

REPUBLIC OF KENYA



REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 NOV 2021	DAY: WED
TABLED BY:	L.O.M
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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
BURA CONSTITUENCY**

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -BURA CONSTITUENCY

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)**

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

Reports and Financial Statements

For the year ended June 30, 2019

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1-3
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4-5
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES.	6
IV. STATEMENT OF RECEIPTS AND PAYMENTS	7
V. STATEMENT OF ASSETS AND LIABILITIES.....	8
VI. STATEMENT OF CASHFLOW	9
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	10
VIII BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	11-14
IX. SIGNIFICANT ACCOUNTING POLICIES.....	15-18
X. NOTES TO THE FINANCIAL STATEMENTS.....	19-27

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Reports and Financial Statements

For the year ended June 30, 2019

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 BURA 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Ronald Jembe
2.	Sub-County Accountant	Reuben Mosee
3.	Chairman NGCDFC	Dube Masha
4.	Member NGCDFC	Hussein Takano

(d) Fiduciary Oversight Arrangements

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

P.O. Box 100-70104
Bura Tana
Kenya

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

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF BURA Constituency Contacts

Telephone: (254) 723924494

E-mail: cdfbura@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF BURA Constituency Bankers

1. Kenya Commercial Bank (Garissa)

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

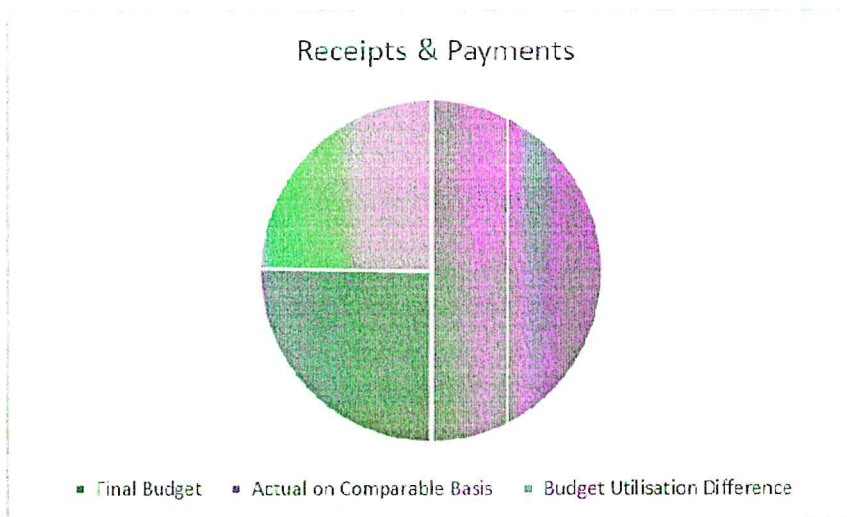
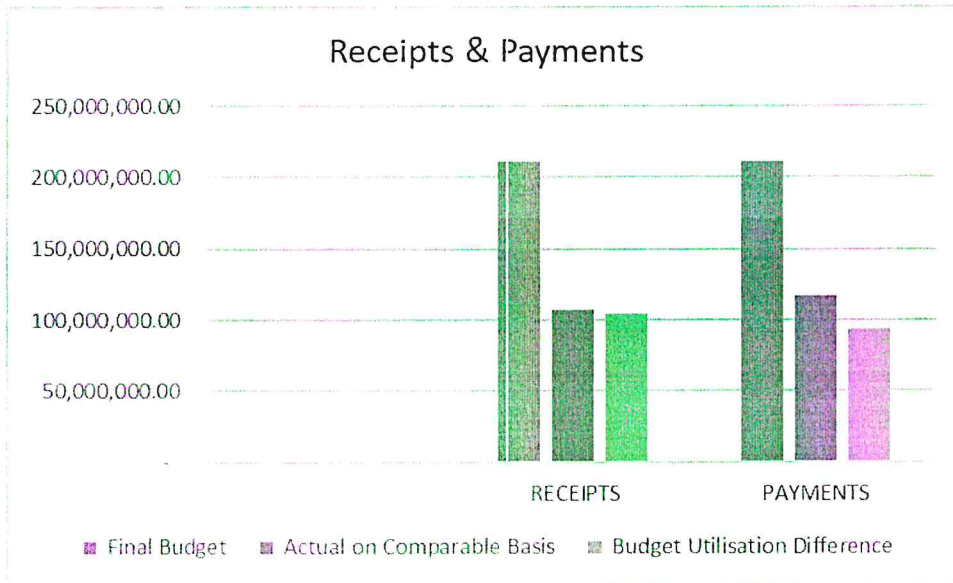
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Include among others the following:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

The NG CDF Bura had a budget of Kshs. 211,561,701 during financial year 2018-2019. During the financial year NGCDF Bura received Kshs. 106,784,483 leading to an under absorption of Kshs. 104,777,218

Due to late disbursement of funds NGCDF Bura has been experiencing challenges in discharging its mandate to the community. However, The NGCDF Bura has improved the education infrastructures within the constituency. There has been emerging issues and challenges influencing the implementation of NGCDF Projects all over the constituency. These include;

1. Insecurity- Due to vastness of the constituency we have had a lot of security challenges since the area is prone to attacks by bandits and al-Shabaab militants
2. Poor road network within the constituency was a big challenge to the contractors when it came to ferrying building materials to the various sites.
3. Other issues affecting the project implementation process is the slow pace of the Project Management Committees in filing both financial and narrative reports relating to their NGCDF funded projects. This fact emanates mostly from low literacy levels amongst the PMCs.
4. Water availability was also a challenge to both the contractors as well as the community.

Sign



CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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-BURA 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, 20XX. 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-BURA 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, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BURA 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-BURA 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-BURA Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.


Fund Account Manager

Name:

Ronald Jembe





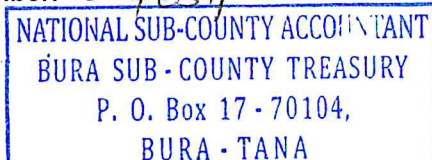
Sub-County Accountant

Name:

Keneth Misi

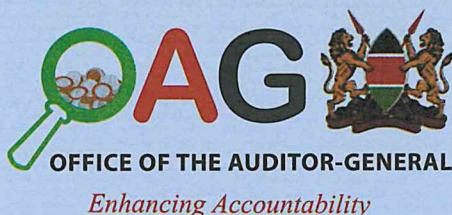
ICPAK Member Number:

24657



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BURA 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 - Bura Constituency set out on pages 7 to 27, which comprise the statement of assets and liabilities as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 - Bura Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Use of Goods and Services

1.1 Unsupported Payments on Committee Expenses and Allowances

Included in the use of goods and services figure of Kshs.9,001,647 under Note 4 to the financial statements is an amount of Kshs.4,256,600 spent on committee expenses and allowances. However, audit examination of payment vouchers and supporting documents revealed that out of the expenditure an amount of Kshs.918,000 was not sufficiently supported with relevant documents.

There were no monitoring and evaluation reports and member's attendance register was not availed for audit review, Further, the Fund Committee minutes were also not availed

Report of the Auditor-General on National Government Constituencies Development Fund - Bura Constituency for the year ended 30 June, 2019

for audit review and the sitting allowance schedules provided for audit review did not indicate dates, when the meetings took place.

In the circumstances, the validity of the expenditure of committee expenses and allowances of Kshs.9,001,647 as at 30 June, 2019 could not be confirmed.

1.2 Irregular Expenditure on Fuel Oil and Lubricants

Included in the use of goods and services figure of Kshs.9,001,647 under Note 4 to the financial statements is an amount of Kshs.1,232,918 incurred on fuel, oil and lubricants out of which an amount of Kshs.1,156,855 was paid to a local supplier for the supply of fuel. However, audit review of expenditure and the supporting detailed orders revealed that, part of the fuel ordered was supplied to other government departments' vehicles that did not belong to the Fund and the expenditure was not supported with work tickets and fuel register to account for the fuel drawn. Further, the supplier was not in the list of prequalified suppliers.

Consequently, the validity and the regularity of the expenditure of fuel of Kshs.1,232,918 in the year under review could not be ascertained.

2. Unsupported Transfer to Other Government Units

The statement of receipts and payments and Note 5 of the financial statement reflects transfers to other governments units figure of Kshs.35,989,996 as at 30 June, 2019. However, payments amounting to Kshs.10,437,273 on transfer to other government units were not supported. There was no inspection and acceptance committee report, copies of tender register and contract agreement, engineer's estimates and tender opening minutes. The appointment letters of the tender opening and evaluation committees were also not availed for audit review. Further, the procurement plan was not availed for audit review. In addition, there was no tender evaluation committee report used to support the expenditure.

In the circumstances, the validity and value for money on transfer to other government units of Kshs.35,989,996 as at 30 June, 2019 could not be confirmed.

3. Other Grants and Transfers

3.1 Un-Acknowledged Bursary Payments

Included in the other grants and other payments figure of Kshs.67,127,543 under Note 6 to the financial statements is an amount of Kshs.39,835,000 spent on bursary which in turn includes Kshs.23,094,000 for secondary schools and Kshs.16,741,000 for tertiary institutions. However, audit review of the expenditure and the supporting documents revealed that bursaries amounting to Kshs.3,810,000 were not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.

Consequently, the validity and value for money of expenditure on bursaries amounting to Kshs.39,835,000 for the year ended 30 June, 2019 could not be confirmed.

3.2 Unsupported Expenditure

The statement of receipts and payments and note 6 of the financial statement reflects other grants and transfers figure of Kshs.67,127,543 as 30 June, 2019. However, payments amounting to Kshs.9,192,011 on other grants and transfers were not supported. No copies of tender register, contract agreement, engineer's estimates and tender opening minutes and appointment letters of the tender opening and evaluation committees were availed for audit review. Further, there was no tender evaluation committee and inspection and acceptance committee minutes/reports availed for audit to support the expenditure. Also no procurement plan was availed confirm the procurement was planned and budgeted for.

In the circumstances, the validity and value for money of expenditure on other grants and transfers of Kshs.67,127,543 as at 30 June, 2019 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation- recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.211,478,701 and Kshs.156,610,823 respectively resulting to an under-funding of Kshs.54,950,876 or 26% of the budget. Similarly, the Fund spent Kshs.117,638,676 against an approved budget of Kshs.211,561,701 resulting to an under-expenditure of Kshs.93,923,025 or 44% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Bura Constituency.

1.1 Project Implementation and Management

During the financial year under review, the Fund allocated Kshs.87,521,337 to thirty one (31) projects in various sectors including social security, education, security, sport and environment. The analysis as per Project Implementation Status (PIS) availed for audit review revealed that eighteen (18) projects were completed, four (4) projects were on going while nine (9) had not started.

Failure to complete the projects within the stipulated period may have denied 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 matters 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 resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregularities in Procurement of Strategic Plan

The statement of receipts and payments and Note 7 of the financial statements reflects other payments figure of Kshs.3,900,000 relating to preparation of a five-year strategic plan. Audit review of the expenditure revealed that the services for the preparation of the strategic plan were provided by a consultant. However, documents to support the procurement process used to source the services were not provided for audit review, hence it was not possible to confirm whether due diligence was used in acquiring the consultant.

Consequently, the validity and value for money of the expenditure on strategic plan of Kshs.3,900,000 could not be confirmed.

2. Irregular Award of Contract for Darime Secondary School

During the year under review, the Fund disbursed Kshs.2,500,000 to Darime Secondary School for construction of two (2) classrooms. Audit review of the records for the contract revealed that the second lowest bidder quoted Kshs.2,550,275, while the lowest bidder quoted Kshs.2,350,000. However, the tender was awarded to the second lowest bidder instead of the lowest bidder without justification, contrary to Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the validity and value for money of the expenditure of Kshs.2,500,000 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy and Disaster Recovery Plan

During the year under review, the Fund did not develop and document a risk management policy. It was further noted that the Fund had not put in place a disaster recovery plan. This is in contravention of Section 165(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the accounting officer shall ensure that the National Government entity develops:

- (i) Risk management strategies, which include fraud prevention mechanism; and
- (ii) A system of risk management and internal control that builds robust business operations.

Consequently, the Fund is in breach of the regulations.

2. Lack of a Constituency Oversight Committee

The Fund had no Constituency Oversight Committee during the year under review as required by Section 53(1) of the National Government Constituencies Development Fund Act, 2015 which provides for establishment of a Constituency Oversight Committee for projects undertaken under the Act.

Consequently, it was not possible to confirm whether mobilization, sensitization soliciting of views, opinions and proposals from the public were carried out effectively as required by the Act.

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 the International Public Sector Accounting Standards

(Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

05 November, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	106,784,483	84,353,447
Other Receipts	2	83,000	104,000
TOTAL RECEIPTS		106,867,483	84,457,447
PAYMENTS			
Compensation of employees	3	1,619,490	1,030,000
Use of goods and services	4	9,001,647	9,330,945
Transfers to Other Government Units	5	35,989,996	20,113,106
Other grants and transfers	6	67,127,543	8,830,785
Other Payments	7	3,900,000	-
TOTAL PAYMENTS		117,638,676	39,304,836
SURPLUS/DEFICIT		(10,771,193)	45,152,611

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BURA Constituency financial statements were approved on _____ 2019 and signed by:

Fund Account Manager

Name:

Ronald Jembe

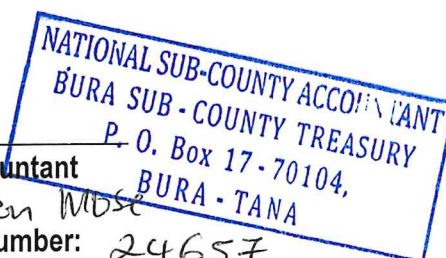


Sub-County Accountant

Name:

ICPAK Member Number:

Reuben Mose



24657

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

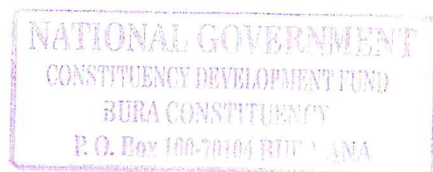
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

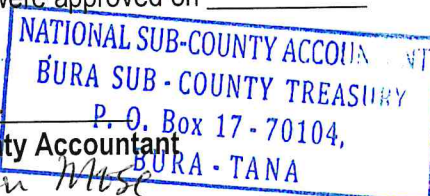
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8A	38,972,148	49,743,342
Cash Balances (cash at hand)	8B	-	-
Total Cash and Cash Equivalents		38,972,148	49,743,342
Current Receivables			
Outstanding Imprests	11	233,794	233,794
TOTAL FINANCIAL ASSETS		39,205,942	49,977,136
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		39,205,942	49,977,136
REPRESENTED BY			
Fund balance b/fwd 1st July...	9	49,977,135	663,996
Surplus/Defict for the year		(10,771,193)	45,152,611
Prior year adjustments	10	-	4,160,529
NET LIABILITIES		39,205,942	49,977,136

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BURA Constituency financial statements were approved on _____ 2019 and signed by:

Fund Account Manager
Name: *Ronald Jumba*



[Signature]
Sub-County Accountant
Name: *Kerben Mbe*
ICPAK Member Number: *24657*



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES			2018 - 2019	2017 - 2018
Receipts				
Transfers from CDF Board	1		106,784,483	84,353,447
Other Receipts	3		83,000	104,000
Total Receipts			106,867,483	84,457,447
Payments				
Compensation of Employees	4		1,619,490	1,030,000
Use of goods and services	5		12,901,647	9,330,945
Transfers to Other Government Units	6		35,989,996	20,113,106
Other grants and transfers	7		67,127,543	8,830,785
Other Payments	9		-	-
Total Payments			117,638,676	39,304,836
Total Receipts Less Total Payments			(10,771,193)	45,152,611
Adjusted for:				
Outstanding Imprest	11	-	-	233,794
Prior Year adjustment	10	-	-	4,160,529
Net Adjustments			-	4,394,323
Net cash flow from operating activities			(10,771,193)	49,546,934
CASHFLOW FROM INVESTING ACTIVITIES				
Net cash flows from Investing Activities			-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			(10,771,193)	49,546,934
Cash and cash equivalent at BEGINNING of the year			49,977,135	430,201
Cash and cash equivalent at END of the year			39,205,942	49,977,135

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BURA Constituency financial statements were approved on _____ 2019 and signed by:

Fund Account Manager

Name:

Ronald Jembe

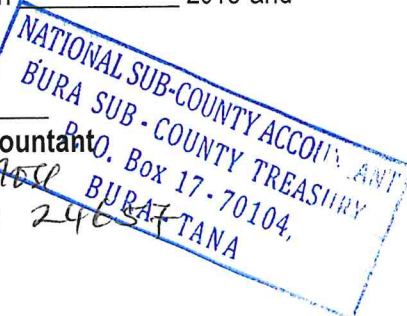


Sub-County Accountant

Name:

ICPAK Member Number:

Kenyan Mose



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

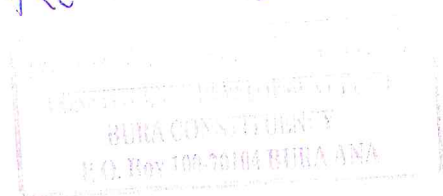
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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	109,040,875	102,437,826	211,478,701	156,527,825	54,950,876	74%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts		83,000	83,000	83,000	-	100%
TOTAL RECEIPTS		102,520,826	211,561,701	156,610,825	54,950,876	74%
PAYMENTS						
Compensation of Employees	2,218,200.00	1,093,110	3,311,310	1,619,490	1,691,820	49%
Use of goods and services	7,595,318.80	6,188,565	13,783,884	12,901,647	882,237	94%
Transfers to Other Government Units	43,662,262	36,979,428	80,641,690	35,989,996	44,651,694	45%
Other grants and transfers	55,565,094.42	53,582,696	109,147,790	67,127,543	42,020,247	62%
Acquisition of Assets	-	-	-	-	-	0%
Other Payments	-	4,677,027	4,677,027	-	4,677,027	0%
TOTAL	109,040,875	102,520,826	211,561,701	117,638,676	93,923,025	56%

The NGCDF-BURA Constituency financial statements were approved on _____

[Signature]
Fund Account Manager

Name: *Ronald Jembe*



2019 and signed by: *[Signature]*
NATIONAL GOVERNMENT ACCOUNTANT
BURA SUB-COUNTY TREASURY
P. O. Box 17-70104,
BURA - TANA
Sub-County Accountant
Name: *Deuben Mose*
ICPAK Member Number: *24657*

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

Reports and Financial Statements

For the year ended June 30, 2019

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	2,218,200	1,093,110	3,311,310	1,619,490	1,691,820
1.2 Committee allowances	1,408,620	784,980	2,193,600	2,193,600	-
1.3 Use of goods and services	2,915,473	1,162,460	4,077,933	2,915,473	1,162,460
					2,854,280
2.0 Monitoring and evaluation			-		
2.1 Capacity building	1,224,962	1,224,962	2,449,924	666,071	1,783,853
2.2 Committee allowances	860,417	1,784,979	2,645,396	2,063,000	582,396
2.3 Use of goods and services	1,186,006	2,662,484	3,848,490	1,444,642	2,403,848
					4,770,097
3.0 Emergency					
3.1 Primary Schools	5,738,993	2,137,931	7,876,924	7,866,839	10,085
3.2 Secondary schools					
3.3 Tertiary institutions					
					10,085
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	17,000,000	15,267,241	32,267,241	23,094,000	9,173,241
4.3 Tertiary Institutions	13,616,306	10,418,104	24,034,410	16,741,000	7,293,410
4.4Tertiary	2,100,000		2,100,000		2,100,000
4.5 Social Security	5,448,000		5,448,000		5,448,000
					24,014,651

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

5.0 Sports					
5.1	2,180,818	1,736,206	3,917,024	3,881,000	36,024
					36,024
6.0 Environment					
6.1	2,180,818	1,736,206	3,917,024	1,136,208	2,780,816
					2,780,816
7.0 Primary Schools Projects					
(List all the Projects)					
7.1 DUKANOTU PR SCHOOL	2,400,000		2,400,000	-	2,400,000
7.2 KOTI PR. SCHOOL	2,400,000		2,400,000	-	2,400,000
7.3 BOJI PR. SCHOOL	2,400,000		2,400,000	-	2,400,000
7.4 AMANI PR SCHOOL	2,400,000		2,400,000	-	2,400,000
7.5 BULA RIG PR. SCHOOL	2,400,000		2,400,000	-	2,400,000
7.6 SHORA GAFO PR. SCHOOL	2,400,000		2,400,000	-	2,400,000
7.7 BULTO BANTA PR. SCHOOL	500,000		500,000	500,000	-
7.8 BULA SUKELE PR SCHOOL	500,000		500,000	500,000	-
7.9 MORORO PR. SCHOOL	562,262		562,262	562,000	262
7.10 KOTI PR. SCHOOL	500,000		500,000	500,000	-
7.11 ADELE PR. SCHOOL	500,000		500,000	500,000	-
7.12 WOLESONREA PR. SCHOOL	2,400,000		2,400,000	-	2,400,000
7.14 KANIKI PRIMARY SCHOOL	-	600,000	600,000	574,989	25,011
7.15 KOTI PRIMARY	-	600,000	600,000	539,548	60,452
7.16 GURUJO PRIMARY	-	600,000	600,000	580,000	20,000
7.17 DARIME PRIMARY	-	2,500,000	2,500,000	2,425,000	75,000
7.18 BOKA PRIMARY	-	200,000	200,000	-	200,000
7.19 MARAMTU PRY SCHL	-	200,000	200,000	200,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

7.20 KAMAGURU PRY SCHL	-	200,000	200,000	200,000	-
7.21 SALA PRY SCHL	-	200,000	200,000	200,000	-
7.22 KURITI PRY SCHL	-	200,000	200,000	200,000	-
7.23 TULA PRY SCHL	-	200,000	200,000	200,000	-
7.24 Ziwani Pry schl	-	588,839	588,839	588,839	-
Godia pry school	-	159,953	159,953	159,953	-
Bulasukele pry schl	-	107,553	107,553	107,553	-
Wolestokocha pry schl	-	258,338	258,338	258,338	-
Titila Pry school	-	100,000	100,000	100,000	-
Titila Pry school	-	66,567	66,567	66,567	-
Komora & Sons	-	-	-	674,760	(674,760)
Various	-	7,174,014	7,174,014	-	7,174,014
					23,679,979
8.0 Secondary Schools Projects (List all the Projects)					
8.1 FAYYA GIRLS SEC	18,800,000	17,279,872	36,079,872	17,196,560	18,883,312
8.2 KORA SEC SCHOOL	2,800,000	3,000,000	5,800,000	2,865,800	2,934,200
8.3 MORORO SEC	-	2,000,000	2,000,000	1,997,642	2,358
8.4 SINGWAYA SEC. SCHOOL	2,700,000	3,000,000	5,700,000	2,802,490	2,897,510
8.5 Komora & Sons	-	-	-	1,681,661	(1,681,661)
					23,035,719
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
9.2					
9.3					
9.4					
10.0 Security Projects					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

10.2 Madogo Police Station-Adm block	-	3,000,000	3,000,000	3,000,000	-
10.3 Madogo AP Line	-	600,000	600,000	591,000	9,000
10.4 Madogo Police station – Fencing	-	4,000,000	4,000,000	3,894,000	106,000
10.5 D.O's Office Madogo	-	2,000,000	2,000,000	1,805,000	195,000
10.6 Komora & Sons	-	-	-	154,441	(154,441)
10.7 Bura DCC AP Line		3,000,000	3,000,000	2,895,000	105,000
10.8 Bura DCC NGCDF Project	-	2,000,000	2,000,000	1,596,212	403,788
10.9 Madogo Police station-Septic tank	700,000	-	700,000	-	700,000
11.01 Hosingo chiefs office	2,200,000	-	2,200,000	-	2,200,000
11.02 Kanaguru chiefs office	2,200,000	-	2,200,000	-	2,200,000
11.03 Bura Chiefs office	2,200,000	-	2,200,000	-	2,200,000
					7,964,347
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)					
11.2 Construction of CDF office					
12.0 Others					
12.1 Strategic Plan	-	4,000,000	4,000,000	3,900,000	100,000
12.2 Innovation Hub	-	4,677,027	4,677,027	-	4,677,027
					4,777,027
	109,040,875	102,520,826	211,561,701	117,638,676	93,923,025

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

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

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-BURA 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) – BURA CONSTITUENCY

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

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 Kenya Commercial Bank of Kenya Garissa Branch 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

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 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. 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) – BURA CONSTITUENCY

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018- 2019	2017- 2018
		Kshs	Kshs
Normal Allocation			-
AIE NO	A855774		5,500,000.00
AIE NO	A892692		40,948,275.00
AIE NO	A896808		37,905,172.00
AIE NO	B030046	10,000,000.00	
AIE NO	B005362	52,784,483.15	
AIE NO	B030361	10,000,000.00	
AIE NO	B006304	6,000,000.00	
AIE NO	B042986	28,000,000.00	
TOTAL		106,784,483.15	84,353,447.00

2. OTHER RECEIPTS

Description		2018- 2019	2017- 2018
		Kshs	Kshs
Interest Received		-	-
Rents		-	-
Receipts from sale of tender		83,000.00	104,000.00
Other Receipts Not Classified Elsewhere (Cheque reversal)		-	-
Total		83,000.00	104,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. COMPENSATION OF EMPLOYEES

Description		2018- 2019	2017 - 2018
		Kshs	Kshs
Basic wages of contractual employees		1,422,680	1,010,000
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		26,000	20,000
gratuity		170,810	-
Total		1,619,490	1,030,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Utilities, supplies and services		20,000	757,635
Electricity		-	-
Water & sewerage charges		-	
Office rent		-	
Communication, supplies and services		267,168	26,760
Domestic travel and subsistence		805,750	625,114
Printing, advertising and information supplies & services		440,822	-
Rentals of produced assets		-	
Training expenses		739,500	1,130,000
Hospitality supplies and services		38,000	148,000
Other committee expenses		2,193,600	1,150,000
Committee allowance		2,063,000	1,362,586
Insurance costs		-	
Specialised materials and services		-	367,165
Office and general supplies and services		94,650	843,540
Fuel, oil & lubricants		1,232,918	725,422
Other operating expenses		146,260	1,162,600
Bank service commission and charges		38,887	-
Security operations		-	-
Routine maintenance - vehicles and other transport equipment		842,092	1,032,123
Routine maintenance- other assets		79,000	-
TOTAL		9,001,647	9,330,945

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description		2018- 2019	2017 - 2018
		Kshs	Kshs
Transfers to primary schools- see attached list		10,431,788.10	18,173,296.00
Transfers to secondary schools- see attached list		25,558,207.70	1,939,810.00
Transfers to Tertiary institutions- see attached list		-	-
Transfers to Health institutions - see attached list		-	-
TOTAL		35,989,995.80	20,113,106.00

6. OTHER GRANTS AND OTHER PAYMENTS

Description		2018- 2019	2017 - 2018
		Kshs	Kshs
Bursary -Secondary		23,094,000.00	399,000.00
Bursary -Tertiary		16,741,000.00	400,700.00
Bursary-Special schools		-	-
Mocks & CAT		-	-
water		-	-
Agriculture (food security)		-	-
Electricity projects		-	31,445.00
Security		14,408,496.45	4,999,640.00
Roads		-	-
Sports		3,881,000.00	-
Other capital grants and transfer		1,136,208.00	-
Emergency Projects		7,866,839.00	3,000,000.00
Total		67,127,543.45	8,830,785.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER PAYMENTS

		2018-2019	2017 - 2018
Strategic Plan		3,900,000	-
ICT HUB		-	-
TOTAL		3,900,000	-

8A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Kenya Commercial Bank, Oyugis Branch . Kasipul NG-CDF	A/C no.1107773164	38,972,149	49,743,342
8B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
TOTAL		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCE BROUGHT FORWARD

		2018-2019	2017 - 2018
		(1/7/2018	(1/7/2017)
		Kshs	Kshs
Bank accounts		38,972,149	430,201
Cash in hand			-
Imprest		233,794	233,794
TOTAL		39,205,943	663,995

10. PRIOR YEAR ADJUSTMENTS

		2018-2019	2017 - 2018
		Kshs	Kshs
Bank accounts		-	4,160,529
Cash in hand		-	-
TOTAL		-	4,160,529

11. OUTSTANDING IMPREST

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2019)</i>
	Date imprest taken	Kshs	Kshs	Kshs
Peter Katoni			-	233,794
TOTAL				233,794

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. OTHER IMPORTANT DISCLOSURES

12.1: UNUTILIZED FUND (See Annex 1)

		2018-2019	2017 - 2018
		Kshs	Kshs
Compensation of employees		1,691,820	1,093,110
Use of goods and services		4,782,237	2,105,565
Amounts due to other Government entities		44,651,694	36,979,428
Amounts due to other grants and other transfers		42,020,247	53,582,696
Acquisition of assets		-	-
Others payments		777,027	8,677,027
		93,923,025	102,437,826

ANNEX 1 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,691,820	1,093,110	
Use of goods & services		4,782,237	2,105,565	
Amounts due to other Government entities		44,651,694	36,979,428	
Sub-Total		51,125,751	40,178,103	
Amounts due to other grants and other transfers		42,020,247	53,582,696	
Sub-Total		42,020,247	53,582,696	
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Ict Hub			4,677,027	
Strategic plan		777,027	4,000,000	
Sub-Total		777,027	8,677,027	
Grand Total		93,923,025	102,437,826	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	3,770,550.00	N/A	N/A	3,770,550.00
Buildings and structures	8,025,000.00	N/A	N/A	8,025,000.00
Transport equipment	12,000,000.00	N/A	N/A	12,000,000.00
Office equipment, furniture and fittings	790,000.00	N/A	N/A	790,000.00
ICT Equipment, Software and Other ICT Assets	221,000.00	N/A	N/A	221,000.00
Other Machinery and Equipment	40,000.00	N/A	N/A	40,000.00
Total	24,846,550.00	N/A	N/A	24,846,550.00

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Gurujo Primary School	KCB	1257060899	578,895	Nil
Bura Desk Project	KCB	1256775533	415,624	Nil
Fayya Girls Sec School	KCB	1256695440	17,195,955	Nil
Koti Primary School	KCB	1256770825	69,607	Nil
Madogo Police Station	KCB	1240081782	1,149,399	Nil
Bura DCC NG-CDF Soak pit	KCB	1257668404	1,596,211.95	Nil
Kaniki Primary School	KCB	1256888249	86,784.80	Nil
Damire Primary School	KCB	1256838896	1,105,888.25	Nil
Kora Secondary School	KCB	1256775096	2,864,595	Nil
Singwaya Secondary School	KCB	1258185385	2,802,490	Nil
AP Line Bura DCC Project	KCB	1257528122	2,893,555	Nil
Total			30,759,005	Nil

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.	Included in the use of goods and services of Kshs. 9,330,945 is Kshs. 2,512,586 incurred on committee expenses. It was noted that some items of expenditure were charged to the wrong expenditure accounts	Journal entries were raised to correctly classify the expenditure into their respective accounts and classes	Fam Ronald Jembe	Resolved	
2.	The outstanding imprest of Kshs. 233,794 as 30 June 2018 had been outstanding for more than two years contrary to PFMA (National Government) Regulations, 2015	The outstanding imprest was as a result of an error in the financial statements for the year ended 30 June 2017. The error could not be effected on during the year under review because the audit report had already been issued to the entity.	D.A Reuben Mosee & FAM Ronald Jembe	Not resolved	30 th June 2019

