REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BALAMBALA CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2019

Revised Template 30th June 2019

BALAMBALA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate
The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision
Equitable Socio-economic development countrywide

Mission
To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

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

(b) Key Management

The NGCDF BALAMBALA Constituency 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	**Yussuf Kilas Aden**
2.	Sub-County Accountant	**Victor N. Muindi**
3.	Chairman NGCDFC	**Bishar Abdi Hussein**
4.	Member NGCDFC	**Abdi Shale 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

(f) NGCDF BALAMBALA Constituency Contacts

Telephone: (254) 0723 504 365
E-mail: cdfbalambala@ngcdf.go.ke
Website: www.ngcdf.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
   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

BACKGROUND INFORMATION

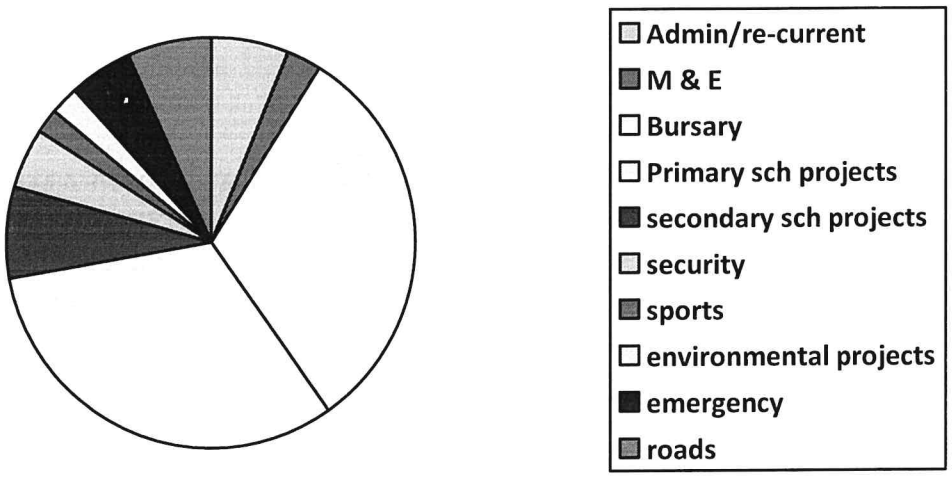
Balambala constituency is one of the constituencies in Garissa County and has five wards namely: - Balambala, Danyere, Jarajara, Saka and Sankuri wards. The constituency was established in the year 2013. The constituency has a population of 93,029 with an area of Sq.km (approx) 4,901.60. It neighbours Ladgera, Daadaab and Garissa township constituencies. The main economic activity of the people leaving in Balambala constituency is livestock rearing i.e. camels, goats, sheep and cattle. The community gets water from water pans and borehole during dry seasons.

Ng-CDF Balambala constituency does water tracking services to settlements with schools in order to reduce movement of people for far away from schools that lead to closure of the schools. To mitigate drought in areas where NG-CDFC established learning institutions, the committee through NG-CDF Board requested the purchase of two water bowser (tracks)to supply water in the settlement with schools by doing this, the movement of people far away from schools had been reduced.

Balambala National Government Constituency Development fund was allocated Kshs. 109,040,875.52 during the financial year 2018/2019. The committee sat and prioritised on the following projects for funding in different sectors.

Serial number	Project name	sector	Amount allocate
028/AP1	Administration/re-current	Administration/re-current	6,542,452.53
028/AP2	Monitoring & Evaluation	Monitoring & Evaluation	3,271,226.27
028/2640100	Bursary	Bursary	34,000,000.00
028/2630204	Primary schools projects	Primary schools projects	35,000,000.00
028/2630205	Secondary schools projects	Secondary schools projects	7,780,000.00
028/2640507	Security projects	Security	5,300,000.00
028/2640509	Sports activities	Sports	2,180,817.51
028/2640510	Environmental projects	Environment	2,180,817.51
028/2640200	Emergency	Emergency	5,738,993.45
028/2211311	Constituency roads	Roads	7,126,568.25

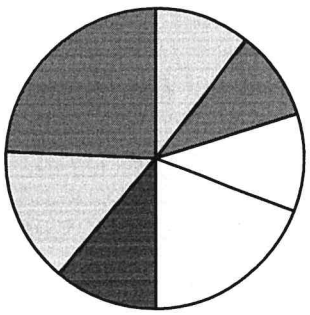
Percentage per sector allocation



During the financial year the committee managed to spend Kshs. 63,574,524 on various sections as approved by the board.

Sector	Amount allocate	Amount spent	Percentage
Administration/re-current	9,813,678.80	4,294,035	44%
Monitoring & Evaluation			
Bursary	34,000,000.00	13,547,000	40%
Primary schools projects	35,000,000.00	15,300,000	44%
Secondary schools projects	7,780,000.00	6,207,570	80%
Security	5,300,000.00	11,305,000	46%
Sports	2,180,817,.51	3,585,260	61%
Emergency	5,738,993.45	5,785,659	100%

Percentage of expenditure



Achievements during the financial year

During the financial year the committee achieved the following through implementation of ngcdfc projects.

- Reduce the school drop outs by giving bursary to bright and needy students.
- Increase enrolments in both secondary and tertiary institutions through developments of infrastructure of classrooms
- Creation of more security camps to reduce conflict in neighbouring constituencies.

Implementation challenges

- Poor roads network that makes difficult to monitor projects during rainy seasons.
- Illiteracy of project management committee that needs more capacity building.
- Political interference

Recommendations

- More capacity building for both ngcdfc,staff and pmc
- Reduce political interference in the implementation of projects
- Recruitment of technical staff to fastrack the implementation of projects

Sign

CHAIRMAN NGCDF COMMITTEE

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, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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, 2019, and of the entity's financial position as at that date. The Accounting Officer 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 **23rd September 2019**.

Fund Account Manager
Name: Yussuf Kilas Aden

Sub-County Accountant
Name: Victor N. Muindi
ICPAK Member Number: 20606

REPUBLIC OF KENYA

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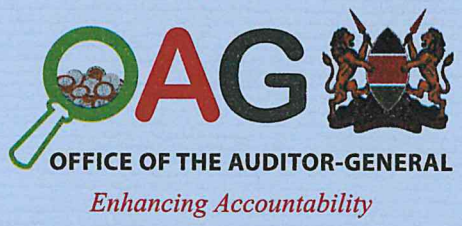

HEADQUARTERS
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Monrovia Street
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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BALAMBALA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Balambala Constituency set out on pages 8 to 41, which comprise the statement of financial assets as at 30 June, 2019, 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 the National Government Constituencies Development Fund - Balambala Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Cash and Cash Equivalents

The statement of assets and liabilities and note 10A to the financial statements reflects a bank balance of Kshs.81,685,246 as at 30 June, 2019 which includes an amount of Kshs.23,891,044 and Kshs.57,794,202 held at Chase Bank, Garissa Branch, Account No.8212210001 and Equity Bank, Account No.0580268598022 respectively. However, a review of the records availed for audit revealed that Chase Bank was placed under receivership by the Central Bank of Kenya. However, there was no evidence availed to show any effort made to resolve the issue. Therefore, the recoverability of the public funds held at the bank remains uncertain. Further, no certificate of bank balance as at 30 June, 2019 for the amount held in Equity Bank was availed for audit.

In the circumstances, validity, accuracy and completeness of the cash and cash equivalents balance of Kshs.81,685,246 as at 30 June, 2019 could not be confirmed.

2. Other Grants and Transfers

2.1 Unsupported Bursaries to Secondary Schools and Tertiary Institutions

Included in other grants and other payments figure of Kshs.34,222,919 under Note 7 to the financial statements is an amount of Kshs.10,604,000 and Kshs.2,943,000 spent on bursaries for secondary schools and tertiary institutions respectively. However, a review of the expenditure and other supporting documents revealed that an amount of Kshs.8,235,000 had no acknowledgement letters from the learning institutions. It was further noted that the Fund did not maintain a cheque dispatch register.

In the circumstances, the validity and regularity of the expenditure on bursary of Kshs.8,235,000 as at 30 June, 2019 could not be ascertained.

3. Use of Goods and Services

3.1 Unsupported Committee Expenses

Included in Note 5 to the financial statements is an amount of Kshs.650,000 and Kshs.987,200 spent on committee expenses and committee allowances respectively. However, a review of the expenditure and other the supporting documents revealed that an amount of Kshs.1,290,000 was spent on monitoring and evaluation exercise within the Constituency without proper supporting documents.

Monitoring and evaluation expenditure was not supported by copies of the work tickets or bus tickets, activity report and list of the visited projects and project management committee trainings were not supported with activity budgets, timetables, reports prepared after trainings and the venues of the trainings were not indicated.

In the circumstances, the regularity and value for money of the expenditure on monitoring and evaluation of Kshs.1,290,000 as at 30 June, 2019 could not be ascertained.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation- recurrent and development combined reflects final receipts budget and actual on a comparable basis of Kshs.201,411,646 and Kshs.145,259,770 respectively resulting to an underfunding of Kshs.56,151,876 or 38% of the budget. Similarly, the Fund spent Kshs.63,574,524 against an approved budget of Kshs.201,411,646 resulting to an under-expenditure of Kshs.137,837,122 or 68% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Balambala Constituency.

Project Implementation Status

During the financial year under review, the Fund allocated Kshs.59,488,200 to thirty two (32) projects in various sectors including education, environment, sports, roads and security.

Analysis as per project implementation status revealed that eight (8) projects were completed and twenty-four (24) had not started by 30 June, 2019. Failure to complete the projects within the stipulated period is likely to deny the 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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing 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

1.0 Transfers to Other Government Entities

1.1 Unsupported Transfers to Primary Schools

Note 6 to the financial statements reflects a figure of Kshs.21,507,570 being transfers to other Government entities which includes Kshs.15,580,000 for transfers to primary schools. However, a review of the expenditure and other supporting documents maintained at the Fund's offices revealed that payments totalling to Kshs.8,685,000 made to various projects had the following anomalies:-

(i) The procurement process was not supported by the professional opinions from the head of procurement and chain management. There were also no regret letters to unsuccessful bidders.

(ii) Letters of appointment for both tender opening and evaluation committees were not availed for audit review and there were no inspection and acceptance committee minutes.

(iii) Confidential business questionnaires were not filled by the contractors and no progress reports of the implemented projects were availed for review.

(iv) There were no certificates of practical completion for some projects.

In the circumstances, the legality and effectiveness in use of public money on the expenditure on transfer to primary schools of Kshs.8,685,000 as at 30 June, 2019 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Fixed Asset Register

Annex 3 of the financial statements reflects a summary of fixed assets register with assets value of Kshs.10,445,899 as at 30 June, 2019. However, the Fund did not maintain a permanent fixed assets register to record its assets contrary to Section 136 (i) of the Public Finance Management (National Government) Regulations, 2015. Further, it was observed that no valuation was done for the assets.

Consequently, the validity, completeness and accuracy of the fixed assets balance of Kshs.10,445,899 as at 30 June, 2019 could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting, unless Management is aware of the intention to terminate the Fund or cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause to the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	107,084,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	589,000	-
TOTAL RECEIPTS		**107,673,483**	**43,405,172**
PAYMENTS			
Compensation of employees	4	1,658,040	1,331,728
Use of goods and services	5	6,185,995	4,861,792
Transfers to Other Government Units	6	21,507,570	24,365,517
Other grants and transfers	7	34,222,919	23,660,800
Acquisition of Assets	8	-	1,395,629
Other Payments	9	-	
TOTAL PAYMENTS		**63,574,524**	**55,615,466**
SURPLUS/DEFICIT		**44,098,959**	**(12,210,294)**

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 **23rd September 2019** and signed by:

Fund Account Manager
Name: Yussuf Kilas Aden

Sub-County Accountant
Name: Victor N. Muindi
ICPAK Member Number: 20606

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	81,685,246	37,586,287
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		**81,685,246**	**37,586,287**
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		81,685,246	37,586,287
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		**81,685,246**	**37,586,287**
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	37,586,287	49,796,581
Surplus/Defict for the year		44,098,959	(12,210,294)
Prior year adjustments	14	-	-
NET LIABILITIES		**81,685,246**	**37,586,287**

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 **23rd September 2019** and signed by:

Fund Account Manager
Name: Yussuf Kilas Aden

Sub-County Accountant
Name: Victor N. Muindi
ICPAK Member Number: 20606

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES			2018 - 2019	2017 - 2018
Receipts				
Transfers from CDF Board	1		107,084,483	43,405,173
Other Receipts	3		589,000	
Total Receipts			**107,673,483**	**43,405,173**
Payments				
Compensation of Employees	4		1,658,040	1,331,728
Use of goods and services	5		6,185,995	4,861,792
Transfers to Other Government Units	6		21,507,570	24,365,517
Other grants and transfers	7		34,222,919	23,660,800
Other Payments	9		-	-
Total Payments			**63,574,524**	**54,219,837**
Total Receipts Less Total Payments			**44,098,959**	**(10,814,664)**
Adjusted for:				
Outstanding Imprest	11	-		
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		
Net Adjustments			-	
Net cash flow from operating activities			**44,098,959**	**(10,814,664)**
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			**44,098,959**	**(12,210,294)**
Cash and cash equivalent at BEGINNING of the year	**13**		**37,586,287**	**49,796,580**
Cash and cash equivalent at END of the year			**81,685,246**	**37,586,287**

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 **23rd September 2019** and signed by:

Fund Account Manager
Name:Yussuf Kilas Aden

Sub-County Accountant
Name: Victor N. Muindi

ICPAK Member Number: 20606

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	92,370,770	201,411,646	145,259,770	56,151,876	72.1%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	0.0%
TOTAL RECEIPTS	**109,040,876**	**92,370,770**	**201,411,646**	**145,259,770**	**56,151,876**	**72.1%**
PAYMENTS			-		-	
Compensation of Employees	1,074,140	3,713,648	4,787,787	1,658,040	3,129,747	34.6%
Use of goods and services	8,739,539	11,986,344	20,725,883	6,185,995	14,539,888	29.8%
Transfers to Other Government Units	42,700,000	40,968,722	83,668,722	21,507,570	62,161,152	25.7%
Other grants and transfers	56,527,197	35,702,057	92,229,253	34,222,919	58,006,334	37.1%
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-		-	
TOTAL	**109,040,876**	**92,370,770**	**201,411,646**	**63,574,524**	**137,837,122**	**31.6%**

The NGCDF-BALAMBALA Constituency financial statements were approved on **23rd September 2019** and signed by:

Fund Account Manager
Name: Yussuf Kilas Aden

Sub-County Accountant
Name: Victor N. Muindi
ICPAK Member Number: 20606

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,074,139.52	3,713,647.52	4,787,787.04	1,658,040.00	3,129,747.04
1.2 Committee allowances	2,301,382.00	1,418,644.00	3,720,026.00	667,200.00	3,052,826.00
1.3 Use of goods and services	3,166,931.01	4,320,763.77	7,487,694.78	998,795.00	6,488,899.78
Sub-Total	**6,542,452.53**	**9,453,055.29**	**15,995,507.82**	**3,324,035.00**	**12,671,472.82**
2.0 Monitoring and evaluation					
2.1 Capacity building	2,071,226.00	600,000.00	2,671,226.00	650,000.00	2,021,226.00
2.2 Committee allowances	500,000.00	946,935.87	1,446,935.87	320,000.00	1,126,935.87
2.3 Use of goods and services	700,000.27	1,000,000.00	1,700,000.27	-	1,700,000.27
Sub-Total	**3,271,226.27**	**2,546,935.87**	**5,818,162.14**	**970,000.00**	**4,848,162.14**
3.0 Emergency					
3.1 Primary Schools	5,738,993.45	5,854,107.51	11,593,100.96	5,785,659.00	5,807,441.96
3.2 Secondary schools	-		-	-	-
3.3 Tertiary institutions	-		-	-	-
3.4 Security projects	-	-	-	-	-
3.5 others	-		-	-	-
Sub-Total	**5,738,993.45**	**5,854,107.51**	**11,593,100.96**	**5,785,659.00**	**5,807,441.96**

4.0 Bursary and Social Security					
4.2 Secondary Schools	19,000,000.00	900,000.00	19,900,000.00	10,604,000.00	9,296,000.00
4.3 Tertiary Institutions	15,000,000.00	3,070,922.00	18,070,922.00	2,943,000.00	15,127,922.00
4.4 NHIF Cover		2,100,000.00	2,100,000.00		2,100,000.00
4.5 Social Security	-	-	-		-
Sub-Total	**34,000,000.00**	**6,070,922.00**	**40,070,922.00**	**13,547,000.00**	**26,523,922.00**
5.0 Sports	2,180,817.51	**1,700,000.00**	**3,880,817.51**	**3,585,260.00**	295,557.51
Sub-Total	**2,180,817.51**	**1,700,000.00**	**3,880,817.51**	**3,585,260.00**	**295,557.51**
6.0 Environment					
6.1 Environment	2,180,817.51	1,700,000.00	3,880,817.51	-	3,880,817.51
Sub-Total	**2,180,817.51**	**1,700,000.00**	**3,880,817.51**	**-**	**3,880,817.51**
7.0 Primary Schools Projects					
Sikley Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Mudey Primary School	2,500,000.00	-	2,500,000.00	-	2,500,000.00
Kone Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Balich Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Dogob Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00

Balambala Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Kasha Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Hadley Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Nunow Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Ohio Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Ture Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Mathahlibah Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Hagajarer primary school	4,200,000.00	-	4,200,000.00	-	4,200,000.00
DaleyPrimary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Dololo Midi Primary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Shimbirey Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Danyere Secondary School	280,000.00	-	280,000.00	280,000.00	-
Dogob Primary School	180,000.00	-	180,000.00	180,000.00	-
Mathahlibah Primary School	180,000.00	-	180,000.00	180,000.00	-
Hadley Primary School	180,000.00	-	180,000.00	180,000.00	-
Hagarjarer Primary school	180,000.00	-	180,000.00	180,000.00	-

Hadley Primary School	0.00	250,000.00	250,000.00	250,000.00	-
Kasha Primary School	0.00	150,000.00	150,000.00	150,000.00	-
Danyere Primary School	0.00	2,000,000.00	2,000,000.00	2,000,000.00	-
Auliya primary school	0.00	1,500,000.00	1,500,000.00	-	1,500,000.00
Qabobey primary school	0.00	1,800,000.00	1,800,000.00	-	1,800,000.00
Sub-Total	**35,000,000.00**	**24,900,000.00**	**59,900,000.00**	**15,580,000.00**	**44,320,000.00**
8.0 Secondary Schools Projects					
Sankuri secodary school	1,800,000.00	500,000.00	2,300,000.00	-	2,300,000.00
Danyere Secondary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Rahole Secondary School	1,900,000.00	-	1,900,000.00	-	1,900,000.00
Saka girls secondary school	2,000,000.00	-	2,000,000.00	-	2,000,000.00
balambala secondary school	0.00	2,100,000.00	2,100,000.00	2,780,720.00	(680,720.00)
Danyere Secondary School	0.00	2,700,000.00	2,700,000.00	2,445,000.00	255,000.00
Danyere Secondary School	0.00	768,722.48	768,722.48	701,850.00	66,872.48
Sub-Total	**7,700,000.00**	**6,068,722.48**	**13,768,722.48**	**5,927,570.00**	**7,841,152.48**
9.0 Tertiary institutions Projects					

9.1 Balambala technical training institute	-	10,000,000.00	10,000,000.00	-	10,000,000.00
Sub-Total	**-**	**10,000,000.00**	**10,000,000.00**	**-**	**10,000,000.00**
10.0 Health institutions Projects					
10.1 Abdisamat dispensary	-	500,000.00	500,000.00	-	500,000.00
Sub-Total	**-**	**500,000.00**	**500,000.00**	**-**	**500,000.00**
11.0 Security Projects					
Jarajara Police Post	700,000.00	-	700,000.00	-	700,000.00
Furnishing of chiefs offices	1,500,000.00	-	1,500,000.00	-	1,500,000.00
Kuno chiefs offices	3,100,000.00	-	3,100,000.00	-	3,100,000.00
Jarajara Police Post	0.00	1,800,000.00	1,800,000.00	1,665,000.00	135,000.00
Saka Police Post	0.00	1,800,000.00	1,800,000.00	1,635,000.00	165,000.00
Saka Police Post	0.00	600,000.00	600,000.00	550,000.00	50,000.00
Deputy County Commisioners Office	0.00	4,200,000.00	4,200,000.00	3,800,000.00	400,000.00
Deputy County Commisioners Official Residence	0.00	1,000,000.00	1,000,000.00	15,000.00	985,000.00
Saka Administration Police Camp	0.00	1,800,000.00	1,800,000.00	20,000.00	1,780,000.00
Modika RRDU Camp	0.00	4,000,000.00	4,000,000.00	3,620,000.00	380,000.00

Sub-Total	**5,300,000.00**	**15,200,000.00**	**20,500,000.00**	**11,305,000.00**	**9,195,000.00**
12.0 Acquisition of assets					
12.1 Motor Vehicles	-				-
12.2 Construction of CDF office	-	-	-	-	-
12.3 Purchase of furniture and equipment	-				-
12.4 Purchase of computers	-				-
Sub-Total	-	-	-	-	-
13.0 ROADS					
Garissa - Balambala Road	7,126,568.25	-	**7,126,568.25**		**7,126,568.25**
sankuri - balich road	0.00	4,677,027.00	**4,677,027.00**		**4,677,027.00**
Sub-Total	**7,126,568.25**	**4,677,027.00**	**11,803,595.25**	-	**11,803,595.25**
14.0 Others					
14.1 Strategic Plan	-	3,700,000.00	3,700,000.00	3,550,000.00	150,000.00
Sub-Total	-	**3,700,000.00**	**3,700,000.00**	**3,550,000.00**	**150,000.00**
GRAND TOTALS	**109,040,875.52**	**92,370,770.15**	**201,411,645.67**	**63,574,524.00**	**137,837,121.67**

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-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 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

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

b) Recognition of payments
The Entity 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 Fund

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		**2018-2019**	**2017 - 2018**
		Kshs	**Kshs**
Normal Allocation	B005196	53,084,483.15	
	B030164	10,000,000.00	
	B030348	10,000,000.00	
	B006288	6,000,000.00	
	B042709	12,000,000.00	
	B042979	16,000,000.00	
	A855758		5,500,000.00
	A892815		37,905,172.00
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		**107,084,483.15**	**43,405,172.00**

2. PROCEEDS FROM SALE OF ASSETS

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS		
Description	**2018-2019**	**2017 - 2018**
	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	-	

3. OTHER RECEPTS

3 OTHER RECEIPTS		
Description	**2018-2019**	**2017 - 2018**
	Kshs	**Kshs**
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify) Reversed unpresented cheques	589,000	-
TOTAL	**589,000**	**-**

4. COMPENSATION OF EMPLOYEES

4 COMPENSATION OF EMPLOYEES		
Description	**2018-2019**	**2017 - 2018**
	Kshs	**Kshs**
Basic wages of contractual employees	1,624,040.00	1,324,728.00
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	34,000.00	7,000.00
Gratuity-Paid	-	-
Gratuity-Accrued	-	
TOTAL	**1,658,040.00**	**1,331,728.00**

5. USE OF GOODS AND SERVICES

5 USE OF GOODS AND SERVICES		
Description	**2018-2019**	**2017 - 2018**
	Kshs	**Kshs**
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	455,000.00
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	650,000.00	1,342,755.00
Committee allowance	987,200.00	1,630,897.49
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	998,795.00	1,433,140.00
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	3,550,000.00	-
TOTAL	**6,185,995.00**	**4,861,792.49**

6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	**2018-2019**	**2017 - 2018**
	Kshs	**Kshs**
Transfers to Primary schools	15,580,000.00	20,865,517.00
Transfers to Secondary schools	5,927,570.00	3,500,000.00
Transfers to Tertiary institutions	-	
TIVET		
TOTAL	**21,507,570.00**	**24,365,517.00**

7. **OTHER GRANTS AND OTHER PAYMENTS**

7 OTHER GRANTS AND OTHER PAYMENTS		
Description	**2018-2019**	**2017 - 2018**
	Kshs	**Kshs**
Bursary -Secondary	10,604,000.00	14,000,000.00
Bursary -Tertiary	2,943,000.00	7,146,000.00
Bursary-Special schools	-	-
Mocks & CAT	-	-
Security	11,305,000.00	-
Sports	3,585,260.00	-
Environment	-	-
Emergency Projects	5,785,659.00	2,514,800.00
TOTAL	**34,222,919.00**	**23,660,800.00**

8. **ACQUISITION OF ASSETS**

8 ACQUISITION OF ASSETS		
Non Financial Assets	**2018-2019**	**2017 - 2018**
	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**

9 Other Payments		
ICT HUB	-	-
specify	-	-
specify	-	-
TOTAL	**-**	**-**

10A: Bank Accounts (cash book bank balance)

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	**Account Number**	**2018-2019**	**2017 - 2018**
		Kshs (30/6/2019)	**Kshs (30/6/2018)**
Equity Bank, Garissa Branch. Balambala NG-CDF	*A/C no.0580268598022*	**57,794,201.76**	**13,695,243.00**
Chase Ban, Garissa Branch	*A/C no.8212210001*	23,891,044.00	23,891,044.00
TOTAL		**81,685,245.76**	**37,586,287.00**

10B: CASH IN HAND

10B: CASH IN HAND)		
	2018-2019	**2017 - 2018**
	Kshs (30/6/2019)	**Kshs (30/6/2018)**
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

11: OUTSTANDING IMPRESTS

11: OUTSTANDING IMPRESTS				
Name of Officer		***Amount Taken***	***Amount Surrendered***	***Balance (30/6/2019)***
	Date imprest taken	***Kshs***	***Kshs***	***Kshs***
			-	-
		-	-	-

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

12A. RETENTION

12 Retention			
Supplier/Contractor	**PV No.**	**2018-2019**	**2017 - 2018**
TOTAL		-	-

[Provide short appropriate explanations as necessary

13. BALANCES BROUGHT FORWARD

13 BALANCES BROUGHT FORWARD			
		2018-2019	**2017 - 2018**
		(1/7/2019	**(1/7/2018)**
		Kshs	**Kshs**
Bank accounts		81,685,245.76	37,586,287.00
Cash in hand			-
Imprest			-
TOTAL		**81,685,245.76**	**37,586,287.00**

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	PRIOR YEAR ADJUSTMENTS		
		2018-2019	**2017 - 2018**
		Kshs	**Kshs**
Bank accounts		-	-
Cash in hand		-	-
Imprest		-	-
TOTAL			-

15. OTHER IMPORTANT DISCLOSURES

15.3: UNUTILIZED FUND (See Annex 1)

15.3: UNUTILIZED FUND (See Annex 3)		
	2018-2019	**2017 - 2018**
	Kshs	**Kshs**
Compensation of employees	3,129,747	-
Use of goods and services	14,539,888	-
Amounts due to other Government entities	62,161,152	29,368,722
Amounts due to other grants and other transfers	58,006,334	23,703,096
Acquisition of assets	-	-
Others (*specify*)	-	15,407,907
TOTAL	**137,837,122**	**68,479,725**

15.4: PMC account balances (See Annex 2)

15.4: PMC account balances (See Annex 2)				
			2018-2019	2017-2018
PMC	BANK	A/C NO	Kshs	Kshs

ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18
Compensation of employees		3,129,747.04	3,713,647.52
Use of goods & services		14,539,887.92	11,986,343.64
Amounts due to other Government entities			
LIBAHLOW PRIMARY SCHOOL		185,000.00	
KUNO PRIMARY SCHOOL		155,000.00	
HIFOW PRIMARY SCHOOL		30,000.00	
SHEBTACAAD PRIMARY SCHOOL		390,000.00	
HIRBAYA PRIMARY SCHOOL		4,180,000.00	
NUNOW PRIMARY SCHOOL		2,080,000.00	
AULIYA PRIMARY SCHOOL		1,500,000.00	
QABOBEY PRIMARY SCHOOL		1,800,000.00	
SIKLEY PRIMARY SCHOOL		2,000,000.00	
MUDEY PRIMARY SCHOOL		2,500,000.00	
KONE PRIMARY SCHOOL		2,000,000.00	
BALICH PRIMARY SCHOOL		2,000,000.00	
DOGOB PRIMARY SCHOOL		2,000,000.00	
BALAMBALA PRIMARY SCHOOL		2,000,000.00	
KASHA PRIMARY SCHOOL		1,900,000.00	
HADLEY PRIMARY SCHOOL		1,900,000.00	
NUNOW PRIMARY SCHOOL		1,900,000.00	

OHIO PRIMARY SCHOOL		1,900,000.00	
TURE PRIMARY SCHOOL		1,900,000.00	
MATHALBAH PRIMARY SCHOOL		1,900,000.00	
HAGARJARER PRIMARY SCHOOL		4,200,000.00	
DALEY PRIMARY SCHOOL		2,000,000.00	
DOLOLO MIDI PRIMARY SCHOOL		1,900,000.00	
SHIMBIREY PRIMARY SCHOOL		2,000,000.00	
SANKURI SECINDARY SCHOOL		2,300,000.00	
DANYERE SECONDARY SCHOOL		2,000,000.00	
RAHOLE SECONDARY SCHOOL		1,900,000.00	
SAKA GIRLS SECONDARY SCHOOL		2,000,000.00	
BALAMBALA SECONDARY SCHOOL		(680,720.00)	
DANYERE SECONDARY SCHOOL		255,000.00	
DANYERE SECONDARY SCHOOL		66,872.48	
BALAMBALA TECHNICAL TRAINING INSTITUTE		10,000,000.00	
Sub-Total		**62,161,152.48**	**40,968,722.48**
Amounts due to other grants and other transfers			
BURSARY - SECONDARY		9,296,000.00	
BURSARY - TERTIARY		15,127,922.00	
NHIF COVER		2,100,000.00	
EMERGENCY		5,807,441.96	
SPORTS		295,557.51	
ENVIRONMENT		3,880,817.51	
ABDISAMAT DISPENSARY		500,000.00	
GARISSA - BALAMBALA ROAD		7,126,568.25	
SANKURI - BALICH ROAD		4,677,027.00	
JARAJARA POLICE POST		700,000.00	

FURNISHING OF CHIEFS OFFICE		1,500,000.00	
KUNO CHIEFS OFFICE		3,100,000.00	
JARAJARA POLICE POST		135,000.00	
SAKA POLICE POST		165,000.00	
SAKA POLICE POST		50,000.00	
DEPUTY COUNTY COMMISSIONER'S OFFICE		400,000.00	
DEPUTY COUNTY COMMISSIONER'S RESIDENCE		985,000.00	
SAKA ADMINSTRATION POLICE CAMP		1,780,000.00	
MODIKA RRDU CAMP		380,000.00	
Sub-Total		**58,006,334.23**	**35,702,057**
Acquisition of assets			
Others (*specify*)			
Sub-Total			
Grand Total		**137,837,122**	**92,370,770**

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures				
Transport equipment	8,050,270.00			8,050,270.00
Office equipment, furniture and fittings	2,395,629.00			2,395,629.00
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	**10,445,899.00**			**10,445,899.00**

ANNEX 2–PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
Total			-	-

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)*
BLM/CDF /INSP/1/ VOL.I (9) 4.1	**Purchase Of Two (2) Number Water Bowsers – Kshs.20,865,517.00**	**Attached please find:** ➢ **Copies of the logbooks.** ➢ **Copy of the Invoice.** ➢ **Copy of re-allocation of funds that were used to fund the said project.**	FAM	Resolved	
BLM/CDF /INSP/1/ VOL.I (9) 4.2.1	**Unsupported Bursary Expenses – Kshs. 2,268,000**	***Examination of our records reveals that out of the ksh 2,268,000 unacknowledged bursaries were ksh. 400,000 uncollected and therefore unpresented bursary cheques.*** ***We have made a follow up on the remaining acknowledgements and/or official receipts by written demand letters to the various institutions and am hopeful that we will get them sometime soon. Attached please find copies of the acknowledgement letters and/or official receipts so far received. You may also refer to our bank statements to verify if the funds were received by the institutions.***	FAM		
BLM/CDF	**Irregular**	***The said tanks were supplied in***	FAM	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)*
/INSP/1/ VOL.I (9) 4.2.2	**Procurement Of Water Tanks – kshs.2,400,000**	***good condition. The verification we conducted with your team confirms that. I wish to clarify that out of the 48NO. water tanks supplied only three were different two from Jojo and one from Poa. Due to the emergency situation and the immediate need for the water tanks, we couldn't return them and demand for a replacement. Furthermore, the price difference between Kentank and other brands is negligible. Actually Jojo brand is more expensive.***			
BLM/CDF /INSP/1/ VOL.I (9) 4.2.3	**Unsupported Motor Vehicles Expenses – Kshs. 114,800**	***Please find the attached copies of:*** ➢ ***Certificate of Inspection by the public works mechanical department.*** ➢ ***Re-inspection certificate after the repairs.*** ***May I also clarify that the amount involved doesn't meet the threshold to form a tender evaluation committee. The method of procurement was a request for quotation.***	FAM	Resolved	
BLM/CDF /INSP/1/ VOL.I (9) 4.3.1	**Irregularity In The Procurement Of Office Furniture – Kshs 1,395,629**	***i. The due process of procurement was followed. The method of procurement used in this***	FAM	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)*
		particular case was Request for Quotation and therefore, the issue of registration of suppliers should not arise. *ii. The FAM appointed an opening committee as required. One of the members asked him to stand in for him as he couldn't make it to the opening exercise.* *iii. Attached please find a copy of the Tax Compliance Certificate for Blue Lime Limited.*			
BLM/CDF /INSP/1/ VOL.I (9) 4.4.1	**Unpresented Cheques And Unsupported Bank Balance**	➢ *The unpresented cheques were as a result of the bursary cheques issued towards the end of the financial Year. The stale cheques were reversed in the financial year 2018-2019.* ➢ *The chase Bank has closed its branch in Garissa and we are pursuing the bank to issue bank statements. We will avail the bank statement and the certificate of Bank Balance in due course.*	FAM	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)*
BLM/CDF /INSP/1/ VOL.I (9) 4.5.1	**Unaccounted For Committee Expenses – Kshs 1,697,000**	**Please refer to the payment vouchers as all the requisite supporting documents were attached.** ➢ **Attached please find the stores ledger.** ➢ **Attached please find copies of work tickets, detail orders.**	FAM	Resolved	
BLM/CDF /INSP/1/ VOL.I (9) 4.6	**Incomplete Asset Register**	➢ ***The asset register was availed for audit. Please find the attached copy again.***	FAM	Resolved	
BLM/CDF /INSP/1/ VOL.I (9) 4.7	**Budgetary Control And Performance** **1.Budget Performance Analysis** **2.Under Expenditure On Overall Budget** **3.Project implementation and management**	➢ ***The underutilization was as a result of delayed disbursement of funds from the NGCDF Board which was occasioned by the general elections that have affected the existing structure of the fund. The NG-CDF Committee formation, gazettement delayed the utilization if funds as planned. The funds for the year were received as follows;*** ✓ ***AIE A855758 dated 1st March 2018 whose amount was kshs 5,500,000 and***	FAM	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)*
		✓ *AIE A892815 dated 28th March 2018 whose amount was kshs 37,905.175.* *Both the AIE's were received in the last quarter of the financial year hence the under expenditure.*			