

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 FEB 2025	DAY: Thursday
TABLED BY:	Hon. Naam Wagoni MP Deputy Majority Party Whip A. Shibusko

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
BALAMBALA CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

BALAMBALA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2024

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

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***National Government Constituencies Development Fund (NGCDF)  
Balambala Constituency  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

AIE	Authority to Incur Expenditure
ARMC	Audit and Risk Management Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMC	Project Management Committee
PWD	Persons with Disability
FY	Financial Year

**B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

## 2. 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 2023. 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 the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

### Mandate

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

- a) Recognize the constituency as a platform for the 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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) 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

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provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of 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 are as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

**(b) Key Management**

The NGCDF Balambala Constituency's day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Mr Ahmed Ibrahim Mohamed
2.	National Sub-County Accountant	Mr Dickson Chuaga
3.	Chairman NGCDFC	Mr Bishar Abdi Hussein
4.	Member NGCDFC	Mr Abdi Shalle

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Balambala Constituency. The reports and recommendations of ARMC, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

- (e) NGCDF Balambala Constituency Headquarters  
P.O. Box 418-70100  
Garissa  
County Commissioners Offices  
Garissa Town  
Garissa Kenya.
- (f) NGCDF Balambala Constituency Contacts  
Telephone: (254) 712242384  
E-mail: [cdfbalambala@NG-CDF.go.ke](mailto:cdfbalambala@NG-CDF.go.ke)  
Website: [www.NG-CDFBalambala.go.ke](http://www.NG-CDFBalambala.go.ke)
- (g) NGCDF Balambala Constituency Bankers
1. Equity Bank Kenya Limited (Operations Account).  
Garissa Branch  
Account Number: 0580268598022  
P.O. Box 700-70100  
Garissa, Kenya
  2. Chase Bank Kenya Limited (Operations Account).  
Garissa Branch  
Account Number: 18212210001  
P.O. Box 700-70100  
Garissa, Kenya
- (h) Independent Auditor  
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

3. NG-CDFC Chairman's Report



Mr Bishar Abdi Hussein- Chairperson, Balambala Constituency NG-CDFC.

I am pleased to present to you the Balambala Annual report and financial statements for the year ended 30<sup>th</sup> June 2024.

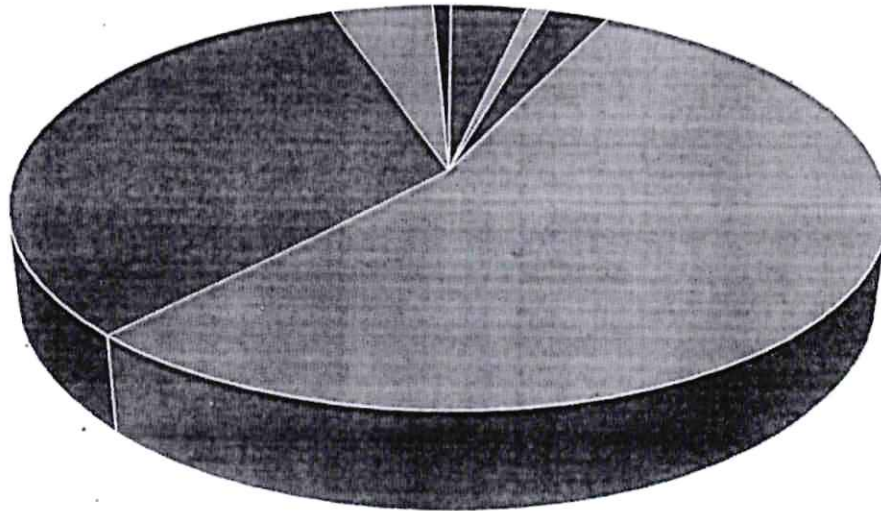
Balambala Constituency is an electoral constituency in Kenya. It is one of six constituencies in Wajir County. The constituency has four elective wards namely: Balambala, Sankuri, Saka, Danyere, Balambala, and Jarajara the constituency approximately covers an area of 2,952 km<sup>2</sup>.

According to the 2019 National population and Housing census, Balambala constituency had a population of 79,142.

The budget performance against the actual amount was good with 51.4% absorption rate for the financial year 2023/2024. However, for the amount received the absorption rate was 85.6% meaning the funds received during the year under review were properly utilized. This can be seen on (summary statement of appropriation) of the financial statements. Amount received was Kshs 188,087,603.30 out of Kshs 327,803,690.30 which includes previous years' balances of funds that were not disbursed to the constituency as at the beginning of the year under review.

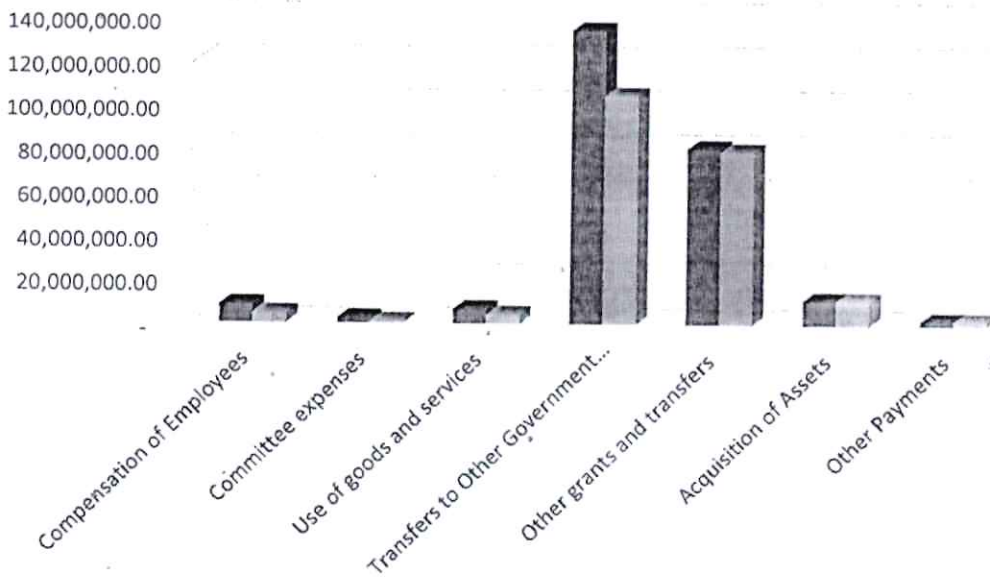


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- Compensation of Employees
- Use of goods and services
- Other grants and transfers
- Other Payments
- Committee expenses
- Transfers to Other Government Units
- Acquisition of Assets

The pie chart above shows the budget for the different items in the financial statement.



The graph above shows the budget against the expenditure.

Key achievements

During the financial year under review the constituency was able to issue bursary to deserving and needy students within the constituency with 100% distribution of the amount received as at 30/6/2023. Seventy projects were implemented and were complete and put in use.

Emerging issues

Increased need of classrooms due to junior secondary school.  
Increased need for Higher education bursaries due to new government directives hence putting pressure on scarce bursary allocations.

Challenges

The biggest challenge is that Balambala Constituency has a lot of schools and some of the schools have poor structures with insufficient funds to address the need for new classrooms as enrolments increase yearly.

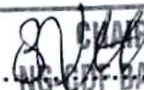
There is also a challenge in the education sector because there are many needy students who are in need of support through the bursary fund due to prevailing economic climate within the constituency i.e. low-income constituency experiencing prolonged drought.

Solutions

NG-CDFC has initiated programmes to construct new classrooms i.e. over 70 classrooms were built and or renovated.

I wish to urge the NG-CDF Board/NASC to continually increase the NG-CDF funding to enable more projects to be implemented and also enforce legal requirements for timely disbursement of funds to constituencies.

Last but not least, I would like to thank all the stake holders including my fellow committee members and the fund account manager for their continued support that enabled us attain the funds objective for grassroots development for all (maendeleo kwa wote).

  
..... CHAIRMAN  
..... NG-CDF BALAMBALA  
.....  
Mr Bishan Abdi Hussein  
Chairman NGCDF Committee

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4. Statement of Performance against Predetermined Objectives for FY 2023/24

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 the NGCDF Balambala Constituency 2023-2027 plan are to:

- a) Education- Become a national model for education by improving schools' infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.
- b) Environment- Improve access to clean water and a more sustainable and conserved environment in Balambala through natural resources conservation initiatives
- c) Security- Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure
- d) Sport- Empower and develop youth and special groups to reduce dependence and spur economic growth through sports
- e) Livelihoods and socio-economic Empowerment-To undertake economic empowerment projects targeting the youth, women and the elderly in the constituency

Progress on the 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:

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Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In the FY 2023/24 seventy (70) classrooms were constructed and or renovated in primary and Secondary schools, -3,341 students from secondary schools and 1,141 students from tertiary institutions benefited from the bursary scheme.
Security	To foster a peaceful and secure constituency	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	-In the FY 2023/2024 we Constructed Eight(8) police stations/chiefs offices which have enhanced security and better service to the people in the constituency.
Environment	To establish a sustainable green constituency	-Drill boreholes to promote access to clean and safe water -Equip schools and public facilities with sanitation facilities -Provide tree seedlings to schools to improve the forest cover	- Number of boreholes drilled -Number of sanitation facilities built in primary and secondary -Number of trees planted	In the FY 2023/2024 we constructed twelve(12) toilets and pit latrines which have enhanced sanitation and environmental conservation in the constituency

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Sports	Promote youth activities in the constituency	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	In the FY 2023/2024 we held constituency sports tournaments with winning teams awarded with uniform, balls and trophies
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## 5. Governance Statement

### Introduction

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG-CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG-CDF regulations provides for procedure for nomination of the five members of the NG-CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG-CDF regulations requires that one to serve as member of the NG-CDF 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.

### Appointment of NG-CDFC Members

The NGCDF Regulation 2016 on appointment of NGCDFC members' states: (1) 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.

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(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.

(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.

**Process**

To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited through advertisement publicised in public offices notice boards and other public areas in the constituency.

Out of the total 20 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Balambala Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Bishar Abdi Hussein	Male (adult)	Saka
2.	Abdiaziz Mohamed Maalim	Male (youth)	Sankuri
3.	Habiba Mohamed Daud	Female (adult)	Sankuri
4.	Ubah Hassan Yunis	Female (youth)	Jarajara

**Nominee of the body representing persons with disability**

S/N	Name	Nominating Organisation	Nature of physical Impairment	Ward
1.	Ismail Said Maalim	United Disabled Persons of Kenya	Hand deformity	Balambala

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Nominee of the constituency Office

S/N	Name	Category	occupation	Ward
1	Hassan Abdullahi Golicha	Male	Businessman	Saka
2	Sahara Diis Ahmed	Female	Businesswoman	Jarajara

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Abdi Shalle Bulle	Male	Balambala

The NG-CDFC members were gazette on 16<sup>th</sup> December 2022. The members had their inaugural meeting on 26<sup>th</sup> December 2022. The members went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position -Mr. Bishar Abdi Hussein elected as the Chairman to the committee.
2. Secretary position –Mr. Shale Abdi Bulle elected as the secretary to the committee.

During its first meeting, the Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The following were appointed to the different committee

- i. Bursary committee
  1. Mr. Bishar Abdi Hussein - Member
  2. Shale Abdi Bulle - Member
  3. Habiba Mohamed Daud - Chairman
  4. Hassan Abdullahi Golicha-Member
  5. Ismail Said Maalim-Member
- ii. Complaints resolution committee
  1. Mr. Bishar Abdi Hussein - Member
  2. Shale Abdi Bulle - Member
  3. Abdi Aziz Mohamed Maalim - chairman
  4. Ubah Hassan Yunis - Member

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

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.

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

#### **Removal of NGCDFC 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 practises;
- (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. Balambala the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

#### **Training of NG-CDFC Members**

In the financial year 2023/2024 the NG-CDFC members for Balambala constituency were trained on 14<sup>th</sup> August 2023 in Mombasa. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDFC Balambala.

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Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

During the financial year 2023/2024 the NG-CDFC Balambala held twelve meetings and four subcommittee meetings and the attendance was as follows.

S/NO.	NG-CDF COMMITTEE MEMBERS	AUG 10 <sup>th</sup> 2023	SEP 15 <sup>th</sup> 2023	OCT 8 <sup>th</sup> 2023	NOV 16 <sup>th</sup> 2023	DEC 18 <sup>th</sup> 2023	JAN 5 <sup>th</sup> 2024	FEB 13 <sup>th</sup> 2024	MAR 8 <sup>th</sup> 2024	APR 15 <sup>th</sup> 2024	MAY 24 <sup>th</sup> 2024	JUNE 6 <sup>th</sup> 2024	JUNE 28 <sup>th</sup> 2024
1	Bishar Abdi Hussein-chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Shale Abdi Bulle -Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Abdi Aziz Mohamed Maalim - member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Ubah Hassan Yunis -Member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Habiba Mohamed Daud - member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Ismail Said Maalim -Member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Hassan Abdullahi Golicha - Member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Sahara Diis Ahmed -Member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Ahmed Ibrahim Mohamed - FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Brian Kipruto-DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

#### Ethics & conduct

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

- i. Confidentiality-the NG-CDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NG-CDFC 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- NG-CDFC members should promote leadership in the constituency.

During the financial year 2023/2024 members of NG-CDFC Balambala adhered to the above ethical issues.

#### Members remuneration

According to circular from NG-CDF Board, NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance of seven thousand per meeting and all other members an allowance of five thousand per sitting. All NG-CDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF 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 2023/2024 no member of NG-CDFC Balambala 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 NG-CDFC Balambala 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 NG-CDFC 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.

#### 6. Environmental and Sustainability Reporting

Balambala 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 Balambala NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Balambala Constituency's 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 marginalized 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 tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- 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

Balambala 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.

### 3. Employee welfare

We invest in providing the best working environment for our employees. Balambala 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.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Balambala 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-

Balambala Constituency is committed to fair and ethical market practices.

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 constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get 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-

Balambala Constituency 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

Balambala Constituency 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.

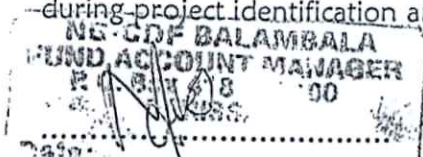
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

Balambala Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



NGCDF BALAMBALA  
FUND ACCOUNT MANAGER  
2023

Name: Mr Ahmed Ibrahim Mohamed  
Fund Account Manager.

## 7. 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-Balambala Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Balambala Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Balambala Constituency further confirms the completeness of the accounting records maintained for the 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 Balambala Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the 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.

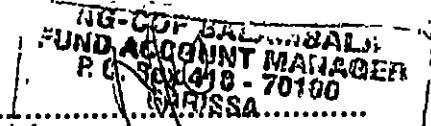
*National Government Constituencies Development Fund (NGCDF)  
Balambala Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024*

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Approval of the financial statements

The NGCDF- Balambala Constituency financial statements were approved and signed by the Accounting Officer on ..... 02/12/2024 .....

  
Name: MA BISHAR ABU HASSAN  
Chairman – NGCDF Committee

  
Name: Mr. Ahmed Ibrahim Mohamed  
Fund Account Manager



# REPUBLIC OF KENYA

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*Enhancing Accountability*

**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BALAMBALA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the 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 the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 - Balambala Constituency set out on pages 1 to 33,

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*Report of the Auditor-General on National Government Constituencies Development Fund - Balambala Constituency for the year ended 30 June, 2024*

which comprise of the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows, 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Balambala Constituency as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Bursary Grants**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.89,513,606 in respect to other grants and transfers. Included in the amount are bursary disbursements of Kshs.39,177,354 and Kshs.20,025,000 to secondary schools and tertiary institutions respectively. Review of payment records provided for audit revealed that bursary disbursements amounting to Kshs.4,525,000 were not supported by acknowledgment receipts and students' fees statement from the institutions that received the bursaries.

In the circumstances, the accuracy and completeness of the transfers to secondary schools of Kshs.4,525,000 for the year ended 30 June, 2024 could not be confirmed.

#### **2. Unsupported Bank Balance**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.115,217,716 as at 30 June, 2024 as disclosed in Note 9 to the financial statements. Included in this balance is an amount of Kshs.4,468,260 in an account at Chase Bank (under receivership). However, Management did not provide for audit bank balance certificate, reconciliation statement and cash books for the chase bank account.

In the circumstances, the accuracy and existence of bank balance of Kshs.4,468,260 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Balambala Constituency Management in accordance with ISSAI 130

on the 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 as comparable basis of Kshs.327,803,690 and Kshs. 280,677,247 respectively, resulting in an underfunding of Kshs.47,126,443 or 14% of the approved budget. Similarly, the Fund spent an amount of Kshs.165,459,531 against total receipts of Kshs.280,677,247 resulting to an under-utilization of Kshs.115,217,716 or 41% of the total available funds.

The underfunding and significant under-utilization of available funds may have impacted negatively on delivery of services to the public.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **1. Project Implementation Status**

During the year under review, National Government Constituencies Development Fund – Balambala Constituency allocated Kshs.198,476,176 to projects in various sectors including primary schools, secondary schools, security and emergencies within the Constituency. Analysis as per the Project Implementation Status report and expenditure returns indicated that projects of Kshs.45,250,000 were completed, six (6) projects allocated a total amount of Kshs.52,310,000 were on-going while thirty-five (35) projects allocated Kshs.100,916,176 had not been started.

Failure to implement and delayed completion of planned projects may have impacted negatively on service delivery to the residents of Balambala Constituency.

### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public

Resources. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

In the circumstances, Management was in breach of Section 31(a) of the Public Audit Act, 2015 which requires that as a preliminary step, The entity must submit a report on how it has addressed the recommendations and findings of the previous year's audit.

### **Other Information**

The Management is responsible for the other information set out on page iii to xxii which comprise of Key Entity Information and Management, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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 Report to the Board on the Utilization of Emergency Reserve Grants**

The statement of receipts and payments and as disclosed in Note 6 of the financial statements reflects other grants and transfers amount of Kshs.89,513,606. Included in the amount is Kshs.5,875,000 incurred from emergency reserve. However, Management did not report to the National Constituencies Development Fund Board the utilization of the emergency funds within thirty (30) days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

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

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

Review of records provided for audit revealed that the Fund 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.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require 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 effect of 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 governance were not effective.

### **Basis for Conclusion**

#### **Lack of Ownership Documents and Disclosure of Assets**

Annex 4 of the financial statements reflects summary of fixed assets register with a balance of Kshs.24,331,899 as at 30 June, 2024. However, the fixed assets register maintained did not include building and structures constructed and renovated at a cost of Kshs.13,800,000. In addition, the Management did not provide ownership documents including title deed or letter of allotment for the land on which the building and structures were constructed.

Further, the Management did not provide evidence to confirm that assets whose value may have significantly changed overtime were revalued.

In the circumstances, the ownership status of the fixed assets and existence of effective internal controls on fixed assets could not be confirmed.

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

### **Responsibilities of the 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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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**


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a

material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 December, 2024

*National Government Constituencies Development Fund (NGCDF)  
Balambala Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024*

9. Statement of Receipts and Payments for the Year Ended 30th June 2024

	Note	2023-2024	2022-2023
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	188,087,603	88,000,000
<b>TOTAL RECEIPTS</b>		<b>188,087,603</b>	<b>88,000,000</b>
<b>PAYMENTS</b>			
Compensation of employees	2	3,598,612	1,581,226
Committee expenses	3	2,998,500	4,422,711
Use of goods and services	4	11,838,813	9,118,809
Transfers to Other Government Units	5	53,260,000	21,052,704
Other grants and transfers	6	89,513,606	66,642,870
Acquisition of Assets	7	4,250,000	1,200,000
Other Payments	8	-	2,200,000
<b>TOTAL PAYMENTS</b>		<b>165,459,531</b>	<b>106,218,320</b>
<b>SURPLUS/DEFICIT</b>		<b>22,628,072</b>	<b>(18,218,320)</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 02/12/2024 and signed by:

**CHAIRMAN**  
NG-CDF BALAMBALA  
P.O. Box 418 70100, GARISSA

Chairman NG-CDF Committee

Name: Mr Bishar Abdi Hussein

**NG-CDF BALAMBALA**  
**FUND ACCOUNT MANAGER**  
P.O. Box 418 - 70100  
GARISSA

Date: .....  
Fund Accountant Manager

Name: Mr Ahmed Ibrahim  
Mohamed

**NATIONAL SUB-COUNTY ACCOUNTANT**  
BALAMBALA SUB-COUNTY

**02 DEC 2024**  
National Sub-County  
Accountant  
P.O. Box 418 - 70100  
Name: CPA Dickson Chuaga

ICPAK M/No: 13823




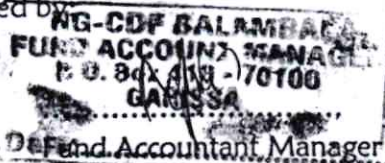
**National Government Constituencies Development Fund (NGCDF)  
Balambala Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024**

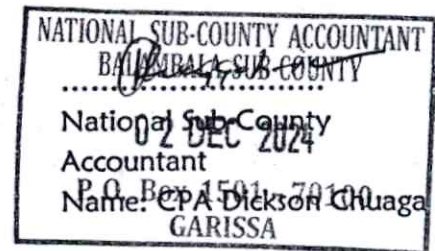
**10. Statement of Assets and Liabilities as at 30th June, 2024**

	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	9	115,217,716	92,589,644
<b>Total Cash and Cash Equivalents</b>		<b>115,217,716</b>	<b>92,589,644</b>
Accounts Receivable			
Outstanding Imprests		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>115,217,716</b>	<b>92,589,644</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention		-	-
<b>NET FINANCIAL ASSETS</b>		<b>115,217,716</b>	<b>92,589,644</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd. 1st July...	10	92,589,644	110,046,791
Prior year adjustments	11	-	761,173
Surplus/Deficit for the year		22,628,072	(18,218,320)
<b>NET FINANCIAL POSITION</b>		<b>115,217,716</b>	<b>92,589,644</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 09.12.2024 and signed by:

  
**CHAIRMAN**  
 NG-CDF BALAMBALA  
 Chairman NG-CDF Committee  
 P.O. Box 418-70100, GARISSA  
 Name: Mr Bishar Abdi Hussein

  
**NG-CDF BALAMBALA**  
**FUND ACCOUNTANT MANAGER**  
 P.O. Box 418-70100  
 GARISSA  
 Fund Accountant Manager  
 Name: Mr Ahmed Ibrahim  
 Mohamed

  
**NATIONAL SUB-COUNTY ACCOUNTANT**  
 BALAMBALA SUB-COUNTY  
 National Sub-County  
 Accountant  
 P.O. Box 1501-70100  
 Name: CPA Dickson Chuaga  
 GARISSA

ICPAK M/No:13823

*National Government Constituencies Development Fund (NGCDF)*  
*Balambala Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*

11. Statement of Cash Flows for the Year Ended 30th June 2024

STATEMENT OF CASH FLOW			
		2023-2024	2022-2023
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	188,087,603	88,000,000
		188,087,603	88,000,000
<b>Payments for operating activities</b>			
Compensation of Employees	2	3,598,612	1,581,226
Committee expenses	3	2,998,500	4,422,711
Use of goods and services	4	11,838,813	9,118,809
Transfers to Other Government Units	5	53,260,000	21,052,704
Other grants and transfers	6	89,513,606	66,642,870
Other Payments	8	-	2,200,000
		161,209,531	105,018,320
<b>Adjusted for:</b>			
Prior year Adjustments	11	-	761,173
Net Adjustments		-	761,173
Net cash flow from operating activities		26,878,072	(16,257,147)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	7	4,250,000	1,200,000
Net cash flows from Investing Activities		4,250,000	1,200,000
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
Cash and cash equivalent at BEGINNING of the year	9	92,589,644	110,046,791
Cash and cash equivalent at END of the year		115,217,716	92,589,644

*National Government Constituencies Development Fund (NGCDF)*  
*Balambala Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*


12. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2024

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>		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	177,126,443	92,589,644	58,087,603	327,803,690	280,677,247	47,126,443	85.6%
<b>TOTAL RECEIPTS</b>	<b>177,126,443</b>	<b>92,589,644</b>	<b>58,087,603</b>	<b>327,803,690</b>	<b>280,677,247</b>	<b>47,126,443</b>	<b>85.6%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,679,970	4,397,390	-	8,077,360	3,598,612	4,478,748	44.6%
Committee expenses	2,328,000	1,505,289	-	3,833,289	2,998,500	834,789	78.2%
Use of goods and services	9,724,593	3,314,563	-	13,039,156	11,838,813	1,200,343	90.8%
Transfers to Other Government Units	98,416,248	24,510,000	41,702,866	164,629,114	53,260,000	111,369,114	32.4%
Other grants and transfers	62,977,632	56,547,092	16,384,737	135,909,461	91,763,606	44,145,855	67.5%
Acquisition of Assets	-	2,315,310	-	2,315,310	2,000,000	315,310	86.4%
<b>TOTAL</b>	<b>177,126,443</b>	<b>92,589,644</b>	<b>58,087,603</b>	<b>327,803,690</b>	<b>165,459,531</b>	<b>162,344,159</b>	<b>50.5%</b>

The under absorption was due to the delayed disbursement of funds by the NGCDF Board to the constituency.

**Nation... Government Constituencies Development Fund (NGCDF)  
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	162,344,159
Less undischursed funds receivable from the Board as at 30 <sup>th</sup> June 2024	47,126,443
	115,217,716
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2024	115,217,716

.....  
  
 Chairman NG-CDF Committee  
 Name: Mr. Bishar Abdur-Russa  
 P.O. Box 119, Bishar, Abdur-Russa

**NG-CDF BALAMBALA  
FUND ACCOUNT MANAGER**  
 P. O. BOX 119 - 70100  
 GARISSA  
 Fund Accountant Manager  
 Name: Mr Ahmed Ibrahim  
 Mohamed

**NATIONAL SUB-COUNTY ACCOUNTANT**  
 BALAMBALA SUB-COUNTY  
 NATIONAL SUB-COUNTY  
 ACCOUNTANT  
 Name: Royal Dicksori Chuaga  
 GARISSA

ICPAK M/No.:13823

*National Government Constituencies Development Fund (NGCDF)  
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13. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2024

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2023-2024	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2023-2024	2023-2024	
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,679,970	4,397,390		8,077,360	3,598,612	4,478,748
1.2 Committee allowances	1,128,000	3,372		1,131,372	296,583	834,789
1.3 Use of goods and services	3,635,571	2,214,422		5,849,993	5,849,993	-
<b>Total</b>	<b>8,443,541</b>	<b>6,615,184</b>	<b>-</b>	<b>15,058,725</b>	<b>9,745,188</b>	<b>5,313,537</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building	1,473,628	264,217		1,737,845	1,737,845	-
2.2 Committee allowances	1,200,000	1,501,917		2,701,917	2,701,917	-
2.3 Use of goods and services	4,615,394	835,924		5,451,318	4,250,975	1,200,343
<b>Total</b>	<b>7,289,022</b>	<b>2,602,058</b>	<b>-</b>	<b>9,891,080</b>	<b>8,690,737</b>	<b>1,200,343</b>
<b>3.0 Emergency</b>						
3.1 Unutilised	9,229,569	3,576,692	1,584,737	14,390,998	8,125,000	6,265,998
<b>Total</b>	<b>9,229,569</b>	<b>3,576,692</b>	<b>1,584,737</b>	<b>14,390,998</b>	<b>8,125,000</b>	<b>6,265,998</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	22,753,618	19,750,100		42,503,718	39,173,000	3,380,718
4.2 Tertiary Institutions	27,664,445	16,816,281		44,480,726	20,029,354	24,451,372

*Nation... Government Constituencies Development Fund (NGCDF)  
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Total	50,418,063	36,566,381	-	86,984,444	59,202,354	27,832,090
5.0 Sports				-		-
5.1 sports	-	3,002,267		3,002,267	2,901,752	100,515
Total	-	3,002,267		3,002,267	2,901,752	100,515
6.0 Environment						
NG-CDFC Office	50,000	-	-	50,000	-	50,000
Balambala Police Station	-	967,251	-	967,251	967,251	-
Balambala Secondary School	-	967,252	-	967,252	-	967,252
Raya Police Station	-	967,249	-	967,249	967,249	-
Abdisamad Community Borehole	-	800,000	-	800,000	-	800,000
Saka Girls Secondary School	-	340,000		340,000	-	340,000
Balambala Secondary School	-	680,000	-	680,000	-	680,000
Sankuri Secondary School	-	340,000	-	340,000	-	340,000
Sankuri Girls Secondary School	-	340,000	-	340,000	-	340,000
Total	50,000	5,401,752	-	5,451,752	1,934,500	3,467,252
7.0 Primary Schools Projects						
Shabah Primary School	3,529,266	-	-	3,529,266	-	3,529,266
Kasha Primary School	834,270	-	-	834,270	-	834,270
Hirbaya Primary School	12,405,000	-	-	12,405,000	-	12,405,000
Kasha Primary School	3,700,000	-	-	3,700,000	-	3,700,000
Daley Primary School	3,280,000	-	-	3,280,000	-	3,280,000
Nunow Primary School	2,500,000	-	-	2,500,000	-	2,500,000
Kone Primary School	3,280,000	-	-	3,280,000	-	3,280,000
Hifow primary School	3,280,000	-	-	3,280,000	-	3,280,000
Shabah primary school	3,280,000	-	-	3,280,000	-	3,280,000
Saka primary school	3,280,000	-	-	3,280,000	-	3,280,000
Sikley Primary School	1,200,000	-	-	1,200,000	-	1,200,000

**National Government Constituencies Development Fund (NGCDF)**  
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Hifow primary School	1,200,000	-	-	1,200,000	-	1,200,000
Hagarjarer Primary school	2,700,000	-	-	2,700,000	-	2,700,000
Kasha Primary School	-	-	10,000,000	10,000,000	7,000,000	3,000,000
Bula Haji Primary School	-	-	2,500,000	2,500,000	2,500,000	-
Ture primary school	-	-	2,500,000	2,500,000	1,250,000	1,250,000
Ture primary school	-	-	1,100,000	1,100,000	-	1,100,000
Saka Junction pry school	-	-	2,500,000	2,500,000	1,250,000	1,250,000
Saka Junction pry school	-	-	1,000,000	1,000,000	500,000	500,000
Hagar Jarer Primary school	-	-	1,000,000	1,000,000	1,000,000	-
Atheley primary School	-	-	3,200,000	3,200,000	3,200,000	-
Atheley primary School	-	-	500,000	500,000	-	500,000
Hifow primary School	-	150,000	-	150,000	150,000	-
Ture primary school	-	400,000	-	400,000	400,000	-
Dogob primary school	-	150,000	-	150,000	150,000	-
Raya primary school	-	250,000	-	250,000	250,000	-
Danyere primary school	-	200,000	-	200,000		200,000
Shabah primary school	-	250,000	-	250,000		250,000
Dololo Midi primary school	-	150,000	-	150,000	150,000	-
Dololo Weyn primary school	-	150,000	-	150,000	150,000	-
Kuno primary school	-	400,000	-	400,000	400,000	-
Sikley primary school	-	250,000	-	250,000	250,000	-
Junction primary school	-	250,000	-	250,000	250,000	-
Kuno primary school	-	400,000	-	400,000	400,000	-
Sikley primary school	-	250,000	-	250,000	250,000	-
Junction primary school	-	250,000	-	250,000	250,000	-
Jarjara primary school	-	150,000	-	150,000	150,000	-
Mudey primary school	-	150,000	-	150,000	150,000	-

*Nation... Government Constituencies Development Fund (NGCDF)*  
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Balich Primary School	-	350,000	-	350,000	350,000	-
Danyere primary school	-	180,000	-	180,000	180,000	-
Jarjara primary school	-	180,000	-	180,000	180,000	-
Balambala primary school	-	240,000	-	240,000	240,000	-
Kuno primary school	-	300,000	-	300,000	300,000	-
Kasha Primary School	-	240,000	-	240,000	240,000	-
Sankuri Primary School	-	240,000	-	240,000	240,000	-
Shabah primary school	-	200,000	-	200,000	200,000	-
Atheley primary School	-	160,000	-	160,000	160,000	-
Modika Primary School	-	160,000	-	160,000	160,000	-
Abdisamad Primary School	-	160,000	-	160,000	160,000	-
Raya primary school	-	160,000	-	160,000	160,000	-
Dololo Midi primary school	-	160,000	-	160,000	160,000	-
Dololo Weyn primary school	-	160,000	-	160,000	160,000	-
Raya Neyd	-	240,000	-	240,000	240,000	-
Nuno Primary School	-	160,000	-	160,000	160,000	-
Balich Primary School	-	160,000	-	160,000	160,000	-
Ture primary school	-	120,000	-	120,000	120,000	-
Saka Junction pry school	-	100,000	-	100,000	100,000	-
Danyere primary school	-	-	1,000,000	1,000,000	1,000,000	-
Bula Mobile primary School	-	150,000	-	150,000	150,000	-
Golich primary school	-	150,000	-	150,000	150,000	-
Kuno primary school	-	-	3,000,000	3,000,000	3,000,000	-
Balambala primary school	-	4,500,000	-	4,500,000	2,250,000	2,250,000
Abaq Alol Primary School	-	2,000,000	-	2,000,000	2,000,000	-
Damaja Primary School	-	2,600,000	-	2,600,000	2,600,000	-
<b>Total</b>	<b>44,468,536</b>	<b>16,870,000</b>	<b>28,300,000</b>	<b>89,638,536</b>	<b>34,870,000</b>	<b>54,768,536</b>



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8.0 Secondary Schools Projects						-
Sankuri Secondary School	834,270	-	-	834,270	-	834,270
Danyere Secondary School	834,270	-	-	834,270	-	834,270
Danyere Secondary School	5,730,000	-	-	5,730,000	-	5,730,000
Danyere Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
Sankuri Secondary School	5,300,000	-	-	5,300,000	-	5,300,000
Sankuri Secondary School	1,000,000	-	-	1,000,000	1,000,000	-
Rahole Girls Secondary School	5,400,000	-	-	5,400,000	-	5,400,000
Sankuri Girls secondary school	2,000,000	-	-	2,000,000	2,000,000	-
Rahole secondary school	2,000,000	-	-	2,000,000	2,000,000	-
Danyere Secondary School	12,405,000	-	-	12,405,000	-	12,405,000
Balambala Secondary School	12,405,000	-	-	12,405,000	-	12,405,000
Sankuri Secondary School	4,539,172	-	-	4,539,172	-	4,539,172
Danyere Secondary School	-	-	2,000,000	2,000,000	2,000,000	-
Sankuri Secondary School	-	-	2,000,000	2,000,000	2,000,000	-
Balambala Secondary School	-	-	2,000,000	2,000,000	2,000,000	-
Danyere Secondary School	-	480,000	-	480,000	480,000	-
Rahole Girls Secondary School	-	-	5,000,000	5,000,000	2,500,000	2,500,000
Rahole Girls Secondary School	-	-	1,202,866	1,202,866	-	1,202,866
Rahole Girls Secondary School	-	-	1,200,000	1,200,000	-	1,200,000
Danyere Secondary School	-	1,000,000	-	1,000,000	1,000,000	-
Rahole Girls Secondary School	-	100,000	-	100,000	100,000	-
Danyere Secondary School	-	100,000	-	100,000	100,000	-
Sankuri Secondary School	-	240,000	-	240,000	240,000	-
Sankuri girls Secondary School	-	100,000	-	100,000	100,000	-
Balambala Secondary School	-	120,000	-	120,000	120,000	-
Balambala Secondary School	-	5,500,000	-	5,500,000	2,750,000	2,750,000

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Total	53,947,712	7,640,000	13,402,866	74,990,578	18,390,000	56,600,578
9.0 Tertiary institutions Projects				-		-
						-
Total	-		-	-	-	-
10.0 Security Projects				-		-
Raya Police Station	3,280,000	-		3,280,000	-	3,280,000
Balich Chief Office	-	-	3,200,000	3,200,000	3,200,000	-
Balich Chief Office	-	-	500,000	500,000	500,000	-
Modika Chief Office	-	-	3,200,000	3,200,000	3,200,000	-
Modika Chief Office	-	-	500,000	500,000	500,000	-
Jarjara Chief Office	-	-	3,200,000	3,200,000	3,200,000	-
Jarjara Chief Office	-	-	500,000	500,000	500,000	-
Raya police office	-	-	3,200,000	3,200,000	3,200,000	-
Raya police office	-	-	500,000	500,000	500,000	-
Modika RDU Camp	-	8,000,000	-	8,000,000	4,800,000	3,200,000
Total	3,280,000	8,000,000	14,800,000	26,080,000	19,600,000	6,480,000
11.0 Acquisition of assets				-		-
NG-CDFC Office furniture	-	2,000,000	-	2,000,000	2,000,000	-
NG-CDFC Office	-	315,310	-	315,310	-	315,310
Total	-	2,315,310	-	2,315,310	2,000,000	315,310
13.0 Other payments				-		-
Total	-	-	-	-	-	-
	177,126,443	92,589,644	58,087,603	327,803,690	165,459,531	162,344,159

#### 14. 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;

- Receivables that include Imprests
- Payables that include 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-Balambala Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### 3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

##### 4. Recognition of Receipts

The *entity* recognizes all receipts from various sources when the event occurs, and the related cash has actually been received by the Entity.

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

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

###### b. Proceeds from the Sale of Assets

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

###### c. Other receipts

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

###### d. 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.

e. 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.

5. Recognition of payments

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

a) Compensation of Employees

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

b) 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.

c) Acquisition of Fixed Assets

The payment on the 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 is provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

6. 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, 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.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily

convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**8. 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.

**9. Accounts Payable**

For 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 the fulfilment of obligations by the contractor and holding deposits on behalf of third parties. Gratuity earned 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 the National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

**10. 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 bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**11. 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 the NGCDF Act, 2015

**12. 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 30 June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024 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.

**13. Comparative Figures**

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

**14. 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 2024.

**15. Prior Period 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, restate the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**16. 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.

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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2023-2024	2022-2023
NGCDF Board	Kshs	Kshs
AIE NO. B 185007		7,000,000
AIE NO. B 206290		38,000,000
AIE NO. B 205679		12,000,000
AIE NO. B 205658		1,000,000
AIE NO. B 205521		15,000,000
AIE NO. B 207760		15,000,000
AIE NO. B214213	58,087,603	
AIE NO. B233667	30,000,000	
AIE NO. B225435	30,000,000	
AIE NO. B226366	30,000,000	
AIE NO. B233828	40,000,000	
<b>TOTAL</b>	<b>188,087,603</b>	<b>88,000,000</b>

2. Compensation of Employees

	2023-2024	2022-2023
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,451,200	1,129,674
Gratuity to contractual employees	1,013,358	357,231
Employer Contributions Compulsory national social security schemes	134,054	94,320
<b>Total</b>	<b>3,598,612</b>	<b>1,581,225</b>

3. Committee Expenses

	2023-2024	2022-2023
	Kshs	Kshs
NG CDFC		
Sitting allowance	2,348,500	1,934,000
Other committee expenses	650,000	2,488,711
<b>Total</b>	<b>2,998,500</b>	<b>4,422,711</b>

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Notes To the Financial Statements Cont..

4. Use of Goods and services

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Utilities, supplies and services	163,850	166,150
Communication, supplies and services	260,184	510,900
Domestic travel and subsistence	4,347,200	3,610,970
Printing, advertising and information supplies & services	250,000	-
Training expenses	718,000	1,807,491
Hospitality supplies and services	270,000	150,000
Office and general supplies and services	1,847,495	2,243,698
Fuel, oil & lubricants	1,650,000	-
Bank Charges	82,283	100,000
Other operating expenses	-	517,600
Routine maintenance – motor vehicles	1,861,801	-
Routine maintenance- other assets	388,000	12,000
<b>Total</b>	<b>11,838,813</b>	<b>9,118,809</b>

5. Transfer to Other Government Units

Description	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Transfers To Primary Schools	37,010,000	17,857,704
Transfers To Secondary Schools	16,250,000	3,195,000
<b>Total</b>	<b>53,260,000</b>	<b>21,052,704</b>

6. Other Grants and Other transfers

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Bursary – secondary schools	39,177,354	23,160,085
Bursary – tertiary institutions	20,025,000	23,873,190
Security projects	19,600,000	9,542,354
Sports projects	2,901,752	-
Environment projects	1,934,500	1,700,000
Emergency projects	5,875,000	8,367,241
<b>Total</b>	<b>89,513,606</b>	<b>66,642,870</b>



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Notes To the Financial Statements Cont..

7. Acquisition of Assets

	2023-2024	2022-2023
	Kshs	Kshs
Construction of Buildings	-	1,200,000
Refurbishment of Buildings	2,250,000	-
Purchase of Office Furniture and General Equipment	2,000,000	-
<b>Total</b>	<b>4,250,000</b>	<b>1,200,000</b>

8. Other Payments

	2023-2024	2022-2023
	Kshs	Kshs
Strategic plan	-	2,200,000
ICT Hub	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>2,200,000</b>

9. Cash and Cash Equivalents

Name of Bank and Account No.	2023-2024	2022-2023
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
Equity Bank, Garissa Branch - A/C no. 0580268598022	110,749,456	88,121,384
Chase Bank - A/C no. 18212210001	4,468,260	4,468,260
<i>Name of Bank, account No. (Deposit)</i>	-	-
<b>Total</b>	<b>115,217,716</b>	<b>92,589,644</b>

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Notes To the Financial Statements Cont..

10. Fund Balance B/F

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Bank accounts	92,589,644	110,046,791
Total	92,589,644	110,046,791
Less		
Payables: - Retention	-	-
Fund Balance Brought Forward	92,589,644	110,046,791

11. Prior Year Adjustments

	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs
Bank Balance	-	761,173
Total	-	761,173

12. Unutilized Fund (See Annex 3)

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Compensation of employees	4,478,748	4,397,390
Committee expense	834,789	1,505,289
Use of goods and services	1,200,343	3,314,563
Amounts due to other Government entities	111,369,114	66,212,866
Amounts due to other grants and other transfers	44,145,855	72,931,829
Acquisition of assets	315,310	2,315,310
Other Payments (specify)	-	-
Funds pending approval	-	-
Total	162,344,159	150,677,247

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Notes To the Financial Statements Cont..

13: PMC account balances (See Annex 5)

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
PMC account balances	126,429	20,432
<b>Total</b>	<b>126,429</b>	<b>20,432</b>

14 Related Party Transactions

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,998,500	4,422,711
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	188,087,603	88,000,000
<b>Total</b>	<b>188,087,603</b>	<b>88,000,000</b>

**16. Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

**No pending Accounts Payable**

Annex 2 - Analysis of Pending Staff Payables

No Pending Staff Payables

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
Compensation of employees		4,478,748	4,397,390	
Committee Expenses		834,789	54,411	
Use of goods and services		1,200,343	3,314,563	
Sub-Total		6,513,880	7,766,364	
Amounts due to other Government entities				
Primary Schools				
Shabah Primary School		3,529,266	-	
Kasha Primary School		834,270	-	
Hirbaya Primary School		12,405,000	-	
Kasha Primary School		3,700,000	-	
Daley Primary School		3,280,000	-	
Nunow Primary School		2,500,000	-	
Kone Primary School		3,280,000	-	
Hifow primary School		3,280,000	-	
Shabah primary school		3,280,000	-	
Saka primary school		3,280,000	-	
Sikley Primary School		1,200,000	-	
Hifow primary School		1,200,000	-	
Hagarjarer Primary school		2,700,000	-	
Kasha Primary School		3,000,000	-	
Ture primary school		1,250,000	-	

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
Ture primary school		1,100,000	-	
Saka Junction pry school		1,250,000	-	
Saka Junction pry school		500,000	-	
Atheley primary School		500,000	-	
Danyere primary school		200,000	-	
Shabah primary school		250,000	-	
Balambala primary school		2,250,000	-	
Kasha Primary School		-	10,000,000	
Bula Haji Primary School		-	2,500,000	
Ture primary school		-	2,500,000	
Ture primary school		-	1,100,000	
Saka Junction pry school		-	2,500,000	
Saka Junction pry school		-	1,000,000	
Hagar Jarer Primary school		-	1,000,000	
Atheley primary School		-	3,200,000	
Atheley primary School		-	500,000	
Hifow primary School		-	150,000	
Ture primary school		-	400,000	
Dogob primary school		-	150,000	
Raya primary school		-	250,000	
Danyere primary school		-	200,000	
Shabah primary school		-	250,000	
Dololo Midi primary school		-	150,000	
Dololo Weyn primary school		-	150,000	

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Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
Kuno primary school		-	400,000	
Sikley primary school		-	250,000	
Junction primary school		-	250,000	
Kuno primary school		-	400,000	
Sikley primary school		-	250,000	
Junction primary school		-	250,000	
Jarjara primary school		-	150,000	
Mudey primary school		-	150,000	
Balich Primary School		-	350,000	
Danyere primary school		-	180,000	
Jarjara primary school		-	180,000	
Balambala primary school		-	240,000	
Kuno primary school		-	300,000	
Kasha Primary School		-	240,000	
Sankuri Primary School		-	240,000	
Shabah primary school		-	200,000	
Atheley primary School		-	160,000	
Modika Primary School		-	160,000	
Abdisamad Primary School		-	160,000	
Raya primary school		-	160,000	
Dololo Midi primary school		-	160,000	
Dololo Weyn primary school		-	160,000	
Raya Neyd		-	240,000	
Nuno Primary School		-	160,000	



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Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
Balich Primary School		-	160,000	
Ture primary school		-	120,000	
Saka Junction pry school		-	100,000	
Danyere primary school		-	1,000,000	
Bula Mobile primary School		-	150,000	
Golich primary school		-	150,000	
Kuno primary school		-	3,000,000	
Balambala primary school		-	4,500,000	
Abaq Alol Primary School		-	2,000,000	
Damaja Primary School		-	2,600,000	
<b>Sub-Total</b>		<b>54,768,536</b>	<b>45,170,000</b>	
<b>Secondary Schools</b>				
Sankuri Secondary School		834,270	-	
Danyere Secondary School		834,270	-	
Danyere Secondary School		5,730,000	-	
Danyere Secondary School		1,500,000	-	
Sankuri Secondary School		5,300,000	-	
Rahole Girls Secondary School		5,400,000	-	
Danyere Secondary School		12,405,000	-	
Balambala Secondary School		12,405,000	-	
Sankuri Secondary School		4,539,172	-	
Rahole Girls Secondary School		2,500,000	-	
Rahole Girls Secondary School		1,202,866	-	

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
Rahole Girls Secondary School		1,200,000	-	
Balambala Secondary School		2,750,000	-	
Danyere Secondary School		-	2,000,000	
Sankuri Secondary School		-	2,000,000	
Balambala Secondary School		-	2,000,000	
Danyere Secondary School		-	480,000	
Rahole Girls Secondary School		-	5,000,000	
Rahole Girls Secondary School		-	1,202,866	
Rahole Girls Secondary School		-	1,200,000	
Danyere Secondary School		-	1,000,000	
Rahole Girls Secondary School		-	100,000	
Danyere Secondary School		-	100,000	
Sankuri Secondary School		-	240,000	
Sankuri girls Secondary School		-	100,000	
Balambala Secondary School		-	120,000	
Balambala Secondary School		-	5,500,000	
	Sub-Total	56,600,578	21,042,866	
Amounts due to other grants and other transfers				
Emergency				
Unutilized Emergency		6,265,998	5,161,429	
	Sub-Total	6,265,998	5,161,429	

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Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
<b>Bursary</b>				
Secondary Schools		3,380,718	19,750,100	
Tertiary Institutions		24,451,372	16,816,281	
<b>Sub-Total</b>		<b>27,832,090</b>	<b>36,566,381</b>	
<b>Sports</b>				
Constituency Sports Tournament		100,515	3,002,267	
Regional Sports Tournament		-	-	
<b>Sub-Total</b>		<b>100,515</b>	<b>3,002,267</b>	
<b>Environment</b>				
		3,467,252	5,401,752	
<b>Sub-Total</b>		<b>3,467,252</b>	<b>5,401,752</b>	
<b>Security Projects</b>				
Raya Police Station		3,280,000	-	
Modika RDU Camp		3,200,000	-	
Balich Chief Office		-	3,200,000	
Balich Chief Office		-	500,000	
Modika Chief Office		-	3,200,000	
Modika Chief Office		-	500,000	
Jarjara Chief Office		-	3,200,000	
Jarjara Chief Office		-	500,000	
Raya police office		-	3,200,000	
Raya police office		-	500,000	
Modika RDU Camp		-	8,000,000	
<b>Sub-Total</b>		<b>6,480,000</b>	<b>22,800,000</b>	

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Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
Acquisition of assets				
NG-CDFC Office		315,310	315,310	
NG-CDFC Office furniture			2,000,000	
Sub-Total		315,310	2,315,310	
Oversight Committee Expenses				
Travel Costs (airlines, bus, railway, mileage allowances, etc.)		-	50,000	
Hire of Training Facilities and Equipment		-	80,000	
Hire of Transport		-	320,000	
Constituency Oversight Committee Allowances		-	100,000	
Accommodation - Domestic Travel		-	50,000	
Daily Subsistence Allowance		-	400,000	
Other Committee Expenses		-	450,878	
Sub-Total		-	1,450,878	
Others (specify)				
Strategic Plan		-	-	
ICT Hubs		-	-	
Others (specify)		-	-	
Sub-Total		-	-	
Funds pending approval		-	-	
Grand Total		162,344,159	150,677,247	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	13,800,000	-	-	13,800,000
Transport equipment	8,050,270	-	-	8,050,270
Office equipment, furniture and fittings	2,481,629	-	-	2,481,629
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and Cultural Assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>24,331,899</b>	<b>-</b>	<b>-</b>	<b>24,331,899</b>

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Annex 5 –PMC Bank Balances as at 30<sup>th</sup> June 2024

PMC	Bank	Account number	Bank Balance 2023-2024	Bank Balance 2022- 2023
Dogob Primary School	Equity	0580279862743	0	2,750
Kone Primary School	Equity	0580279886812	0	6,368
Jarajara Primary School	Equity	0580279892637	3,188	3,188
Mathahliba Primary School	Equity	0580279918868	0	3,000
Kasha Mixed Primary School	Equity	0580279786065	2,527	2,643
Hadley Primary School	Equity	0580279786114	0	2,483
Shimbir Primary School	Equity	0580279834460	1,844	0
Neyd Primary School	Equity	0580280141116	7,027	0
Saka Boarding Primary School	Equity	0580280075446	855	0
Danyere Mixed Day and Boarding Primary School	Equity	0580280115477	3,468	0
Sankuri Secondary School	Equity	0580281421993	3,600	0
Danyere Mixed Day and Boarding Primary School	Equity	0580281328914	52,184	0
Saka Girls Secondary School	Equity	0580279888503	46,733	0
Sankuri Girls Secondary School	Equity	0580279824247	5,003	0
<b>TOTAL</b>			<b>126,429</b>	<b>20,432</b>

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**Annex 6: 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)
1	Inaccuracies in the financial statements The statement of assets and liability reflects Kshs 110,046,790 where the prior year audited financial statement reflects Kshs 111,080,721 leading to a variance of Kshs 1,033,931.	We had an error in the financial statement by understating the correct figures at Chase bank. Have attached the reconciliation and bank statement that will clearly state. Therefore, the financial statement submitted is the correct document.	Not Resolved	27 <sup>th</sup> February 2025
2	Unsupported prior year adjustment	This is as a result of Chase bank balances and documents attached.	Not Resolved	27 <sup>th</sup> February 2025
3	Unsupported cash and cash equivalents	This is as a result of Chase bank balances and documents attached.	Not Resolved	27 <sup>th</sup> February 2025
4	Unsupported bursary payment	The NG-CDFC will follow up with various	Not Resolved	27 <sup>th</sup> February 2025

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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)
		institutions and beneficiaries to get the acknowledgements letters and official receipts for the listed payments.		
5	Lack of ownership documents and incomplete disclosure of assets	NGCDFC have officially requested the Deputy County Commissioner Balambala for the allotment letter concerning NG-CDFC office	Not Resolved	27 <sup>th</sup> February 2025

  
**NG-CD, MBALA**  
**FUND ACCOUNTS MANAGER**  
**P. O. BOX 118, 20100**  
**GABRUSA**  
 Date: *Mc Ibrahim Mohamed*

Fund Account Manager.