

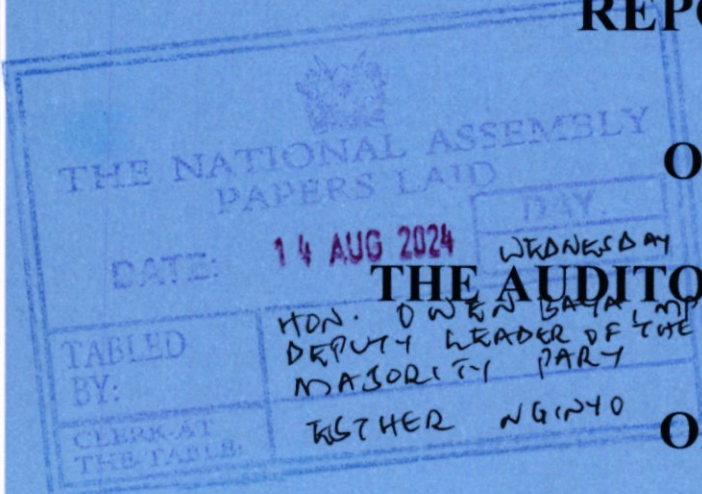
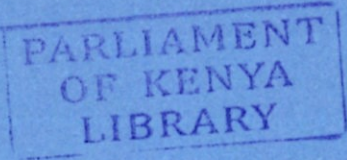
REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – GARISSA TOWNSHIP  
CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





OFFICE OF THE AUDITOR GENERAL  
NORTH EASTERN REGIONAL OFFICE  
29 FEB 2024  
RECEIVED  
P. O. BOX 88-70100 GARISSA



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GARISSA TOWNSHIP CONSTITTUENCY  
NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023

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

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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<b>Table of Content</b>	<b>Page</b>
I. Acronyms and abbreviations.....	i
II. Key Constituency Information and Management .....	ii
III. NG-CDFC Chairman’s Report .....	viii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	xiii
V. Statement of Governance.....	xv
VI. Environmental and Sustainability Reporting .....	xxiii
VII. Statement Of Management Responsibilities.....	xxvi
VIII. Report Of the Independent Auditors On The NGCDF- Garissa township Constituency.....	xxviii
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2023.....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023.....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023...5	
XIV. Significant Accounting Policies .....	13
XV. Notes To the Financial Statements.....	19
XVI. Annexes .....	26

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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**I. Acronyms and Abbreviations**

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS- International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

CDFC-Constituency Development Fund Committee

A.I.A-Appropriation in Aid

VBMS-Vote book management System

PIS-Project Implementation Status

MIS-Management information system

ARMC- Audit and Risk Management Committee

QMS-Quality Management System

CEO-Chief executive officer

HOD-Head of departments

QMR-Quality Management Representative



## **II. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, 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;

## **GARISSA TOWNSHIP CONSTITUENCY**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Annual Report and Financial Statements for The Year Ended June 30, 2023**

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- 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.

#### **Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

#### **(b) Key Management**

Garissa Township Constituency NGCDF 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)



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Yussuf Kilas Aden
2.	Sub-County Accountant	Mohamed A. Adan
3.	Chairman NGCDFC	Siyad Hared
4.	Member NGCDFC	Noor Maulid Hassan

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Garissa township Constituency NGCDF. 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 b

y the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) Garissa Township Constituency NGCDF Headquarters**

P.O. Box 239-70100  
Opposite IPOA Office  
Kismayu Road  
Garissa, Kenya

**(f) Garissa Township Constituency NGCDF Contacts**

Telephone: (254) 0723504365

E-mail: [cdflgarissatownship@ngcdf.go.ke](mailto:cdflgarissatownship@ngcdf.go.ke)

Website: [www.garissatownship.ngcdf.go.ke](http://www.garissatownship.ngcdf.go.ke)

**(g) Garissa Township Constituency NGCDF Bankers**

Equity Bank  
Garissa Branch  
P.O. Box 788-70100  
Garissa.  
Account Number: 0580261988646

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, [Kenya](#)



**III.NG-CDFC Chairman's Report**



**Siyad Hared-Chairperson**  
**NG-CDF Garissa Township Constituency**

**Greetings to all stakeholders of NG-CDFC Garissa Township Constituency.**

Garissa Township NGCDF is a Constituency Located in Northern Eastern Region in Garissa County, Kenya. The Constituency has four Wards and ensures that projects for the years are allocated fairly across the four wards. Garissa Township NG-CDF had a budget allocation of Kshs 138,215,033 for the Financial Year 2022/2023.

Garissa township national government constituency development funds as mandated by NG-CDF act, prioritized on projects for funding during the financial year 2022/2023. The committee after carrying out the needed assessments and in consultation with other relevant stake holders came up with projects for funding and forwarded to the board for approval.

## GARISSA TOWNSHIP CONSTITUENCY

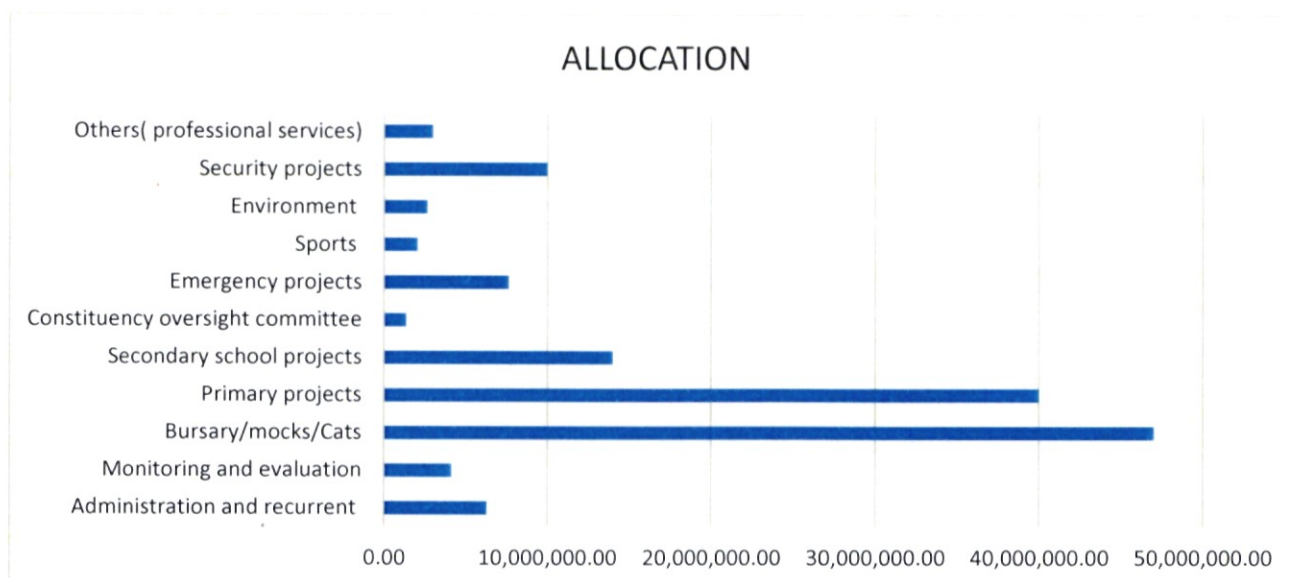
### National Government Constituencies Development Fund (NGCDF)

#### Annual Report and Financial Statements for The Year Ended June 30, 2023

The following is the summary breakdown of proposed projects for funding during the financial year 2022/2023.

S/NO	NAME OF PROJECT	AMOUNT ALLOCATED
1.	Administration and recurrent	6,310,924.38
2.	Monitoring and evaluation	4,146,450.99
3.	Bursary/mocks/Cats	47,006,711.22
4.	Primary projects	40,000,000
5.	Secondary school projects	14,000,000
6.	Constituency oversight committee	1,382,150.33
7.	Emergency projects	7,636,190
8.	Sports	2,064,300.66
9.	Environment	2,668,305
10.	Security projects	10,000,000
11.	Others( professional services)	3,000,000
	<b>Totals</b>	<b>138,215,033</b>

#### Percentage of sector allocation



#### **GRAPH 1: ORIGINAL BUDGET**

During the financial year 2022/2023, Garissa Township National Government Constituency Development fund committee received an amount of Kshs. 72,000,000 from the board for the implementation of approved priority projects. Further to the amount received there were opening balance of Kshs 7,786,143 totaling to Kshs 79,786,143 available for use. The table below summarizes the expenditure for the financial year 2022/2023.



**GARISSA TOWNSHIP CONSTITUENCY**

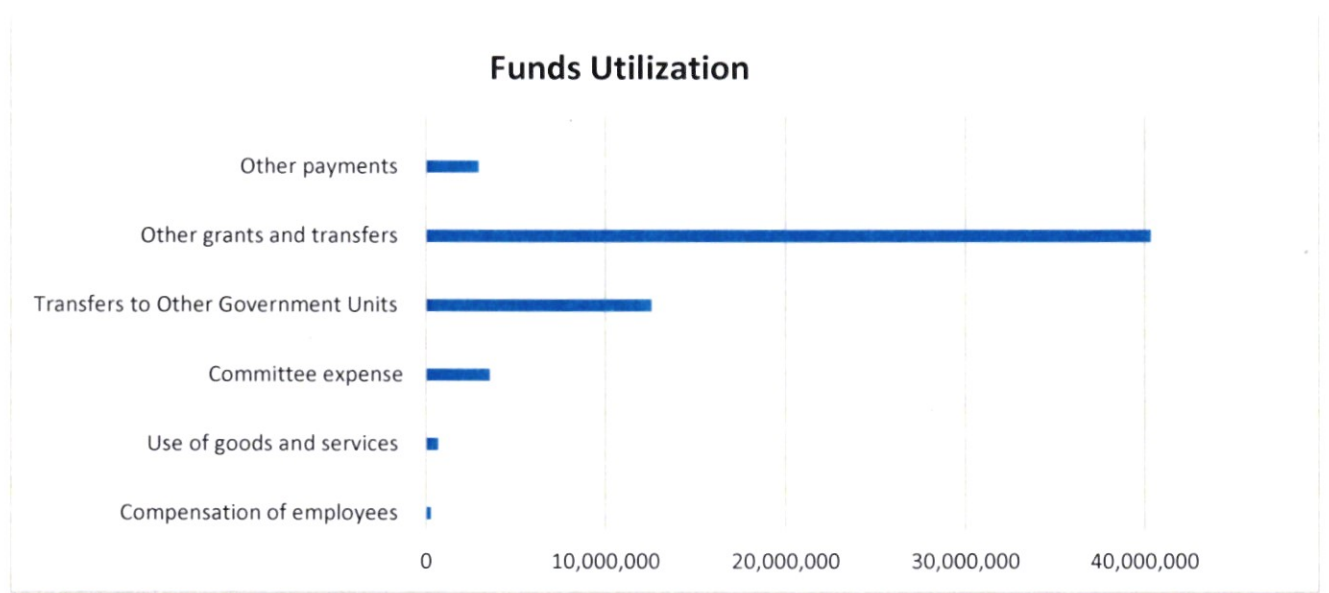
**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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The table below summarizes the expenditure for the financial year 2022/2023.

<b>ITEM</b>	<b>AMOUNT SPENT</b>
Compensation of employees	300,000
Use of goods and services	699,110
Committee expense	3,590,000
Transfers to Other Government Units	12,600,000
Other grants and transfers	40,352,220
Other payments	2,955,680
<b>TOTAL PAYMENTS</b>	<b>60,497,010</b>

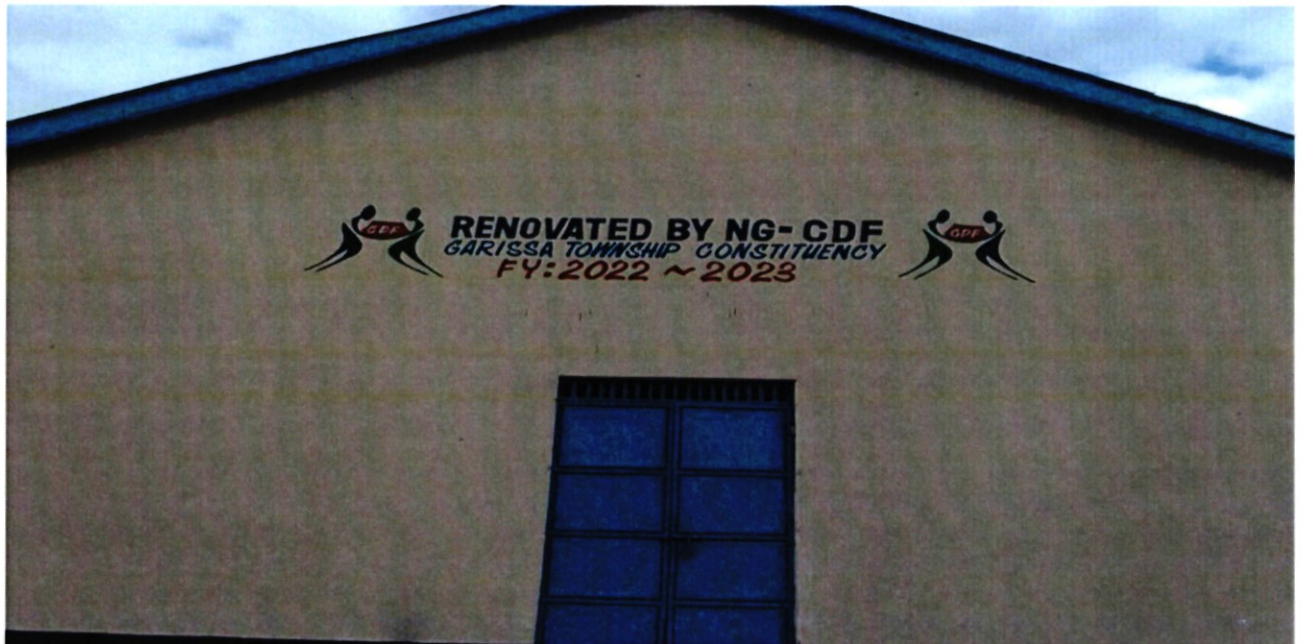


**Key achievements**

Garissa Township NG-CDF has utilized 75% of the available funds in time, and the achieved results as stipulated in the summary pictures below.



Construction of an Administration block at Jaritrot Primary School, located in Iftin ward, Garissa township constituency. This has improved infrastructure within the school.



Renovation of 80 bed capacity dormitory at Garissa High school in waberi ward, Garissa Township





**Emerging issues**

There is increased need of classrooms due to introduction of junior secondary schools.  
Higher education loan board beneficiary will decrease due to new government directives hence putting pressure on scarce bursary allocations.



**Challenges during the financial year**

During the financial year under review, few projects were implemented that includes: administration, monitoring, bursary and few primary and secondary projects due to late release of funds from the board.

Lack of water in most of the schools where projects are implemented through NG-CDF funds thus affecting the implementation of the projects.

The biggest challenge is that Garissa Township Constituency has many schools and some of which has no enough infrastructure i.e. classrooms and the funds is little to manage all the schools as new day secondary's schools are rapidly increasing.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to prevailing economic status within the constituency i.e. low-income because constituency is experiencing prolonged drought.

**Recommended Solutions**

NG-CDFC to liase with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will help in the implementation of projects as well as for human use to reduce movement of people from the settlements leaving the school during drought season.

The board should also try to release funds in time for ease of implementation of projects.

NG-CDFC has initiated a programme to construct new classroom over the years however many classroom requires renovation hence cost effective

I wish to urge the NG-CDF Board/NASC to continually increase the NG-CDF funding to enable more projects uptake in the constituencies.

We have initiated a better way of identifying needy students in bursary allocations in order to fairly distribute the funds.

Lastly I would like to thank all the stake holders especially my fellow committee members for their continued support.

  
.....  
**SIYAD HARED**  
**CHAIRMAN NGCDF COMMITTEE**

# GARISSA TOWNSHIP CONSTITUENCY

## National Government Constituencies Development Fund (NGCDF)

### Annual Report and Financial Statements for The Year Ended June 30, 2023

#### IV. Statement of Performance against Predetermined Objectives for FY2022/2023

##### Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of Garissa Township Constituency 2023-2027 plan are to:

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

##### Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"><li>- Increased number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li><li>- number of bursary beneficiaries at all levels</li></ul>	<ul style="list-style-type: none"><li>-In FY 22/23 - we constructed 2 new classrooms in primary schools increasing the number of classrooms from 156 classrooms to 158 classrooms</li><li>- we have provided 400 school chairs and lockers in 10 primary schools</li><li>-We have renovated 2no.dormitories with 80 bed capacity in secondary schools</li><li>-Paid bursary to 3465 students in both secondary schools (2680) and tertiary institutions (785)</li></ul>

**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023**

-Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	We set aside funds for any emergencies
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We organise capacity building programmes for NGCDFC'S and PMC's-The NGCDFC were inducted and trained by the board -we organise regular projects monitoring field visits –The NGCDFC made 5times field visits to monitor on-going projects
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipment's Employee satisfaction and availability of reports	We purchased various office stationaries and serviced broken printers and computers to ensure smooth running of NGCDF office



**V. Statement of Governance**

**Introduction**

The NGCDF Act 2015 on appointment of NG-CDFC members' states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Garissa Township, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen days of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated



**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of February, 2023 due to by-election.

In Garissa Township constituency, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee.

**Appointment of NG-CDFC Members**

**The selection Panel**

The selection panel was appointed in the month of February, 2023. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Farah Hassan	chair
2	Hassan Billow	secretary
3	Sahara Ali Shurie	member
4	Abdirahman M. Godad	member

The selection panel developed a shortlisting criterion which enabled them to pick the required number of nominees and two additional nominees were proposed by Garissa Township Constituency Office manager as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Farah Olow	Male Youth	Waberi
2.	Hassan Osman	Male Adult	Township
3.	Maryan Somow	Female Youth	Galbet
4.	Fatuma Kosar Ahmed	Female Adult	Galbet



**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****Nominee of the body representing persons with disability**

S/N	Name	Nature of physical Impairment	Ward
1	Siyad Hared	Physical impairment	Township

**Nominee of the constituency Office**

S/N	Name	Category	Ward
1	Mohamed Dayib	Male	Township
2	Haretha Kahiye	Female	Iftin

After consultation with the relevant stakeholders, members agreed and recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Noor Maulid Hassan	Male	Iftin

After the approval and gazetements of the members, the committee had its first meeting to elect the chairperson and the secretary. Upon discussion the following members were elected.

1. Chairperson position – Siyad Hared
2. Secretary position – Hassan Osman Shurie

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazette notice number 5004 on 14<sup>th</sup> April, 2023.

The new committee held its first meeting on 19<sup>th</sup> April, 2023.

Sno.	Name	Position
1	Siyad Hared	Chair person
2	Hassan Osman Shurie	secretary
3	Farah Olow	member
4	Maryan Somow	member
5	Fatuma Kosar Ahmed	member
6	Mohamed Dayib	member
7	Haretha Kahiye	member
8	Noor Maulid Hassan	member

**Removal of NG-CDFC Members**

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Garissa Township the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

**Roles and functions of NG-CDFC**

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate on development matters.
- ii. Deliberate on project proposals and any other projects considered beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

ix. Enter into performance contracting with the Board on an annual basis.

**Training of NG-CDFC Members**

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC members. The training was held in Palm Oasis Resort, Garissa Town on 28<sup>th</sup> April, 2023 to 02<sup>nd</sup> May, 2023. During the training, critical areas were covered such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, record management, minutes writing complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Garissa Township.

**Number of meetings held**

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings. The previous NG-CDFC did not hold committee meetings during the financial year.

During the financial year 2022/2023 the NG-CDFC Garissa Township held 4 meetings throughout

**Schedule of meetings held during the FY 2022/2023**

S.No	NG-CDFC COMMITTEE MEMBERS	15/03/2023	19/04/2023	17/05/2023	20/06/2023
1	Chairman Siyad Hared	✓	✓	✓	✓
2	Secretary Hassan Osman Shurie	✓	✓	✓	✓
3	Member Farah Olow	✓	✓	✓	✓
4	Member Maryan Somow	✓	✓	✓	✓
5	Member Fatuma Kosar Ahmed	✓	✓	✓	✓
6	Member Mohamed Dayib	✓	✓	✓	✓
7	Member Haretha Kahiye	✓	✓	✓	✓



**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

8	<b>Member</b> Noor Maulid Hassan	✓	✓	✓	✓
9	<b>-FAM</b> Yussuf Kilas Aden	✓	✓	✓	✓
10	<b>-DCC</b> Tom Kose Ndalo	✓	<b>x</b>	<b>x</b>	<b>x</b>

**Ethics & conduct**

Members of NG-CDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year under review members of NG-CDFC Garissa Township adhered to the above ethical issues.

**Members' remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance of kshs. 7,000 per meeting and all other members an allowance of ksh.5000 per sitting as per the circular issued by the NG-CDF Board. All NG-CDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NG-CDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

**Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NG-CDFC Garissa Township contravened conflict of interest policy.

**Risk management**

Risk management has been integrated in the constituency operations through the following; training of the NG-CDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NG-CDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Garissa Township has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NG-CDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

## **GARISSA TOWNSHIP CONSTITUENCY**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Annual Report and Financial Statements for The Year Ended June 30, 2023**

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## **VI. Environmental and Sustainability Reporting**

Garissa NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

### **1. Sustainability strategy and profile -**

To ensure sustainability of Garissa Township NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Garissa Township NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as construction of toilets and water conservation.

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

**2. Environmental performance**

Garissa Township Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as constructions of ten (10) toilets that are in line with people with disability requirements. This has led to reduction of environmental waste management in schools and government institutions. Garissa Township NG-CDF sponsored various sporting tournament that brought communities together and sensitizing them on environmental conservation matters.

**3. Employee welfare**

We invest in providing the best working environment for our employees. Garissa Township Constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

Employees are encouraged and supported to continually build on their skills and knowledge. Garissa Township Constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

**4. Market place practices-**

Garissa Township NG-CDF is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the



## **GARISSA TOWNSHIP CONSTITUENCY**

### ***National Government Constituencies Development Fund (NGCDF)***

#### ***Annual Report and Financial Statements for The Year Ended June 30, 2023***

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constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund gets value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

#### **5. Community Engagements-**

Garissa Township NG-CDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

#### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

#### **Public Awareness**

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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Garissa Township NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

**VII. Statement of Management Responsibilities**

Section 81 (1) of the Public Finance Management Act, 2012 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 - Garissa Township 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, 2023. 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-Garissa Township 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF - Garissa Township Constituency further confirms the completeness of the accounting records maintained for the *constituency*, 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 Garissa Township Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external

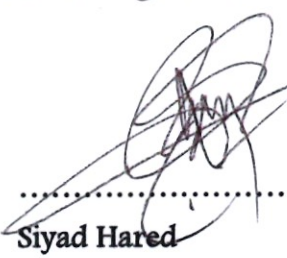
**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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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 *constituency'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.

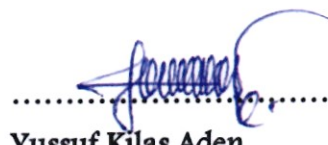
**Approval of the financial statements**

The NGCDF-Garissa Township Constituency financial statements were approved and signed by the Accounting Officer on 26<sup>th</sup> September, 2023.



.....

**Siyad Hared**  
**Chairman – NGCDF Committee**



.....

**Yussuf Kilas Aden**  
**Fund Account Manager**



# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GARISSA TOWNSHIP CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements which considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations which have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Garissa Township Constituency set out on pages 1

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*Report of the Auditor-General on National Government Constituencies Development Fund – Garissa Township Constituency for the year ended 30 June, 2023*



to 32, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Garissa Township Constituency as at 30 June, 2023 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **Unsupported Bursary Payments**

The statement of receipts and payments reflects other grants and transfers of Kshs.40,352,220 which includes bursary payments for secondary schools amounting to Kshs.19,400,000 as disclosed in Note 7 to the financial statements. However, examination of records provided revealed that bursary payments amounting to Kshs.2,032,000 disbursed to various secondary schools were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy and completeness of bursary payments amounting to Kshs.2,032,000 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 – Garissa Township 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.161,790,445 and Kshs.80,575,412 respectively resulting to an under-funding of Kshs.81,215,033 or 50% of the budget. Similarly, the Fund spent a balance of Kshs.60,497,010 against actual receipts of Kshs.80,575,412, resulting to an under-utilization of Kshs.20,078,402 or 25% of the actual receipts.



The under-funding and under-utilization affected the implementation of the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **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 else 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. Failure to Open Deposit Holding Account**

Management did not open a deposit holding account as required by Section 7(1)(A) of the National Government - Constituencies Development Fund (Amendment) Act, 2022 which provides that each constituency shall open one deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency for which it is opened.

In the circumstances, Management was in breach of the law.

#### **2. Lack of Constituency Oversight Committee**

During the year under review, the Constituency did not have a Constituency Oversight Committee. This was contrary to Section 53(1) of the National Government Constituencies Development Fund Act, 2015 which states that there is established a Constituency Oversight Committee for projects undertaken under this Act.

In the circumstances, Management was in breach of the law.

#### **3. Delay in Implementation of Projects**

Analysis of the Project Implementation Status report for the year under review revealed that the Fund had budgeted to implement forty-five (45) projects with a total allocation of Kshs.68,732,606. However, only fourteen (14) projects with a total cost of Kshs.12,600,000 were completed while thirty-one (31) projects with a budget of Kshs.56,132,606 had not started.

Delay in implementation of projects denied the residents of the Constituency the expected services and benefits of completed projects.

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 comply, 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 else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Under Staffing in the Constituency Fund**

Review of staff records revealed that the Constituency had only one (1) staff handling accounting records. Management did not provide satisfactory explanation on how segregation of duties and other functions including project monitoring, evaluation, co-ordination and records management were undertaken without staff engaged to carry out those functions.

In the circumstances, it was not possible to confirm the effectiveness of the day to day operations of the Fund.

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 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 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 to 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 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 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 which 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 Fund's 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 Management.
- Conclude on the appropriateness of 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 which 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 June, 2024



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**IX. Statement of Receipts and Payments for the Year Ended 30th June 2023**


	Note	2022-2023	2021-2022
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	72,000,000	168,277,758
Other Receipts	2	-	1,485,286
<b>TOTAL RECEIPTS</b>		<b>72,000,000</b>	<b>169,763,044</b>
<b>PAYMENTS</b>			
Compensation of employees	3	300,000	379,400
Committee expenses	4	3,590,000	3,300,000
Use of goods and services	5	699,110	4,295,000
Transfers to Other Government Units	6	12,600,000	136,828,232
Other grants and transfers	7	40,352,220	81,999,469
Other Payments	8	2,955,680	-
<b>TOTAL PAYMENTS</b>		<b>60,497,010</b>	<b>226,802,101</b>
<b>SURPLUS/DEFICIT</b>		<b>11,502,990</b>	<b>(57,039,057)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

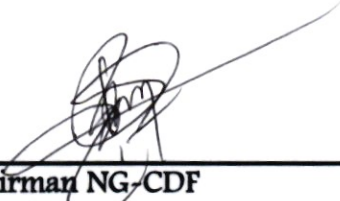
The Constituency financial statements were approved by the NGCDFC on 19/09/ 2023 and signed by:

  
Fund Account Manager

**YUSSUF KILAS ADEN**

  
National Sub-County  
Accountant

**MOHAMED A. ADAN**

  
Chairman NG-CDF  
Committee

**SIYAD HARED**

**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****X. Statement of Assets and Liabilities as At 30th June, 2023**


	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	9A	20,078,402	7,786,143
Cash Balances (cash at hand)	9B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>20,078,402</b>	<b>7,786,143</b>
<b>Accounts Receivable</b>			
Outstanding Imprests		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>20,078,402</b>	<b>7,786,143</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention		-	-
Gratuity		-	-
<b>NET FINANCIAL SSETS</b>		<b>20,078,402</b>	<b>7,786,143</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	10	7,786,143	64,825,200
Prior year adjustments	11	789,269	-
Surplus/Defict for the year		11,502,990	(57,039,057)
<b>NET FINANCIAL POSITION</b>		<b>20,078,402</b>	<b>7,786,143</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved by NG CDFC on 19/09/ 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

YUSSUF KILAS ADEN

  
\_\_\_\_\_  
National Sub-County  
Accountant

MOHAMED A. ADAN

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee

SIYAD HARED



**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****XI. Statement of Cash Flows for the Year Ended 30th June 2023**

		2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	72,000,000	168,277,758
Other Receipts	2	-	1,485,286
<b>Total receipts</b>		<b>72,000,000</b>	<b>169,763,044</b>
<b>Payments</b>			
Compensation of Employees	3	300,000	379,400
Committee expenses	4	3,590,000	3,300,000
Use of goods and services	5	699,110	4,295,000
Transfers to Other Government Units	6	12,600,000	136,828,232
Other grants and transfers	7	40,352,220	81,999,469
Oversight Committee Expenses		-	-
Other Payments	8	2,955,680	-
<b>Total payments</b>		<b>60,497,010</b>	<b>226,802,101</b>
<b>Adjusted for:</b>			
Prior Year Adjustments	11	789,269	-
Decrease/(Increase) In Accounts Receivable		-	-
Increase/(Decrease) In Accounts Payable		-	-
<b>Net cash flow from operating activities</b>		<b>12,292,259</b>	<b>(57,039,057)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>12,292,259</b>	<b>(57,039,057)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	9	<b>7,786,143</b>	<b>64,825,200</b>
<b>Cash and cash equivalent at END of the year</b>		<b>20,078,402</b>	<b>7,786,143</b>

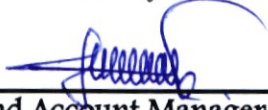


**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

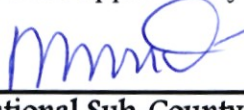
The Constituency financial statements were approved by NG CDFC on 26/09/ 2023 and signed by:



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**Fund Account Manager**


**YUSSUF KILAS ADEN**



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**National Sub-County  
Accountant**

**MOHAMED A. ADAN**



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**Chairman NG-CDF  
Committee**

**SIYAD HARED**

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**XII. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2023**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	138,215,033	8,575,412	15,000,000	161,790,445	80,575,412	81,215,033	50%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>138,215,033</b>	<b>8,575,412</b>	<b>15,000,000</b>	<b>161,790,445</b>	<b>80,575,412</b>	<b>81,215,033</b>	<b>50%</b>
<b>PAYMENTS</b>							
Compensation of Employees	2,918,880	1,509,862	-	4,428,742	300,000	4,128,742	7%
Committee expenses	3,124,000	2,349,999	-	5,473,999	3,590,000	1,883,999	66%
Use of goods and services	4,414,495	621,282	-	5,035,777	699,110	4,336,667	14%
Transfers to Other Government Units	54,000,000	2,600,000	-	56,600,000	12,600,000	44,000,000	22%
Other grants and transfers	69,375,507	1,494,269	-	70,869,776	40,352,220	30,517,556	57%
Acquisition of Assets	-	-	-	-	-	-	-
COC Expenses	1,382,150	-	-	1,382,150	-	1,382,150	0%
Other Payments	3,000,000	-	15,000,000	18,000,000	2,955,680	15,044,320	16%
unallocated funds	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>138,215,033</b>	<b>8,575,412</b>	<b>15,000,000</b>	<b>161,790,445</b>	<b>60,497,010</b>	<b>101,293,435</b>	<b>37%</b>

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	101,293,435
Less undisbursed funds receivable from the Board as at 30th June 2023	(81,215,033)
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2022/2023	<b>20,078,402</b>

The Constituency financial statements were approved by NG CDFC on 19/09/2023 and signed by:

  
 \_\_\_\_\_  
**Fund Account Manager**

**NAME: YUSSUF KILAS ADEN**

  
 \_\_\_\_\_  
**National Sub-County Accountant**

**MOHAMED A. ADAN**

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**

**NAME: SIYAD HARED**



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,918,880	1,509,862	-	4,428,742	300,000	4,128,742
1.2 Committee allowances	1,128,000	-	-	1,128,000	-	1,128,000
1.3 Use of goods and services	2,264,044	621,282	-	2,885,326	699,110	2,186,216
<b>Total</b>	<b>6,310,924</b>	<b>2,131,144</b>	<b>-</b>	<b>8,442,068</b>	<b>999,110</b>	<b>7,442,958</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building	70,000	-	-	70,000	-	70,000
2.2 Committee allowances	1,996,000	2,349,999	-	4,345,999	3,590,000	755,999
2.3 Use of goods and services	2,080,451	-	-	2,080,451	-	2,080,451
<b>Total</b>	<b>4,146,451</b>	<b>2,349,999</b>	<b>-</b>	<b>6,496,450</b>	<b>3,590,000</b>	<b>2,906,450</b>
<b>3.0 Emergency</b>						-
3.1 Primary Schools	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilised	7,636,190	-	-	7,636,190	-	7,636,190
<b>Total</b>	<b>7,636,190</b>	<b>-</b>	<b>-</b>	<b>7,636,190</b>	<b>-</b>	<b>7,636,190</b>
<b>4.0 Bursary and Social Security</b>						-



**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Secondary Schools	20,000,000	789,269	-	20,789,269	20,000,000	789,269
4.2 Tertiary Institutions	21,006,711	705,000	-	21,711,711	20,352,220	1,359,491
4.3 Social Security	6,000,000	-	-	6,000,000	-	6,000,000
4.4 Special Needs	-	-	-	-	-	-
<b>Total</b>	<b>47,006,711</b>	<b>1,494,269</b>	<b>-</b>	<b>48,500,980</b>	<b>40,352,220</b>	<b>8,148,760</b>
<b>5.0 Sports</b>				-		-
Constituency sports Tournament	1,464,301	-	-	-	-	
Regional sports Tournament	600,000	-	-	-	-	-
<b>Total</b>	<b>2,064,301</b>	<b>-</b>		<b>2,064,301</b>	<b>-</b>	<b>2,064,301</b>
<b>6.0 Environment</b>						
ADC primary school	100,000	-	-	100,000	-	100,000
Al-fatah primary school	100,000	-	-	100,000	-	100,000
Bulla Mzuri primary school	100,000	-	-	100,000	-	100,000
County High school	720,000	-	-	720,000	-	720,000
Iftin primary school	100,000	-	-	100,000	-	100,000
Jaribu primary school	100,000	-	-	100,000	-	100,000
Korakora primary school	100,000	-	-	100,000	-	100,000
Nasib primary school	100,000	-	-	100,000	-	100,000
Sambul boys secondary school	948,305	-	-	948,305	-	948,305
Tetu primary school	100,000	-	-	100,000	-	100,000



**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Tumaini primary school	100,000	-	-	100,000	-	100,000
Yathrib primary school	100,000	-	-	100,000	-	100,000
				-		-
<b>Total</b>	<b>2,668,305</b>	<b>-</b>	<b>-</b>	<b>2,668,305</b>	<b>-</b>	<b>2,668,305</b>
<b>7.0 Primary Schools Projects</b>						
Jarirot primary school	-	2,000,000	-	2,000,000	2,000,000	-
Al-farouq primary school	-	600,000	-	600,000	600,000	-
ADC primary school	400,000	-	-	400,000	400,000	-
ADC primary school	2,000,000	-	-	2,000,000	-	2,000,000
Boystown primary school	400,000	-	-	400,000	400,000	-
Bulla Al-gy primary school	400,000	-	-	400,000	400,000	-
Bulla Mzuri primary school	400,000	-	-	400,000	400,000	-
Bulla Mzuri primary school	2,000,000	-	-	2,000,000	-	2,000,000
Garissa primary school	400,000	-	-	400,000	400,000	-
Iftin primary school	5,000,000	-	-	5,000,000	-	5,000,000
Iftin primary school	2,500,000	-	-	2,500,000	-	2,500,000
Jaribu primary school	1,500,000	-	-	1,500,000	-	1,500,000
Korakora primary school	400,000	-	-	400,000	400,000	-
Korakora primary school	5,000,000	-	-	5,000,000	-	5,000,000
Korakora primary school	2,500,000	-	-	2,500,000	-	2,500,000
Nasib primary school	400,000	-	-	400,000	400,000	-



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Tetu primary school	400,000	-	-	400,000	400,000	-
Tetu primary school	2,000,000	-	-	2,000,000	-	2,000,000
Towfiq primary school	6,000,000	-	-	6,000,000	-	6,000,000
Tumaini primary school	400,000	-	-	400,000	400,000	-
Yathrib primary school	400,000	-	-	400,000	400,000	-
Yathrib primary school	5,000,000	-	-	5,000,000	-	5,000,000
Yathrib primary school	2,500,000	-	-	2,500,000	-	2,500,000
<b>Total</b>	<b>40,000,000</b>	<b>2,600,000</b>	<b>-</b>	<b>42,600,000</b>	<b>6,600,000</b>	<b>36,000,000</b>
<b>8.0 Secondary Schools Projects</b>						-
Garissa special school	3,000,000	-	-	3,000,000	3,000,000	-
Boystown secondary school	600,000	-	-	600,000	-	600,000
Garissa high school	3,000,000	-	-	3,000,000	3,000,000	-
Iftin girls sec.school	600,000	-	-	600,000	-	600,000
Iftin girls sec.school	2,500,000	-	-	2,500,000	-	2,500,000
Sambul secondary school	600,000	-	-	600,000	-	600,000
Tetu sec. school	600,000	-	-	600,000	-	600,000
Yathrib girls sec. school	600,000	-	-	600,000	-	600,000
Yathrib girls sec. school	2,500,000	-	-	2,500,000	-	2,500,000
<b>Total</b>	<b>14,000,000</b>	<b>-</b>	<b>-</b>	<b>14,000,000</b>	<b>6,000,000</b>	<b>8,000,000</b>
<b>9.0 Tertiary institutions Projects</b>						-



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
						-
<b>Total</b>	-		-	-		-
<b>10.0 Security Projects</b>				-		-
Buriburis police station	10,000,000	-	-	10,000,000	-	10,000,000
				-		-
				-		-
				-		-
<b>Total</b>	<b>10,000,000</b>	-	-	<b>10,000,000</b>	-	<b>10,000,000</b>
<b>11.0 Acquisition of assets</b>				-		-
CDF office	-	-		-	-	
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
<b>Total</b>	-		-	-		-
<b>12.0 Oversight Committee Expenses (itemize)</b>				-		-
Accommodation -dmetic travel fo Constituency Oversight Committee	90,000	-	-	90,000	-	90,000
Catering services(receptions)Accomodation Gifts ,foods and drinks for constituency oversight committee	342,150	-	-	342,150	-	342,150

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Daily Subsistence Allowances for constituency oversight committee	300,000	-	-	300,000	-	300,000
Constituency oversight Committee Expenses	50,000	-	-	50,000	-	50,000
Travel allowances on training of constituency oversight committee	600,000	-	-	600,000	-	600,000
<b>Total</b>	<b>1,382,150</b>	<b>-</b>	<b>-</b>	<b>1,382,150</b>	<b>-</b>	<b>1,382,150</b>
<b>13.0 Other payments</b>				-		-
Garissa Township Strategic plan	3,000,000	-	-	3,000,000	2,955,680	44,320
Ngcdf office	-	-	15,000,000	15,000,000	-	15,000,000
				-		
<b>Total</b>	<b>3,000,000</b>	<b>-</b>	<b>15,000,000</b>	<b>18,000,000</b>	<b>2,955,680</b>	<b>15,044,320</b>
<b>14.0 unallocated fund</b>				-		-
Unapproved projects	-		-		-	-
AIA	-		-		-	-
PMC savings	-		-		-	-
<b>Total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>138,215,033</b>	<b>8,575,412</b>	<b>15,000,000</b>	<b>161,790,445</b>	<b>60,497,010</b>	<b>101,293,435</b>



**XIV. 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 (gratuity 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-Garissa township 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

**Proceeds from Sale of Assets**

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

***Unutilized Funds from PMCs.***

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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***Significant Accounting Policies continued***

**External Assistance**

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

***Significant Accounting Policies continued***

**5. In-kind contributions**

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles,

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency 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 equivalent.**

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 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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 are 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 financial year. When the pending



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 xx June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**12. Comparative Figures**

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**14. Errors**

Material prior period errors are 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.

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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

**15. Related Party Transactions**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.



**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****XV. Notes to the Financial Statements****1. Transfers from NGCDF Board**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Normal Allocation</b>	<b>Kshs</b>	<b>Kshs</b>
AIE NO.B		31,188,879
AIE NO.B105432		68,000,000
AIE NO.B132494		5,000,000
AIE NO.B128805		16,000,000
AIE NO.B154003		17,000,000
AIE NO.B154296		31,088,879
AIE NO. B 047710	57,000,000	
AIE NO. B 049297	15,000,000	
<b>TOTAL</b>	<b>72,000,000</b>	<b>168,277,758</b>

**2. Other receipts**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)		1,485,286
<b>TOTAL</b>	<b>-</b>	<b>1,485,286</b>

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**Notes To the Financial Statements (Continued)**

**3. Compensation of Employees**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	297,600	376,600
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	2,400	2,800
<b>TOTAL</b>	<b>300,000</b>	<b>379,400</b>

**4. Committee Expenses**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	3,590,000	3,300,000
Other committee expenses	-	1,367,000
<b>TOTAL</b>	<b>3,590,000</b>	<b>4,667,000</b>

\*Difference in 2021-2022 figure and previous statement figure is due to classification change due to revision of the reporting template



**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****5. Use of Goods and services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	-	-
Communication, supplies and services	98,000	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	1,400,000
Hospitality supplies and services	-	-
Office Rent	150,000	423,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	414,610	470,000
Fuel , oil & lubricants	-	-
Other operating expenses	-	600,000
Bank Charges	36,500	35,000
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>699,110</b>	<b>2,928,000</b>

\*Difference in 2021-2022 figure and previous statement figure is due to classification change due to revision of the reporting template

**6. Transfer to Other Government Units**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	6,600,000	42,086,454
Transfers to Secondary Schools	6,000,000	94,741,778
Transfers to Tertiary Institutions	-	-
<b>TOTAL</b>	<b>12,600,000</b>	<b>136,828,232</b>

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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**7. Other grants and other transfers**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	19,400,000	46,692,000
Bursary -Tertiary ( see attached list)	20,352,220	14,156,000
Bursary- Special Schools	600,000	230,000
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects ( see attached list)	-	11,229,263
Sports Projects ( see attached list)	-	-
Environment Projects ( see attached list)	-	-
Emergency Projects ( see attached list)	-	9,692,206
Roads Projects	-	-
<b>TOTAL</b>	<b>40,352,220</b>	<b>81,999,469</b>



**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****Notes To the Financial Statements (Continued)****8. Other payments**

	2022-2023	2021-2022
	Kshs	Kshs
Strategic Plan	2,955,680	-
ICT Hubs	-	-
<b>TOTAL</b>	<b>2,955,680</b>	<b>-</b>

**9. Cash book bank balance**

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
<b>9A: Bank Balances (cash book bank balance)</b>		
<i>Equity Bank, A/C no.0580261988646 , Branch GARISSA.</i>	<b>20,078,402</b>	<b>7,786,143</b>
Equity Bank, A/C no. Branch . (deposit account)	-	-
	-	-
<b>TOTAL</b>	<b>20,078,402</b>	<b>7,786,143</b>
<b>9B: CASH IN HAND)</b>		
	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs (30/6/2023)</b>	<b>Kshs (30/6/2022)</b>
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**GARISSA TOWNSHIP CONSTITUENCY****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****Notes to the Financial Statements (Continued)****10. Fund Balance B/F**

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	7,786,143	64,825,200
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>7,786,143</b>	<b>64,825,200</b>
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>7,786,143</b>	<b>64,825,200</b>

**11. Prior Year Adjustments**

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	7,786,143	789,269	8,575,412
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>7,786,143</b>	<b>789,269</b>	<b>8,575,412</b>



**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**Notes To the Financial Statements (Continued)**

**12. Other Important Disclosures**

12.1: Unutilized Fund (See Annex 1)

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	4,128,742	1,509,862
Committee expense	1,883,999	2,349,999
Use of goods and services	4,336,667	621,282
Amounts due to other Government entities (see attached list)	44,000,000	2,600,000
Amounts due to other grants and other transfers (see attached list)	30,517,556	705,000
Acquisition of assets	-	-
COC Expenses	1,382,150	-
Other Payments – strategic plan	15,044,320	15,000,000
Funds pending approval	-	-
<b>Total</b>	<b>101,293,435</b>	<b>22,786,143</b>

12.2: PMC account balances (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**XVI. Annexes**

**Annex 1– Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
<b>1.0 Administration and Recurrent</b>				
<b>Compensation of employees</b>	Payment of Staff Basic Salaries	4,128,742	1,509,862	Pending Disbursement
<b>Subtotals</b>		<b>4,128,742</b>	<b>1,509,862</b>	
Committee expenses	Payment of committee expenses	1,883,999	2,349,999	Pending Disbursement
<b>Subtotal</b>		<b>1,883,999</b>	<b>2,349,99</b>	
<b>Use of goods and services</b>	Purchase of General office supplies ,maintenance of office furniture e.t.c	4,336,667	621,282	Pending Disbursement
<b>Subtotals</b>		<b>4,336,667</b>	<b>621,282</b>	
<b>7.0 Primary Schools Projects</b>				
Jarirot primary school	Construction of Administration block	-	2,000,000	Pending Disbursement
Al-farouq primary school	Construction of kitchen	-	600,000	Pending Disbursement
ADC primary school	Construction of 2 no. classrooms	2,000,000		Pending Disbursement
Bulla Mzuri primary school	Renovation to completion of 4no. Classrooms	2,000,000		Pending Disbursement
Iftin primary school	Construction to completion of modern science laboratory	5,000,000		Pending Disbursement
Iftin primary school	Renovation of 50 students capacity lab.and purchase and supply of lab equipment's	2,500,000		Pending Disbursement
Jaribu primary school	Renovation to completion of 3no. Classrooms	1,500,000		Pending Disbursement
Korakora primary school	Construction to completion of modern science laboratory	5,000,000		Pending Disbursement
Korakora primary school	Renovation of 50 students capacity lab.and purchase and supply of lab equipments	2,500,000		Pending Disbursement
Tetu primary school	Renovation to completion of 4no. Classrooms	2,000,000		Pending Disbursement
Towfiq primary school	Construction to completion of 4no. Classrooms & 6n0. pit latrines	6,000,000		Pending Disbursement
Yathrib primary school	Construction to completion of modern science laboratory	5,000,000		Pending Disbursement
Yathrib primary school	Renovation of 50 students capacity lab.and purchase and supply of lab equipments	2,500,000		Pending Disbursement
<b>Sub total</b>		<b>36,000,000</b>	<b>2,600,000</b>	
<b>8.0 Secondary Schools Projects</b>				Pending Disbursement
Boystown secondary school	Purchase and supply of 60 mettalic/wooden lockers and chairs	600,000		Pending Disbursement



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Iftin girls sec.school	Purchase and supply of 60 mettalic/wooden lockers and chairs	600,000		Pending Disbursement
Iftin girls sec.school	Renovation of 50 students capacity lab.and purchase and supply of lab equipments	2,500,000		Pending Disbursement
Sambul secondary school	Purchase and supply of 60 mettalic/wooden lockers and chairs	600,000		Pending Disbursement
Tetu sec. school	Purchase and supply of 60 mettalic/wooden lockers and chairs	600,000		Pending Disbursement
Yathrib girls sec. school	Purchase and supply of 60 mettalic/wooden lockers and chairs	600,000		Pending Disbursement
Yathrib girls sec. school	Renovation of 50 students capacity lab.and purchase and supply of lab equipments	2,500,000		Pending Disbursement
<b>Sub Total</b>		<b>8,000,000</b>		Pending Disbursement
<b>Tertiary institutions</b>		-	-	Pending Disbursement
<b>9.1</b>				
<b>Sub-total</b>		-	-	
<b>3.0 Emergency</b>				
<b>3.1 Emergency</b>	To cater for any unforeseen occurrences in the constituency during the financial year	<b>7,636,190</b>	-	Pending Disbursement
<b>4.0 Bursary And Social Security</b>			-	
<b>4.2 Secondary Schools</b>	Payment of bursary to needy students in secondary schools	789,269	-	Pending Disbursement
<b>4.3 Tertiary Institutions</b>	Payment of bursary to needy students in tertiary institutions	1,359,491	705,000	Pending Disbursement
<b>4.4 social security</b>	provision of annual medical insurance cover for 1000 vulnerable families including orphans and vulnerable children, poor older persons, persons with disabilities and distitute families in partnership with NHIF as shall be identified within the constituency. each Kshs.6000	6,000,000	-	Pending Disbursement
<b>Sub-total</b>		<b>7,359,491</b>	<b>705,000</b>	
<b>10.0 Security Projects</b>				
Buriburis police station	Construction to completion of 3 staff quarter with 2 rooms dwarf walling veranda	<b>10,000,000</b>	-	Pending Disbursement
<b>11.1 sports</b>				Pending Disbursement



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Constituency sports Tournament	Carry out constituency sports tournament	1,464,301	-	
Regional sports Tournament	Facilitate regional sports tournaments in partnership with other constituencies in the region	600,000	-	
<b>12.1 environment</b>		-	-	Pending Disbursement
ADC pimary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Al-fatah primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Bulla Mzuri primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
County High school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	720,000	-	Pending Disbursement
Iftin primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Jaribu primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Korakora primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Nasib primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Sambul boys secondary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	948,305	-	Pending Disbursement
Tetu primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Tumaini primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
Yathrib primary school	Purchase ,supply and installation of 5,000 litres plastic water tank at the school	100,000	-	Pending Disbursement
<b>13.1 strategic plan</b>				Pending Disbursement
Garissa Township Strategic plan	To facilitate in preparation ,facts collection designing typesetting and printing of Garissa Township strategic plan	44,320	-	
CDF Office	Construction of CDF Office block	15,000,000	15,000,000	
		<b>15,044,320</b>	<b>15,000,000</b>	
<b>14.1 purchase of furniture</b>		-	-	Pending Disbursement



**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
<b>15.0 COC Expenses</b>				
Accommodation -domestic travel for Constituency Oversight Committee	Payment of Accommodation - domestic travel for Constituency Oversight Committee	90,000	-	Pending Disbursement
Catering services(receptions)Accommodation Gifts ,foods and drinks for constituency oversight committee	Payment of Catering services(receptions)Accommodation Gifts ,foods and drinks for constituency oversight committee	342,150	-	Pending Disbursement
Daily Subsistence Allowances for constituency oversight committee	Payment of Daily Subsistence Allowances for constituency oversight committee	300,000	-	Pending Disbursement
Constituency oversight Committee Expenses	Payment of Constituency oversight Committee Expenses	50,000	-	Pending Disbursement
Travel allowances on training of constituency oversight committee	Payment of Travel allowances on training of constituency oversight committee	600,000	-	Pending Disbursement
				Pending Disbursement
<b>Sub-total</b>				
<b>Grand totals</b>		<b>101,293,435</b>	<b>22,786,143</b>	

**Annex 2 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs) (2022)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End(2023)
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	850,000	-	-	850,000
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>850,000</b>	<b>-</b>	<b>-</b>	<b>850,000</b>

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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**Annex 3 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC NAME	Bank	Account number	Bank Balance	Bank Balance
			2022-2023	2021-2022
Jarirot primary school	Equity			nil
Al-farouq primary school	Equity			nil
Garissa High school	Equity		nil	
Garissa special for the deaf	Equity		nil	
ADC Primary school	Equity		nil	
Boystown primary school	Equity		nil	
Nasib primary school	Equity		nil	



**GARISSA TOWNSHIP CONSTITUENCY**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**Annex 4: Progress On Follow Up of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NERO/AUD/CDF/GSA/6/(8)	<p>Inaccuracies in the financial statement balances reflected in the audited financial statements for the financial year 2020/2021 were noted as indicated below:</p> <p>In the circumstances, it was not possible to confirm the accuracy of comparative balances reflected in the financial statements.</p>	<p>The errors were corrected and reflect the true financial position of the entity.</p>	Resolved	
	<p>Irregular utilization of emergency reserve                      An Amount of kshs 2,500,000 was used for renovation of NEP Girls dormitory. However ,the expenditure did not meet the criteria for emergency as envisaged in section 8(3)of the National Government Constituency Development Fund ACT,2015</p>	<p>The management ensures the utilization of emergency reserve is always in accordance with the law</p>		
	<p><b>Cash and Cash equivalents</b></p> <p>The bank balance of kshs 23,455,892 was not supported by certificate of bank balance as at 30 June ,2022. Included in the unrepresented cheques were statutory deductions cheques amounting to ksh 8,592 of which some had remained unrepresented for more than five months.</p>	<p>The stall cheques were reversed back in the cash book and a correct bank reconciliation statement was prepared</p>		

**GARISSA TOWNSHIP CONSTITUENCY**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Unsupported bursary payments The statement of receipts and payments reflects other grants and other payments of Kshs.81,999,469 which includes bursary disbursements to secondary, tertiary institutions and special schools of Kshs.46,692,000, Kshs.14,156,000 and Kshs.230,000 respectively as reflected under note 7 to the financial statements. However, examination of a sample of bursary disbursements revealed that bursary payments amounting to Kshs.2,800,000 were not supported by acknowledgement of receipt from the learning institutions. In addition, Management did not provide a soft copy of the list of beneficiaries to facilitate detailed audit analysis of the bursary payments.</p> <p>In the circumstances, the accuracy and acknowledgement of the bursary payments amounting to Kshs.2,800,000 could not be confirmed.</p>	<p>The NGCDF Chairman took the matter serious and visited the institutions which did not submit the acknowledgements in time and ensures they receipts are now available.</p>		

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**YUSSUF KILAS ADEN**  
**Fund Account Manager.**