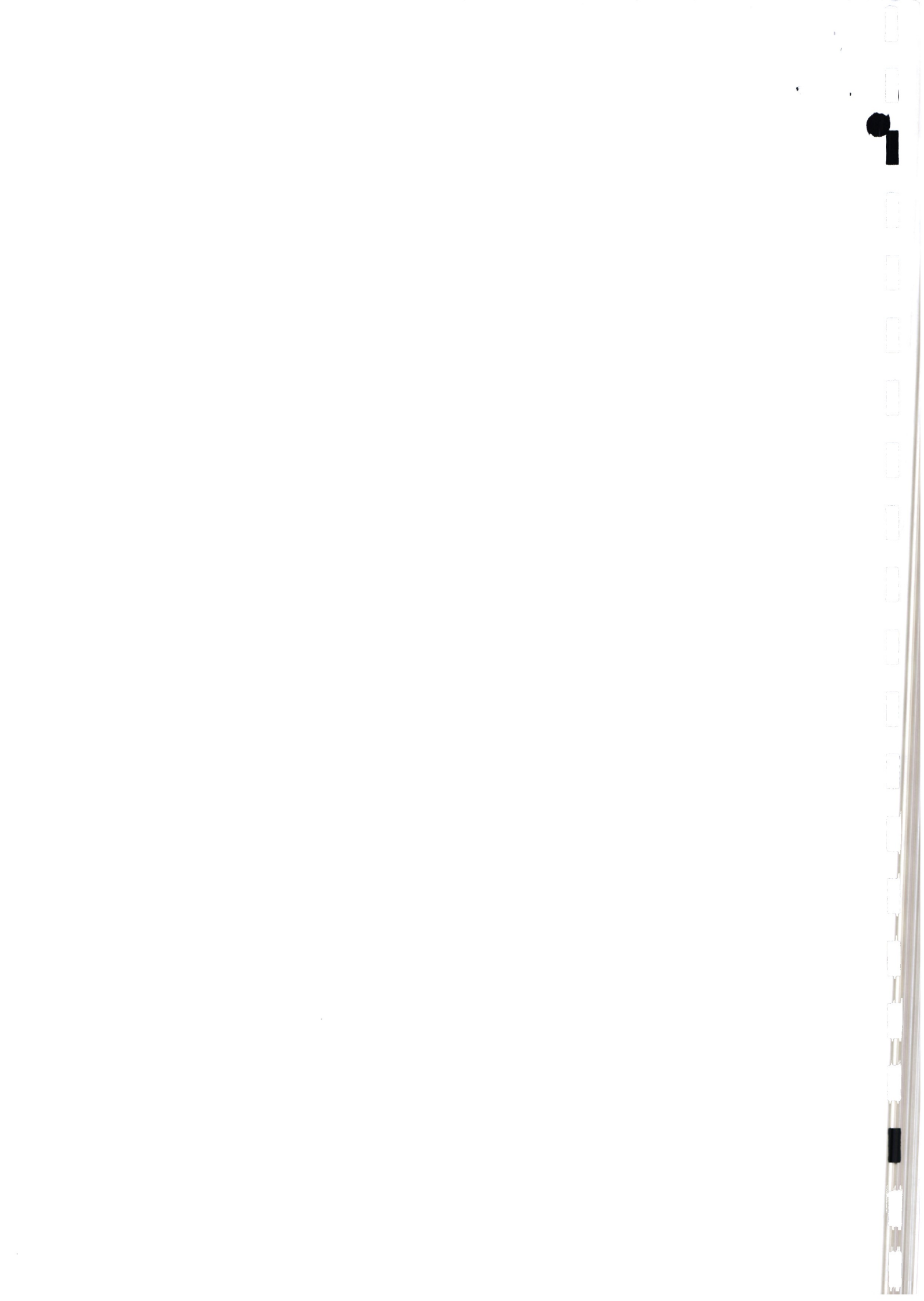
No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Ahmed I Mohamed
3.	Sub-County Accountant	Eric M Miriti
4.	Chairman NGCDFC	Haron Mohamed
5.	Member NGCDFC	Mohamed Adow signatory

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -DADAAB 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 DADAAB Constituency Headquarters

P.O. Box 1522-70100
Behind Texas petrol station
Off Kismayu Rd
Garissa, KENYA



(f) NGCDF DADAAB Constituency Contacts

Telephone: (254) 712 242 384
E-mail: cdfdadaab.go.ke
Website: www.dadaabngcdf.go.ke

(g) NGCDF DADAAB Constituency Bankers

1. First Community Bank
Account Number 009576902
Garissa Branch
P.O. Box 593 - 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



II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NG-CDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF have improved the Education and Security infrastructures of dadaab.

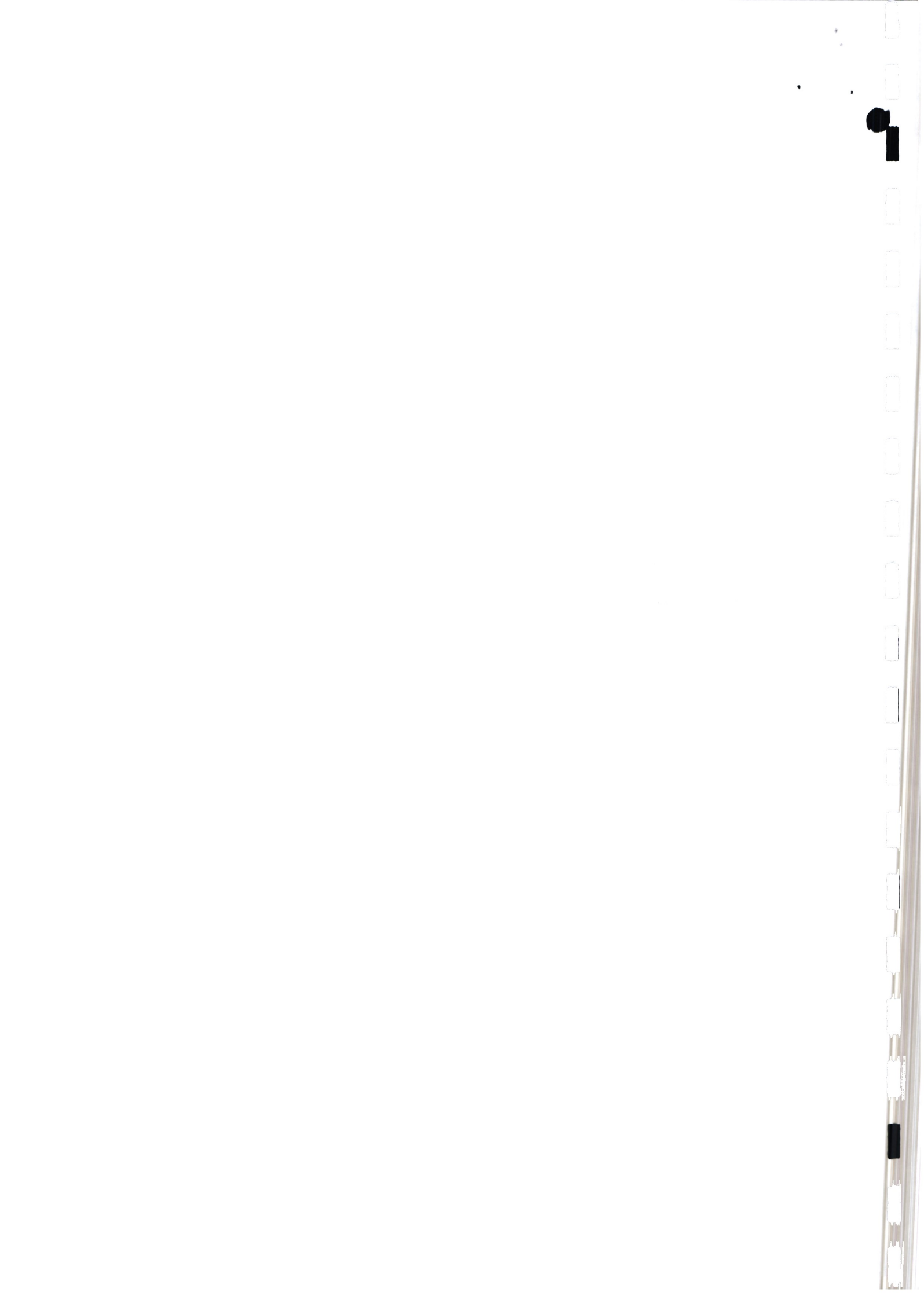
However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NG-CDFCs wish that the issues of having the project on going for more than 4 years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign



CHAIRMAN NGCDF COMMITTEE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
DADAAB 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.

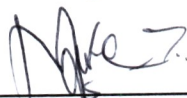
The Accounting Officer in charge of the NGCDF-DADAAB Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-DADAAB 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 charge of the NGCDF-DADAAB 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-DADAAB 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-DADAAB Constituency financial statements were approved and signed by the Accounting Officer on 4th September, 2018.



Fund Account Manager
Name: Ahmed I Mohamed



Sub-County Accountant
Name: Eric M Miriti
ICPAK Member Number: 17187



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DADAAB 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 - Dadaab Constituency set out on pages 6 to 29, 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 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 -Dadaab 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. Other Grants and Other Payments

1.1 Unaccounted for Bursary Expenses

Included in other grants and other payments figure of Kshs.27,402,576 under note 7 to the financial statements is an amount of Kshs.10,453,576 for transfers to tertiary institutions bursaries. A review of the expenditure for the expenditure revealed that an amount of Kshs.2,160,000 had no acknowledgment letters from the beneficiary institutions. It was further noted that details like the admission numbers and fees structure were not indicated or availed for audit review. In addition, the Fund did not maintain cheque dispatch register for the bursary cheques issued out.

In the circumstances, the probity of the expenditure of Kshs.2,160,000 as at 30 June 2018 could not be confirmed.

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

1.2 Emergency Projects – Water Trucking Expenses

Included in the other grants and other payments figure of Kshs.27,402,576 under note 7 to the financial statements is an amount of Kshs.800,000 meant for emergency projects. The management entered into a contract with a local self-help group for the delivery of 20 trips clean water to the constituents vide quotations and the National Government Constituencies Development Funds Committee minutes at a contract sum of Kshs.800,000. Three bidders had quoted for the contract but a self-help group which quoted Kshs.40,000 per trip, won the contract being the lowest bidder. A full payment was made on 29 March 2018. However, the following anomalies were noted:

- (i) Tender opening and evaluation minutes were not availed for audit confirmation.
- (ii) The supply of water started on 3 August 2017 and ended 18 August 2017 for 20 trips while the invoice No.01 was raised on 6 February 2018, that is 5 months later.
- (iii) The quotations did not indicate the distance to be covered per trip but the same was indicated in the water trucking schedule an indicator of biasness in the award of the contract.
- (iv) The collection source of the water was not indicated in the quotations.
- (v) The point of delivery such as specific settlements i.e. manyattas were not indicated on the quotations thus leading to unfair competition in awarding the contract.

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

2. Irregular and Unsupported Transfer to Primary Schools

Note 6 to the financial statements reflects a figure of Kshs.9,032,562 being transfer to other Government entities which includes Kshs.8,532,562 transfers to primary schools. A review of the expenditure and other supporting documents maintained at the Fund's offices revealed that payments totaling to Kshs.1,200,000 was made to four contractors as 2nd payments for ongoing projects, which included construction of classrooms, 10,000 litres water tank and twin pit latrine at Bogyar, Dagahley, Welhar and Kumahumato primary schools. However, the following anomalies were noted:-

- i. Contract agreements between project management committees and the contractors were not availed for audit review.
- ii. Payments were made without interim certificate of completion from resident engineer.
- iii. Progress reports on the ongoing projects were not availed for audit review.

In the circumstances, the probity of the expenditure of Kshs.1,200,000 as at 30 June 2018 could not be confirmed.

3. Unaccounted for Committee Expenses

Note 3 to the financial statements reflects a figure of Kshs.5,005,717 for use of goods and services which includes Kshs.3,052,400 for committee expenses. Audit review of the expenditure and other supporting documents revealed that payments amounting to Kshs.1,247,000 was spent without proper supporting documents as detailed below:

- i. Copies of imprest warrants used to make cash payments were not attached to the sampled payment vouchers as an evidence of the cash source.
- ii. In some cases, mode of transport used by committee members to and from the meeting venues was not indicated.
- iii. List of bursary cheques disbursed during the education day held at Dadaab was not availed to justify the paid committee allowances while gracing the occasion.
- iv. Contract agreements used for the hire of motor vehicles did not indicate the contract period.
- v. There were no temporary work tickets for the hired motor vehicles.

In the circumstances the probity of the expenditure for Kshs.1,247,000 as at 30 June 2018 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit institution (ISSAIs). I am independent of National Government Constituencies Development Fund – Dadaab 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 of the current year under review. Except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that there were no Key Audit Matters to communicate in my report.

Other Matter

1. Budget Control and Performance

1.1 Budgetary Performance

A review of the statement of budget appropriation revealed that during the year under review, the Fund had an approved budget of Kshs.104,521,501. Out of the amount budgeted, an

amount of Kshs.6,331,844 was unspent balance for the financial year 2016/2017. Budget utilization on receipts and expenditure is as follows: -

Item	Budget Kshs.	Actual Kshs.	Difference Kshs.	% of Utilization
Receipts	104,521,501	86,810,345	17,711,156	83%
Expenditure	104,521,501	44,445,778	60,360,092	42%

The above analysis reflects actual receipts of Kshs.86,810,345 against budgeted amount of Kshs.104,521,501 resulting in a short fall of Kshs.17,711,156 representing 17% being the undisbursed funds from the NGCDF Board. Further, the Fund spent Kshs.44,445,778 representing 42% of the approved budget.

1.2 Under Expenditure on Overall Budget

The Fund recorded an overall 57% under expenditure during the year under review as follows: -

Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Expenditure Kshs.	% of Under-Utilisation
Compensation of employees	3,104,973	3,004,923	100,050	3%
Use of goods and services	11,403,469	5,005,317	6,398,152	56%
Transfer to other Government units	33,262,680	9,032,562	24,230,118	73%
Other grants and transfers	52,073,352	27,402,576	24,670,776	47%
Acquisition of assets	0	0	0	
Other payments	4,677,027	0	4,677,027	0%
Total	104,521,501	44,445,778	60,076,123	57%

From the analysis above, the Fund realized under-expenditure of Kshs.60,076,123 for all the items during the year under review.

1.3 Project Implementation and Management

During the financial year under review. The Fund allocated Kshs.50,693,835 to 39 projects in various sectors including education, environment, sports and security. Analysis as per project implementation status (SPI) presented for audit review revealed that no project was completed, seven (7) projects had not started and thirty two (32) project were on going as detailed below:

Sector	Project Status	Project Cost Kshs.	No. of Projects
Education	Complete	0	0
	Ongoing	32,130,721	28
	Not started	2,390,700	2
Security	Complete	0	0
	Ongoing	8,550,000	4
	Not started	4,150,000	3
Sports	Complete	0	0

Sector	Project Status	Project Cost Kshs.	No. of Projects
	Ongoing	0	0
	Not started	1,736,207	1
Environment	Complete	0	0
	Ongoing	0	0
	Not started	1,736,207	1
Total		50,693,835	

Failure to complete the projects within the stipulated period may have denied the Daadab constituents the much-desired services.

2. Lack of Permanent Asset Register

Annex 4 a summary of fixed asset register attached to the financial statements disclosed the value of the fixed assets as Kshs.2,300,000. However, the Fund did not maintain a permanent fixed asset register to record the assets maintained contrary to Section 136 (i) of the Public Finance Management (National Government) Regulations, 2015. Further, it was noted that no valuation was done for the assets.

In the absence of the fixed asset register, it was not possible to ascertain the validity, completeness and accuracy of the fixed assets balance of Kshs.2,300,000 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 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 Conclusion

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 audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit so as to obtain 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:

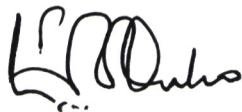
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities 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

7 August 2019


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
DADAAB 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 NGCDF board	1	86,810,345	148,153,955
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		86,810,345	148,153,955
PAYMENTS			
Compensation of employees	4	3,004,923	2,892,502
Use of goods and services	5	5,005,717	7,672,613
Transfers to Other Government Units	6	9,032,562	82,656,591
Other grants and transfers	7	27,402,576	57,542,077
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		44,445,778	150,763,784
SURPLUS/(DEFICIT)		42,364,567	(2,609,829)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-DADAAB Constituency financial statements were approved on 4th September, 2018, and signed by:



Fund Account Manager
Name: Ahmed I Mohamed



Sub-County Accountant
Name: Eric M Miriti
ICPAK Member Number: 17187




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


V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	48,696,411	6,331,844
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		48,696,411	
Current Receivables - Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		48,696,411	6,331,844
FINANCIAL LIABILITIES			
Accounts Payables - Retention	12		
NET FINANCIAL ASSETS		48,696,411	6,331,844
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	6,331,844	8,941,673
Surplus/Deficit for the year		42,364,567	(2,609,829)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		48,696,411	6,331,844

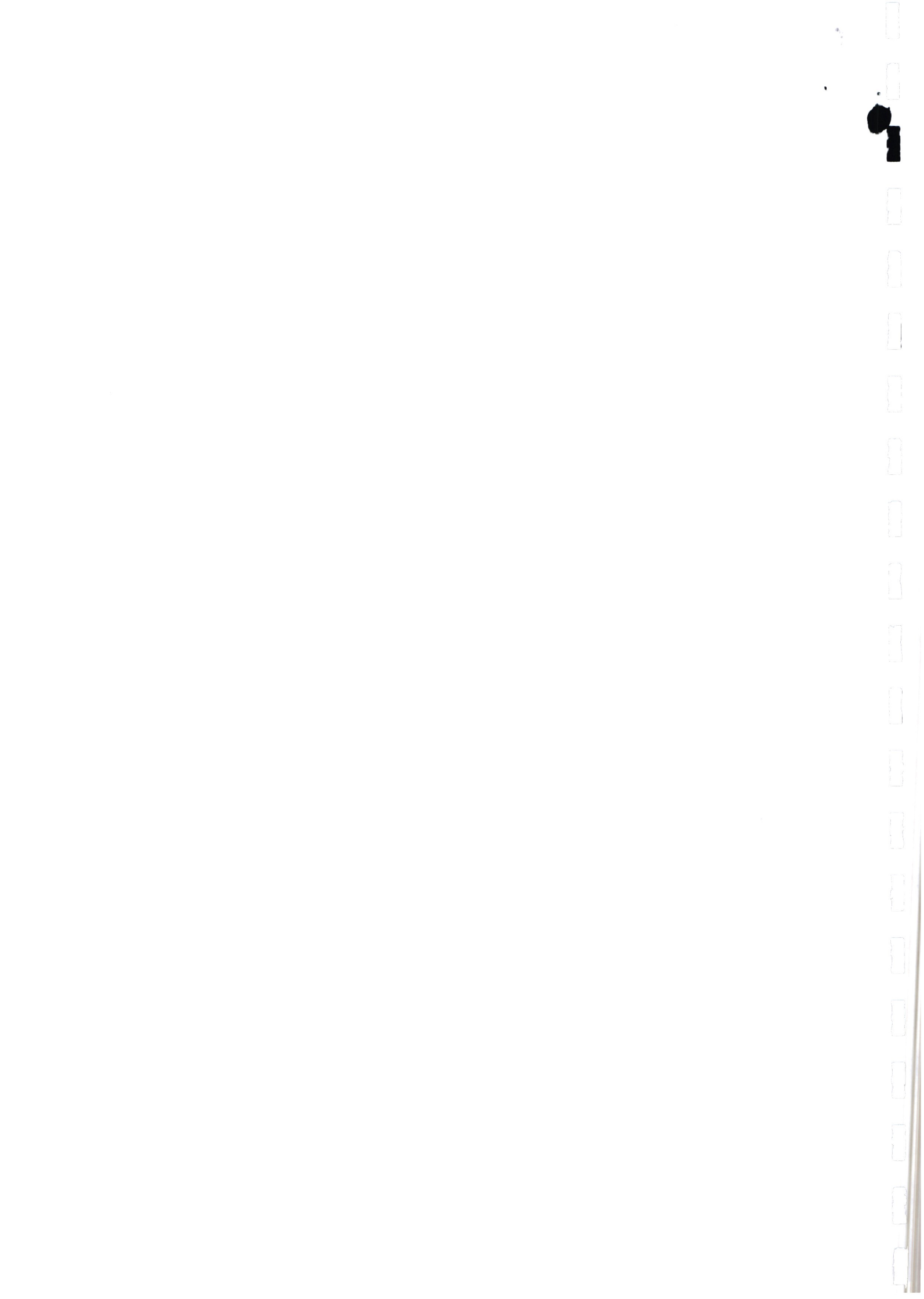
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-DADAAB Constituency financial statements were approved on 4th September, 2018, and signed by:



Fund Account Manager
Name: Ahmed I Mohamed



Sub-County Accountant
Name: Eric M Miriti
ICPAK Member Number: 17187



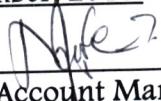
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
DADAAB CONSTITUENCY**


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

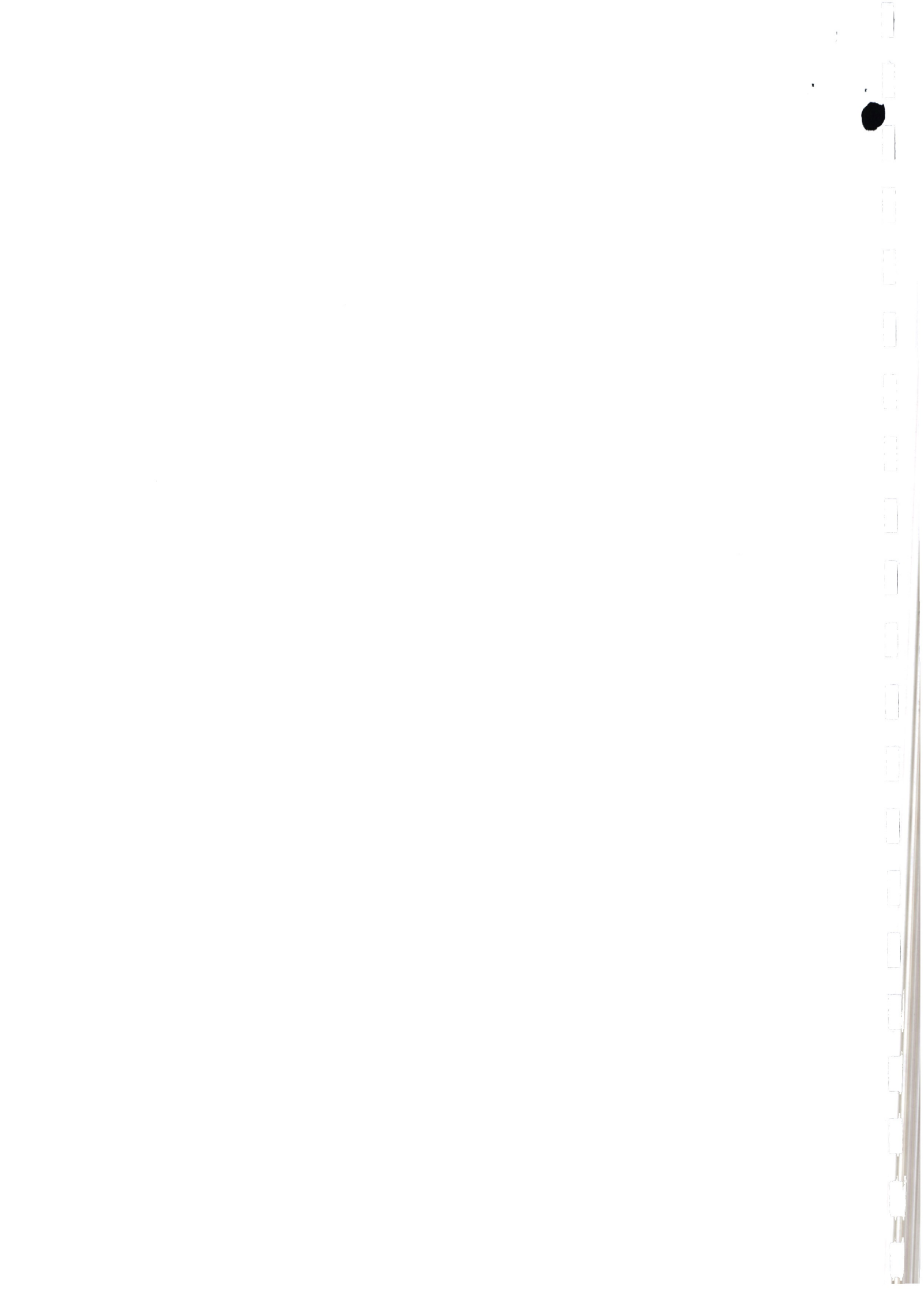
VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	86,810,345	148,153,955
Other Receipts	3	-	
		86,810,345	148,153,955
Payments for operating expenses			
Compensation of Employees	4	3,004,923	2,892,502
Use of goods and services	5	5,005,717	7,672,613
Transfers to Other Government Units	6	9,032,562	82,656,591
Other grants and transfers	7	27,402,576	57,542,077
Other Payments	9	-	-
		44,445,778	150,763,784
Adjusted for:			
Adjustments during the year	14		
Net cash flow from operating activities		42,364,567	(2,609,829)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9		
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		42,364,567	(2,609,829)
Cash and cash equivalent at BEGINNING of the year	13	6,331,844	8,941,673
Cash and cash equivalent at END of the year		48,696,411	6,331,844

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-DADAAB Constituency financial statements were approved on 4th September, 2018, and signed by:


Fund Account Manager
Name: Ahmed I Mohamed


Sub-County Accountant
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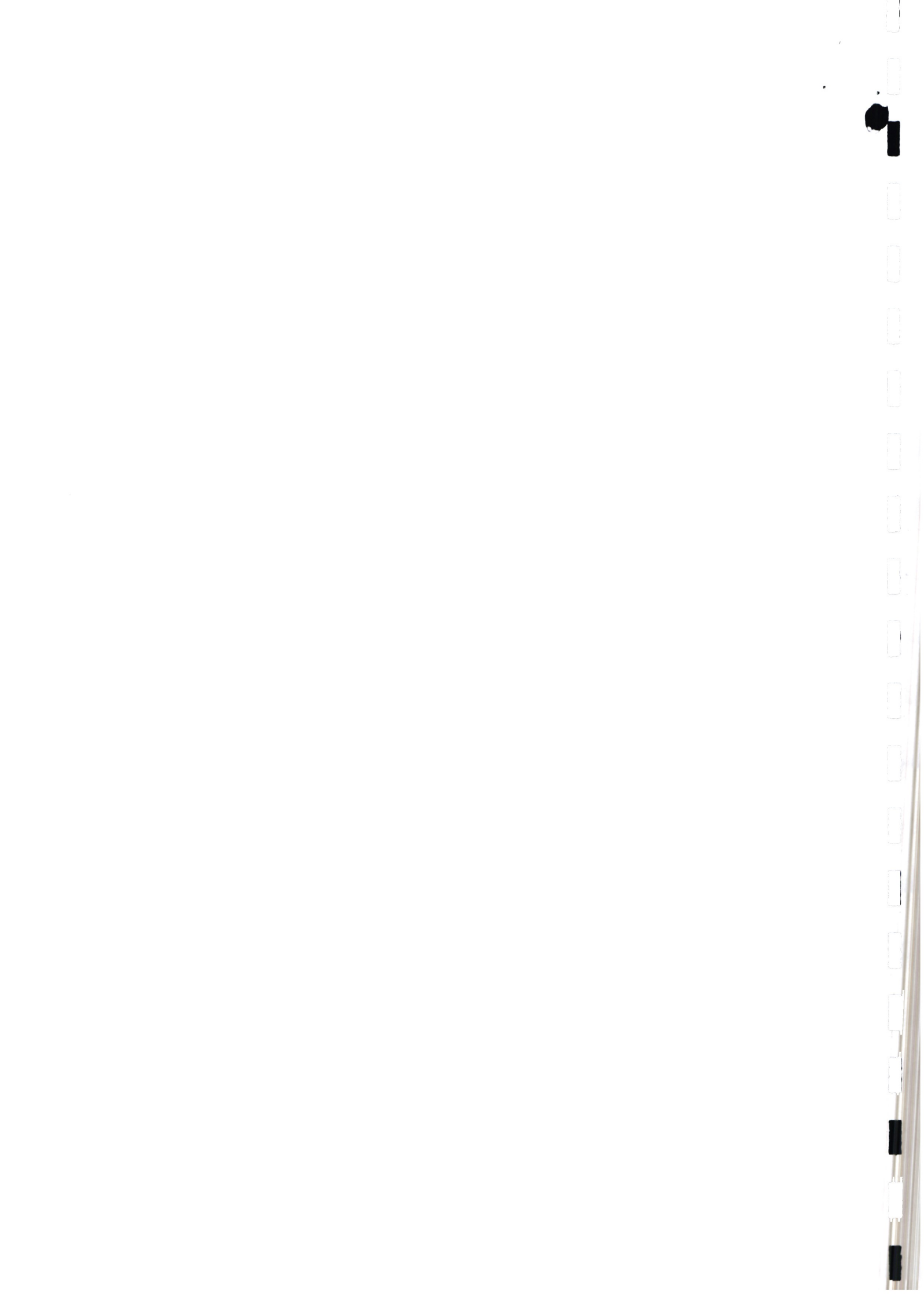
Reports and Financial Statements
For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	17,711,156	104,521,501	86,810,345	17,711,156	83%
Proceeds from Sale of Assets				-	-	
Other Receipts		-		-	-	
PAYMENTS						
Compensation of Employees	2,033,650	1,071,323	3,104,973	3,004,923	100,050	97%
Use of goods and services	9,779,331	1,624,138	11,403,469	5,005,317	6,398,152	44%
Transfers to Other Government Units	27,876,471	5,386,209	33,262,680	9,032,562	24,230,118	27%
Other grants and transfers	42,443,866	9,629,487	52,073,352	27,402,576	24,670,776	53%
Acquisition of Assets				-	-	
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0%
TOTALS	86,810,345	17,711,156	104,521,501	44,445,378	60,076,123	


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

- I. Use of goods and services- we are unable to utilize well due to delay in disbursement from Board (strategic plan was also considered us use of goods – procurement Process take longer than expected.
- II. Transfer to other government units and other grants – were underutilized due the delay in the disbursement of funds from NG-CDF Board.
- III. Other payments- this is the ICT hub fund, we are unable to utilize due to lack of proper guidelines from the other stakeholders- Ministry of ICT and Telecom




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

The NGCDF-DADAAB Constituency financial statements were approved on 4th September, 2018, and signed by:



Fund Account Manager
Name: Ahmed I Mohamed



Sub-County Accountant
Name: Eric M Miriti
ICPAK Member Number: 17187



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-DADAAB 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.



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

Reports and Financial Statements

For the year ended June 30, 2018

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.



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

Reports and Financial Statements

For the year ended June 30, 2018

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) –
DADAAB 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
NGCDF Board			
AIE NO	A855785	5,500,000	65,757,403
AIE NO	A892939	37,905,172	4,094,827
AIE NO	A896922	43,405,173	36,853,449
AIE NO			500,000
AIE NO			40,948,275
AIE NO			
TOTAL		86,810,345	148,153,955

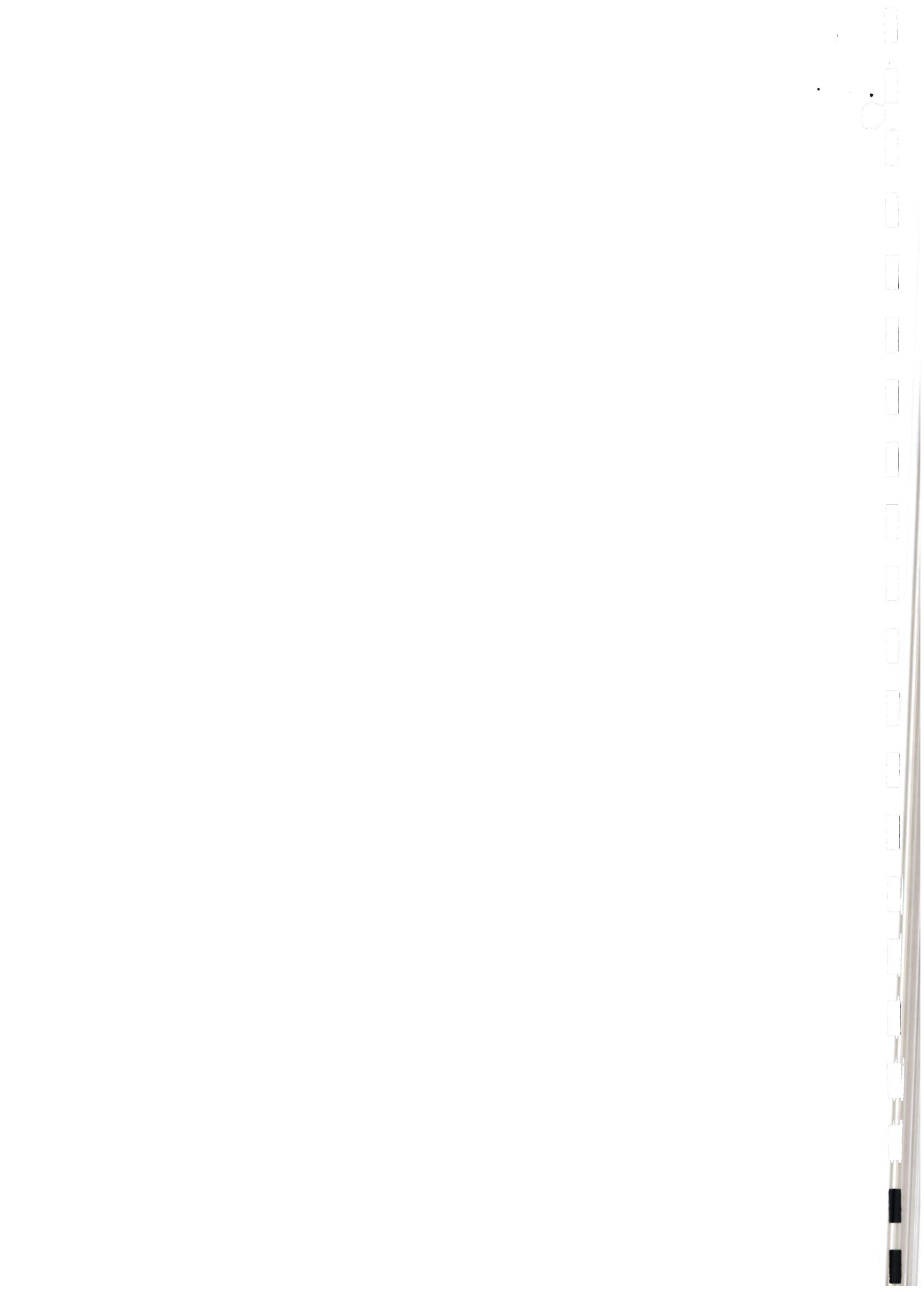
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	2,364,047	2,418,107
Basic wages of casual labour	0	0
Personal allowances paid as part of salary	0	0
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	640,876	472,996
Other personnel payments(NSSF)	0	1,400
Total	3,004,923	2,892,502



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	3,052,400	5,469,000
Utilities, supplies and services	159,642	228,110
Communication, supplies and services	196,840	107,850
Domestic travel and subsistence	128,200	190,793
Printing, advertising and information supplies & services	154,800	0
Rentals of produced assets		
Training expenses	128,000	300,000
Hospitality supplies and services	25,000	248,200
Insurance costs		
Specialized materials and services		
Office and general supplies and services	177,435	438,000
Other operating expenses	128,400	525,500
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
Fuel, oil & lubricants	99,000	140,160
Total	5,005,717	7,672,613



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB 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	2016-2017
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	8,532,562	74,909,092
Transfers to secondary schools (see attached list)	500,000	5,562,500
Transfers to tertiary institutions (see attached list)	-	2,185,000
Transfers to health institutions (see attached list)		
TOTAL	9,032,562	82,656,592

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	10,749,000	10,381,400
Bursary – tertiary institutions (see attached list)	10,453,576	17,359,988
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)	5,400,000	16,160,510
Sports projects (see attached list)	-	4,263,079
Environment projects (see attached list)	-	4,262,100
Emergency projects (see attached list)	800,000	5,115,000
Total	27,402,576	57,542,077

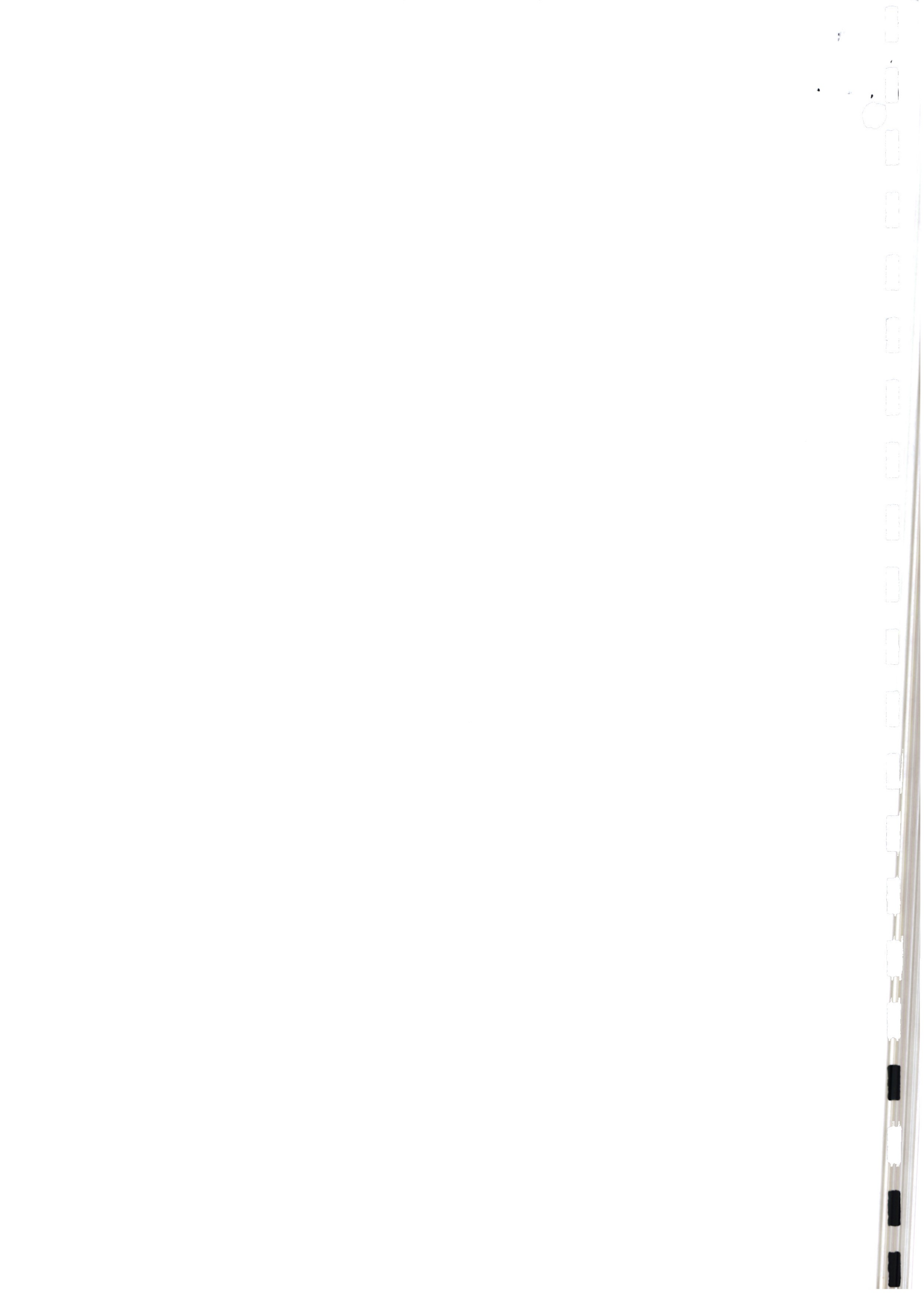


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>First Community Bank, 009576902</i>	48,696,411	6,331,844
Total	48,696,411	6,331,844
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		



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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
Total	<u>xx</u>	<u>xx</u>

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	6,331,844	8,941,673
Cash in hand	-	-
Imprest	-	-
Total	6,331,844	8,941,673

[Provide short appropriate explanations as necessary]



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017- 2018 Kshs	2016-2017 Kshs
Compensation of employees	100,050	1,071,323
Use of goods and services	6,398,152	600,000
Amounts due to other Government entities (see attached list)	24,230,118	500,000
Amounts due to other grants and other transfers (see attached list)	24,670,776	4,160,521
Acquisition of assets	0	
Others (<i>specify</i>)	4,677,027	
	60,076,123	6,331,844



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB 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)	xxx	Xxx
	xxx	Xxx



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

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		100,050	1,071,323	
Use of goods & services		6,398,151	600,000	
Sub-Total		6,498,201		
Amounts due to other Government entities		24,230,118	500,000	
		0	0	
		0	0	
		0	0	
Sub-Total		24,230,118	2,171,323	
Amounts due to other grants and other transfers		24,670,776	4,160,521	
		0	0	
		0	0	
		0	0	
Sub-Total		24,670,776	4,160,521	
Acquisition of assets		24,670,776		
Others (specify)		4,677,027		
Sub-Total				
Grand Total		60,076,123	6,331,844	



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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2016/17
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	1,800,000			1,800,000
ICT Equipment, Software and Other ICT Assets	500,000			500,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	2,300,000			2,300,000



NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)

Reports and Financial Statements

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

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Damajaley divisional office PMC	FCB Garissa branch	297816970 1	1,395.00	505.00
Dertu primary admin block PMC	FCB Garissa branch	297817790 1	8,115	8,225.00
Alango Arba primary school PMC	FCB Garissa branch	297816960 1		593.00
Saretho primry Admin block PMC	FCB Garissa branch	297817300 1		1,002.50
Abikaile admin block PMC	FCB Garissa branch	297817640 1		1,002.50
Alikune primary Admin block	FCB Garissa branch	297817160 1		1,002.50
Degelama primary school PMC	FCB Garissa branch	297816199 0		2,337.50
Labasigale primary school PMC	FCB Garissa branch	297817000 1		172.50
Kumahumato primary staff house PMC	FCB Garissa branch	297817270 1		201,225.50
Weldoni primary classroom PMC	FCB Garissa branch	297817150 1		500,502.50
Dai Dai primary school PMC	FCB Garissa branch	297799300 1		1,255.00
Alango Arba primary Admin block PMC	FCB Garissa branch	29781673	0	1,000.00
Bogyar primary school PMC	FCB Garissa branch	297816980 1		00.00
Madeley primary school PMC	FCB Garissa branch	297817010 1		672.00
Damajaley primary school PMC	FCB Garissa branch	297817650 1		2.00
Damajaley GSU Camp fencing PMC	FCB Garissa branch	297816970 1		1,000.00





NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

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)
4.1	Award of contracts capital projects Kshs 8,332,722	Procurement were done in line with CDF Act and procurement act, challenges in filling of BOQ poor record of tendering process were as a result of illiteracy of PMC memebtrs	Fund Manager	Waiting feedback from the Auditor	
4.2	Unaccounted for Bursary Kshs 7,535,998	Acknowledgement letter were provided for audit review	Fund Manager	Waiting feedback from the Auditor	
4.3	Unaccounted for Emergency water tracking Kshs 2,745,000	Work ticket copy of logbooks, fuel, register, detail order, RFQ are available for audit review	Fund Manager	Waiting feedback from the Auditor	

