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 <b>THE NATIONAL ASSEMBLY</b> <b>REPORT PAPERS LAID</b>	
<b>DATE:</b> 07 OCT 2021	<b>DAY:</b> THURSDAY
<b>TABLED BY:</b> <b>OF</b>	LON
<b>CLERK-AT THE-TABLE:</b>	Benson Inzofu

**THE AUDITOR-GENERAL**

**ON**

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

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



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

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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

**(b) Key Management**

The NGCDF FAFI Constituency day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	A.I.E holder	<b>Omar Hassan Maha</b>
2.	Sub-County Accountant	<b>Paul Makokha</b>
3.	Chairman NGCDFC	<b>Mohamed Aden Kethie</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -FAFI Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) NGCDFFAFI Constituency Headquarters**

NG-CDF Office Building  
P.O. Box 1914-70100  
Garissa, Kenya  
Bura-masalani road, Adjacent to Bura hospital

**(f) NGCDFFAFI Constituency Contacts**

Telephone: (254) 711911803

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

Website: [www.ng-cdf.go.ke](http://www.ng-cdf.go.ke)

**(g) NGCDFFAFI Constituency Bankers**

Equity Bank-Garissa Branch

A/C Name: Fafi National Government Constituency Development Fund

A/C no: 0580262524480

**(h) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

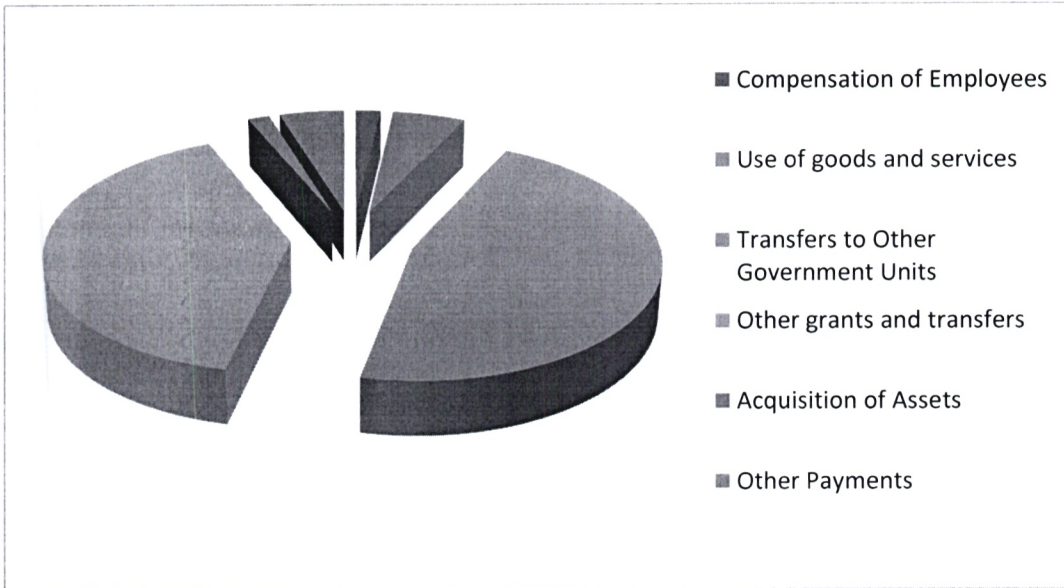
P.O. Box 40112

City Square 00200

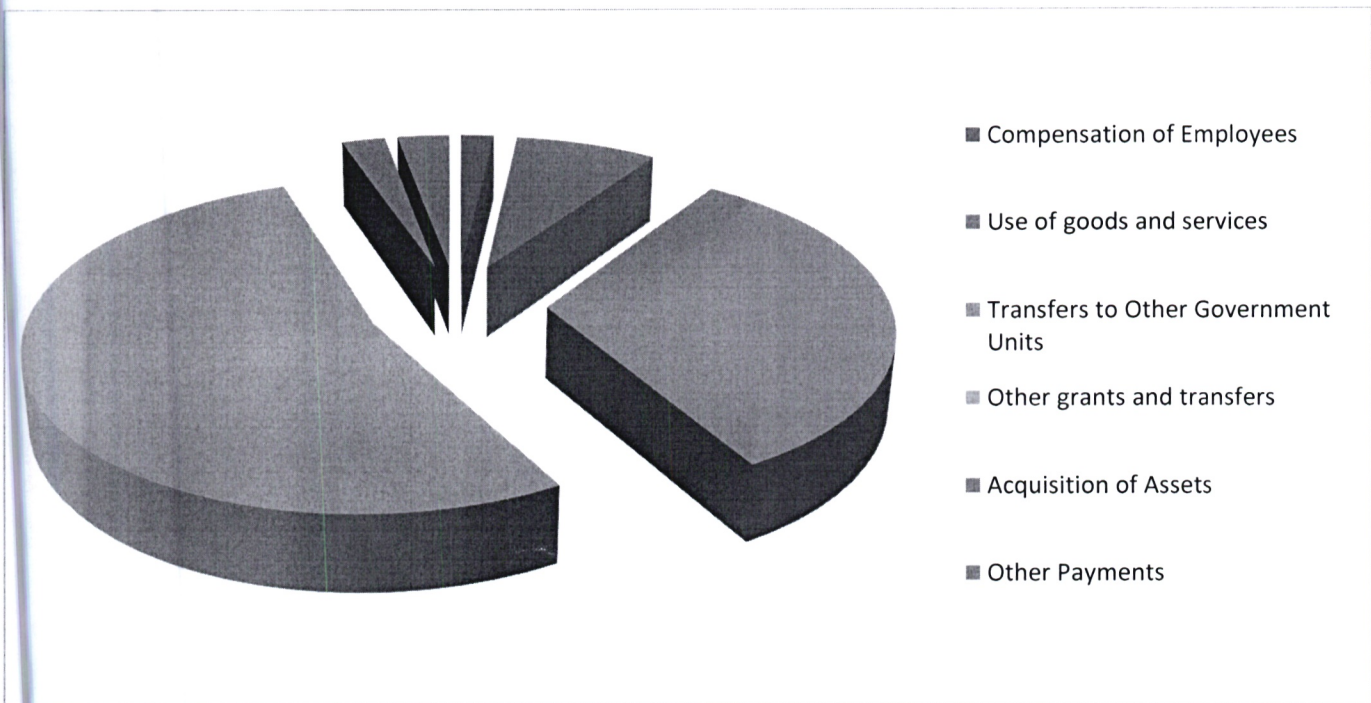
Nairobi, Kenya

**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

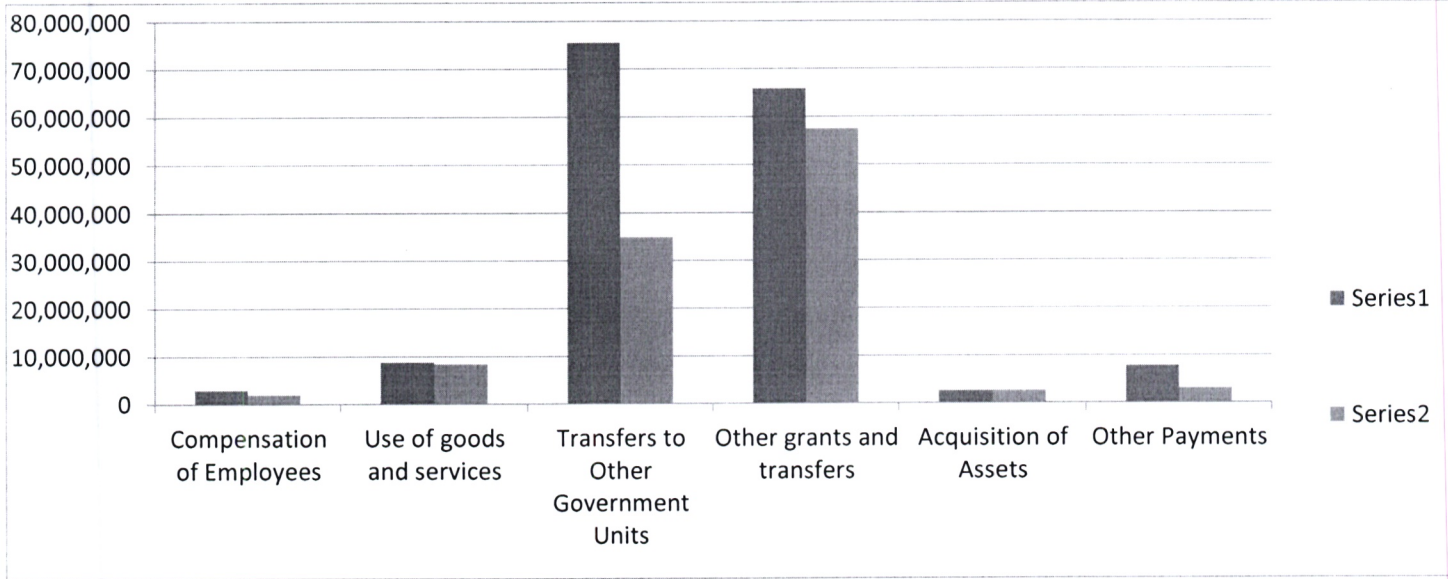
In the Financial year 2018/2019 NG-CDF Fafi was allocated Ksh **109,040,876** however the final budget to be utilized for the same year amounted to ksh **163,485,765**, out of this the management spent Ksh **108,375,570** bringing the utilization difference to **Ksh55,110,196** which is attributed delayed disbursement.



*Original Budget*



Actual performance



*A graphical presentation of budgeted figure and the actual performance*

The committee managed to distribute ksh 33,211,207.00 bursary to the needy student across the entire constituency. To promote affordable health care the management granted partial scholarship to needy students pursuing health courses.



**The Launch of Bursary Fund for F/Y 2018/2019**

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

**FAFI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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The committee also constructed AP houses in Bura AP camp to support security agencies and promote security in the area.

To upgrade and improve the learning environment the committee funded the supply of lockers, chairs and beds to various schools.

Emerging issues related to NG-CDF includes; Increasing population, Upcoming/increasing settlement, increasing school enrolment and Global climatic change.

There has also been implantation challenges such as; lack of clear boundary among constituencies, insecurity and political interference.

For the fund to thrive, I recommend that there should be a minimum or no interference from the political figures and no projects should be undertaken in boundary conflict zone without the involvement of the concerned organs of the government.

Sign 

CHIRMAN NGCDF COMMITTEE

**III. STATEMENT OF ENTITY 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-FAFI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


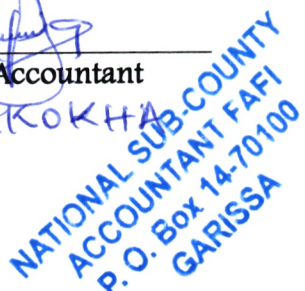
The Accounting Officer in charge of the NGCDF-FAFI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-FAFI Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-FAFI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

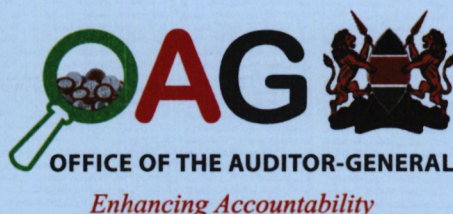
The NGCDF-FAFI Constituency financial statements were approved and signed by the Accounting Officer on 3/31 2020.

  
Fund Account Manager  
Name: Omar Hassan

  
Sub-County Accountant  
Name: PAUL MAROKHA  
ICPAK Member Number:  


# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – FAFI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Fafi Constituency set out on pages 8 to 33, which comprise of the statement of financial assets as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Fafi Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Unsupported Bursaries

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.57,440,973. The balance includes an amount of Kshs.17,891,000 and Kshs.15,320,207 for bursary transfers to secondary schools and tertiary institutions respectively. However, review of records revealed that bursaries amounting to Kshs.4,969,000 were not supported with acknowledgement receipts or letters from learning institutions that the funds were received.

In the circumstances, the accuracy, completeness and validity of bursary amount of Kshs.4,969,000 for the year ended 30 June, 2019 could not be confirmed.

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

## **2. Unsupported Repair of Vehicle**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.8,396,258. The balance includes routine maintenances for vehicles and other transport equipment amount of Kshs.349,200. However, examination of records revealed that expenditure totalling to Kshs.321,650 was incurred on repair of GK vehicle but Management did not provide pre and post inspection reports and valid tax compliance certificate from the contractor.

In the circumstances, the accuracy, completeness and validity of the expenditure for routine maintenance of motor vehicles amount of Kshs.321,650 for the year ended 30 June, 2019 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.163,485,765 and Kshs.158,397,765 respectively resulting to an under-funding of Kshs.5,088,000 or 3% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.163,485,765 and Kshs.108,375,570 respectively resulting to an under expenditure of Kshs.55,110,195 or 34% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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

In the audit report of the previous year, several issues were raised. However, the Management has indicated issues as resolved. However, the issues have not been cleared by Parliament.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing 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**

#### **Delay in Project Implementation**

Review of the project implementation status showed that during the year under review, the Management allocated a budget totalling to Kshs.41,792,343 to thirty-nine (39) projects in various sectors. Nineteen (19) projects were completed. However, seven (7) projects with a total allocation of Kshs.11,500,000 were ongoing while thirteen (13) projects with a total allocation of Kshs.13,827,586 had not started all totalling to Kshs.25,327,586.

In addition, project implementation status records were not updated without explanation.

In view of the foregoing, I am unable to confirm whether the public obtained value for money for budgeted allocation for projects totalling to Kshs.25,327,586 for the year ended 30 June, 2019.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

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

my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
Nancy Gathungu  
AUDITOR-GENERAL

Nairobi

14 September, 2021

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

**FAFI CONSTITUENCY**

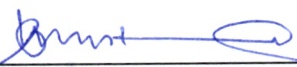
**Reports and Financial Statements**

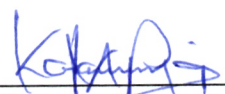
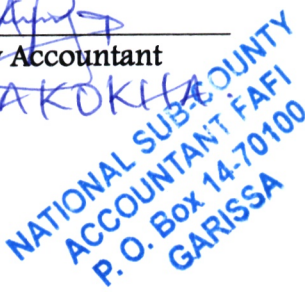
**For the year ended June 30, 2019**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	157,709,772	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>157,709,772</b>	<b>43,405,172</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,951,468	1,396,872
Use of goods and services	5	8,396,258	6,680,100
Transfers to Other Government Units	6	34,931,454	7,566,000
Other grants and transfers	7	57,440,973	29,338,560
Acquisition of Assets	8	2,579,341	820,000
Other Payments	9	3,076,076	
<b>TOTAL PAYMENTS</b>		<b>108,375,570</b>	<b>45,801,532</b>
<b>SURPLUS/DEFICIT</b>		<b>49,334,202</b>	<b>(2,396,360)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-FAFI Constituency financial statements were approved on 3/3/2020 and signed by:

  
 Fund Account Manager  
 Name: Omar Hassan

  
 Sub-County Accountant  
 Name: PAUL MAKOKI  
 ICPAK Member Number:  


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

**FAFI CONSTITUENCY**

**Reports and Financial Statements**


**For the year ended June 30, 2019**

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	50,022,195	687,993
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>50,022,195</b>	<b>687,993</b>
<b>Current Receivables</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>50,022,195</b>	<b>687,993</b>
<b>FINANCIAL LIABILITES</b>			
<b>Accounts Payable</b>			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
<b>NET FINANCIAL ASSETS</b>		<b><u>50,022,195</u></b>	<b><u>687,993</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	687,993	3,084,352
Surplus/Defict for the year		49,334,202	(2,396,360)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>50,022,195</b>	<b>687,993</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-FAFI Constituency financial statements were approved on 2/3/20 2020 and signed by:

**Fund Account Manager**   
**Name:** Omar Hassan

**Sub-County Accountant**   
**Name:** PAUL MAKOKHA  
**ICPAK Member Number:**

**NATIONAL SUB-COUNTY  
 ACCOUNTANT FAFI  
 P. O. Box 14-70100  
 GARISSA**

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

**FAFI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**VI. STATEMENT OF CASHFLOW**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			<b>2018 - 2019</b>	<b>2017 - 2018</b>
<b>Receipts</b>			<b>Ksh</b>	<b>Ksh</b>
Transfers from CDF Board	1		157,709,772	43,405,172
Other Receipts	3		-	
<b>Total Receipts</b>			<b>157,709,772</b>	<b>43,405,172</b>
<b>Payments</b>				
Compensation of Employees	4		1,951,468	1,396,871
Use of goods and services	5		8,396,258	6,680,100
Transfers to Other Government Units	6		34,931,454	7,566,000
Other grants and transfers	7		57,440,973	29,338,560
Acquisition of asset	8		2,579,341	820,000
Other Payments	9		3,076,076	
<b>Total Payments</b>			<b>108,375,570</b>	<b>45,801,531</b>
<b>Total Receipts Less Total Payments</b>			<b>49,334,202</b>	<b>(2,396,360)</b>
<b>Adjusted for:</b>				
Outstanding Imprest	11	-		
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		
<b>Net Adjustments</b>			<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>			<b>49,334,202</b>	<b>(2,396,360)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	8			
<b>Net cash flows from Investing Activities</b>				
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			<b>49,334,202</b>	<b>(2,396,360)</b>

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

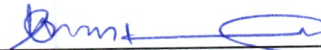
**FAFI CONSTITUENCY**


**Reports and Financial Statements**

**For the year ended June 30, 2019**

Cash and cash equivalent at BEGINNING of the year	13		687,993	3,084,352
Cash and cash equivalent at END of the year			50,022,195	687,993

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-FAFI Constituency financial statements were approved on 2/3 2020 and signed by:

  
Fund Account Manager  
Name: Omar Hassan

  
Sub-County Accountant  
Name: PAUL MAKOKH  
ICPAk Member Number:

NATIONAL SUB-COUNTY ACCOUNTANT  
P.O. Box 11100  
GARISSA

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

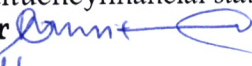
**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	54,444,890	163,485,765	158,397,765	5,088,000	97
Proceeds from Sale of Assets			0		0	
Other Receipts		0	0	0	0	0
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>54,444,890</b>	<b>163,485,765</b>	<b>158,397,765</b>	<b>5,088,000</b>	<b>97</b>
<b>PAYMENTS</b>			0		0	
Compensation of Employees	2,216,800	740,795	2,957,595	1,951,468	1,006,127	66
Use of goods and services	7,596,878	1,178,715	8,775,593	8,396,258	379,335	96
Transfers to Other Government Units	52,348,001	23,195,000	75,543,001	34,931,454	40,611,547	46
Other grants and transfers	44,751,256	21,104,732	65,855,988	57,440,973	8,415,015	87
Acquisition of Assets	2,127,941	458,621	2,586,562	2,579,341	7,221	100
Other Payments		7,767,027	7,767,027	3,076,076	4,690,951	40
<b>TOTAL</b>	<b>109,040,876</b>	<b>54,444,890</b>	<b>163,485,766</b>	<b>108,375,570</b>	<b>55,110,196</b>	<b>66</b>

(a) *The utilization rate of compensation of employees, Transfer to other government entities and other payment is bellow 90% as a result of delayed disbursement from the board as well as committees preference in prioritization of projects.*

(b) *The adjustment column reflects money not yet received from the Board as at 30<sup>th</sup> June 2019 and balances from the previous year resulting to variations from the original budget*

The NGCDF-FAFI Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

Fund Account Manager 

Sub-County Accountant 

Name: *Omax Hassan*

Name: *PAUL MAKO KETA*  
 ICPAK Member Number:

**NATIONAL SUB-COUNTY  
 ACCOUNTANT FAFI  
 P. O. Box 14-70100  
 GARISSA**

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

**FAFI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration</b>					
1.1.Compensation of Employees	2,216,800	740,795	2,957,595	1,951,468	1,006,127
1.2.Committee Expenses	1,700,000	112,757	1,812,757	1,757,303	55,454
1.3.Goods and Services	2,625,653	916,002	3,541,655	3,471,655	70,000
<b>Sub-Total</b>	<b>6,542,453</b>	<b>1,769,554</b>	<b>8,312,007</b>	<b>7,180,426</b>	<b>1,131,581</b>
<b>2.0 Monitoring and Evaluation</b>					-
2.1.Capacity Building of NG-CDFs/PMCs	1,300,000		1,300,000	1,300,000	0
2.2.Committee Allowances	1,971,226	149,956	2,121,182	1,867,300	253,882
<b>Sub-Total</b>	<b>3,271,226</b>		<b>3,421,182</b>	<b>3,167,300</b>	<b>253,882</b>
<b>3.0 Emergency</b>					-
3.1 Primary Schools	5,738,993	568,966	6,307,959	6,194,000	113,959
<b>Sub-Total</b>	<b>5,738,993</b>	<b>568,966</b>	<b>6,307,959</b>	<b>6,194,000</b>	<b>113,959</b>
<b>4.0 Bursary and Social Security Programme</b>					-
4.1.Bursary Secondary Schools	16,500,000	1,500,000	18,000,000	17,891,000	109,000
4.2.Bursary Tertiary Schools	14,031,445	1,500,000	15,531,445	15,320,207	211,238
<b>Sub-Total</b>	<b>30,531,445</b>	<b>3,000,000</b>	<b>33,531,445</b>	<b>33,211,207</b>	<b>320,238</b>
<b>5.0 Environment</b>					-
5.1.Nanighi Secondary Waste disposal		536,207	536,207	536,207	0
5.2.Bura Secondary Waste disposal		636,207	636,207	636,207	0
5.3.Fafi Girls Secondary Waste disposal		563,793	563,793	563,793	0
<b>Sub-Total</b>		<b>1,736,207</b>	<b>1,736,207</b>	<b>1,736,207</b>	<b>0</b>
<b>6.0 .Sports</b>					
<b>6.1.Sports</b>	<b>2,180,818</b>		<b>2,180,818</b>		<b>2,180,818</b>

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

**FAFI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

<b>Sub-total</b>	<b>2,180,818</b>		<b>2,180,818</b>		<b>2,180,818</b>
<b>7.0.Roads</b>					
7.1.Bura-Galmagal road		7,000,000	7,000,000	7,000,000	0
7.2.Garissa-Bura Road		4,774,559	4,774,559	4,774,559	0
<b>Sub-Total</b>		<b>11,774,559</b>	<b>11,774,559</b>	<b>11,774,559</b>	<b>0</b>
<b>8.0 Primary School Projects</b>					-
8.1.Nanighi Primary school dorm		1,500,000	1,500,000	1,419,100	80,900
8.2.Bullagolol pry classes		700,000	700,000	700,000	0
8.3.Yumpis Primary classrooms		900,000	900,000	900,000	0
8.4.Amuma Primary Beds		700,000	700,000	700,000	0
8.5.Alinjugur Primary teachers houses		2,000,000	2,000,000	2,000,000	0
8.6.Abaqdera primary classes		1,800,000	1,800,000	1,790,000	10,000
8.7.Nanighi pry water supply		2,000,000	2,000,000	2,000,000	0
8.8.Fafi hajin primary classes		1,800,000	1,800,000	1,800,000	0
8.9.Mansabubu primary classes		1,200,000	1,200,000	1,200,000	0
8.10.Bullagolol pry classes- renovation works		800,000	800,000	800,000	0
8.11.Garasweino primary admin block		90,000	90,000	90,000	0
8.12.Fafi dadbilal primary classes		90,000	90,000	90,000	0
8.13.warable primary school	1,000,000		1,000,000	998,000	2,000
8.14.Alinjugur Primary Beds	1,200,000		1,200,000	1,200,000	0
8.15.Alinjugur primary	1,500,000		1,500,000	1,500,000	0
8.16.Borehole 5 primary school	1,000,000		1,000,000	994,800	5,200
8.17.Alinjugur primary desks	660,000		660,000	650,000	10,000
8.18.Aliemij primary school	800,000		800,000		800,000
8.19.Welmarer Primary School	1,800,000		1,800,000		1,800,000
8.20.Bullanadhir primary school	1,800,000		1,800,000		1,800,000
8.21.Mansabubu primary classes	800,000		800,000		800,000
8.22.Bura primary school	1,800,000		1,800,000		1,800,000

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

8.23.Nanighi Primary school	1,800,000		1,800,000		1,800,000
8.24.Jambele primary school	1,600,000		1,600,000		1,600,000
8.25.Garasweino primary school	1,800,000		1,800,000		1,800,000
8.26.Guyo primary school	2,500,000		2,500,000		2,500,000
8.27.Hajijimay primary school	800,000		800,000		800,000
8.28.Wrable integrated pry	1,800,000		1,800,000		1,800,000
8.29.Alinjugur integrated pry	1,800,000		1,800,000		1,800,000
8.30.Fafi primary school	1,800,000		1,800,000		1,800,000
8.31.Dekaharja primary school	800,000		800,000		800,000
8.32.Bullagolol primary school	1,800,000		1,800,000		1,800,000
8.33.Fafi girls primary	1,500,000		1,500,000		1,500,000
8.34.Amuma Primary school	1,200,000		1,200,000		1,200,000
8.35.Harbole primary	2,500,000		2,500,000		2,500,000
<b>Sub-Total</b>	<b>34,060,000</b>	<b>13,580,000</b>	<b>47,640,000</b>	<b>18,831,900</b>	<b>28,808,100</b>
<b>9.0 Secondary School Projects</b>					
9.1.Fafi Girls Secondary school	1,000,000	4,100,000	5,100,000	3,497,967	1,602,033
9.2.Alinjugur Secondary school	1,000,000		1,000,000	1,000,000	0
9.3.Nanighi Secondary School		700,000	700,000	694,587	5,413
9.4.Shill Secondary School		700,000	700,000	692,000	8,000
9.5.Nanighi secondary school		115,000	115,000	115,000	0
9.6.Galmagala Secondary		600,000	600,000	600,000	0
9.7.Shill Secondary School		1,200,000	1,200,000	1,200,000	0
9.8.Nanighi secondary school		200,000	200,000	200,000	0
9.9.Shill Secondary School	1,800,000		1,800,000	1,800,000	0
9.10.Galmagala Secondary	2,000,000		2,000,000		2,000,000
9.11.Borehole5 secondary school	500,000		500,000		500,000
9.12.Nanighi Secondary School	3,500,000		3,500,000		3,500,000
9.13.Nanighi Secondary School	600,000		600,000		600,000
9.14.Galmagala Secondary	1,088,000		1,088,000		1,088,000

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

**FAFI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

9.15.Borehole5 secondary school	4,300,000		4,300,000	4,300,000	
9.16.Bore5 admin block	2,500,000		2,500,000		2,500,000
<b>Sub-Total</b>	<b>18,288,000</b>	<b>7,615,000</b>	<b>25,903,000</b>	<b>14,099,554</b>	<b>11,803,446</b>
<b>10.0 Tertiary institutions projects</b>					
10.1.Deo office		<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	0
<b>11.0 Security Projects</b>					
11.1.Bura AP camp	500,000	725,000	1,225,000	1,225,000	0
11.2.Fafi AP line		1,800,000	1,800,000	1,800,000.00	0
11.3.Jambele Chiefs Office		1,500,000	1,500,000	1,500,000.00	0
11.4.Bura police	1,000,000		1,000,000		1,000,000
11.5.Amuma police	2,300,000		2,300,000		2,300,000
11.6.Borehole5 Ap camp	2,500,000		2,500,000		2,500,000
<b>Sub-total</b>	<b>6,300,000</b>	<b>4,025,000</b>	<b>10,325,000</b>	<b>4,525,000.00</b>	<b>5,800,000</b>
<b>12.0 Acquisitions of Assets</b>					
12.1.NG- CDF office	1,427,941		1,427,941	1,427,941	-
12.2.NG- CDF office		458,621	458,621	451,400	7,221
12.3NG- CDF office	700,000		700,000	700,000	-
<b>Sub-Total</b>	<b>2,127,941</b>	<b>458,621</b>	<b>2,586,562</b>	<b>2,579,341</b>	<b>7,221</b>
<b>13.0 Others</b>					
13.1.Strategic Plan		3,100,000	3,100,000	3,076,076	23,924
13.2.cit hub		4,667,027	4,667,027		4,667,027
<b>Sub-Total</b>	-	<b>7,767,027</b>	<b>7,767,027</b>	<b>3,076,076</b>	<b>4,690,951</b>
	<b>109,040,876</b>	<b>54,444,890</b>	<b>163,485,766</b>	<b>108,375,570</b>	<b>55,110,196</b>

## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-FAFI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

#### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

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

## **b) Recognition of payments**

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

### **Compensation of Employees**

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

### **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

### **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**10. Unutilized Fund**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law. Included in the adjustments are the unutilized funds.

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

### **12. Comparative Figures**

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

### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

### **14. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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

### **15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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

**1. NOTES TO THE FINANCIAL STATEMENTS**

<b>1. TRANSFERS FROM NG-CDF BOARD</b>			
<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Normal Allocation	AIE NO 855799		5,500,000
	AIE NO 892820		37,905,172
	A.I.E NO.B005148	53,756,897	
	A.I.E NO.B030052	10,000,000	
	A.I.E NO.B030385	13,000,000	
	A.I.E NO.B006326	7,000,000	
	AIE NO 699043	11,000,000	
	AIE NO 42731	13,000,000	
	AIE NO 41008	49,952,876	
<b>TOTAL</b>		<b>157,709,772.45</b>	<b>43,405,172.00</b>

<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>			
<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of Office and General Equipment		-	-
<b>TOTAL</b>		<b>-</b>	

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

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<b>3 OTHER</b>			
<b>RECEIPTS</b>			
<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Interest Received			
Rents			
Sale of Tender Documents			
Other Receipts Not Classified Elsewhere (specify)			
<b>TOTAL</b>			

<b>4 COMPENSATION OF EMPLOYEES</b>			
<b>Description</b>		<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees		1,756,443	1,211,446
Basic wages of casual labour			
<b>Personal allowances paid as part of salary</b>			
House allowance			
Transport allowance			
Leave allowance			
Other personnel payments			
Employer contribution to NSSF		36,400	26,800
Gratuity-Paid		158,625	158,625
Gratuity-Accrued			
<b>TOTAL</b>		<b>1,951,468</b>	<b>1,396,871</b>

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<b>5 USE OF GOODS AND SERVICES</b>		
<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		
Electricity	10,000	
Water & sewerage charges		
Office rent		
Communication, supplies and services	20,536	
Domestic travel and subsistence		
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	600,000	820,000
Hospitality supplies and services		
Other committee expenses	2,440,908	2,000,000
Committee allowance	2,374,924	1,741,400
Insurance costs		
Specialised materials and services		
Office and general supplies and services	500,000	
Fuel , oil & lubricants	944,890	505,600
Other operating expenses	1,129,500	1,313,100
Bank service commission and charges	26,300	
Security operations		
Routine maintenance - vehicles and other transport equipment	349,200	300,000
Routine maintenance- other assets		
<b>TOTAL</b>	<b>8,396,258</b>	<b>6,680,100</b>

<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>		
<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary schools	18,831,900	60,000
Transfers to Secondary schools	14,099,554	7,506,000
Transfers to Tertiary institutions	2,000,000	
<b>TOTAL</b>	<b>34,931,454</b>	<b>7,566,000</b>

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<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>		
<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary –Secondary	17,891,000	13,329,000
Bursary –Tertiary	15,320,207	10,265,000
Bursary-Special schools		
Mocks & CAT		
Security	4,525,000	1,200,000
Sports		
Environment	1,736,207	
Roads	11,774,559	
Emergency Projects	6,194,000	4,544,560
<b>TOTAL</b>	<b>57,440,973</b>	<b>29,338,560</b>

<b>8 ACQUISITION OF ASSETS</b>		
<b><u>Non Financial Assets</u></b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings		
Construction of Buildings	2,127,941	
Refurbishment of Buildings	451,400	820,000
Purchase of Vehicles		
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		
Purchase of office furniture and fittings		
Purchase of computers ,printers and other IT equipments		
Purchase of photocopier		
Purchase of other office equipments		
Purchase of soft ware		
Acquisition of Land		
<b>TOTAL</b>	<b>2,579,341</b>	<b>820,000</b>

<b>9 Other Payments</b>	<b>2018-2019</b>	<b>2017-2018</b>
Strategic Plan	3,076,076	
specify	-	-
<b>TOTAL</b>	<b>3,076,076</b>	<b>-</b>

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<b>10A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs (30/6/2019)</b>	<b>Kshs (30/6/2018)</b>
<i>Equity Bank-Garissa Branch,A/c no.0580262524480</i>		<b>50,022,195</b>	<b>687,993</b>

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

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

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<b>12 Retention</b>			
<b>Supplier/Contractor</b>	<b>PV No.</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
1			
2			
<b>TOTAL</b>			

<b>13 BALANCES BROUGHT FORWARD</b>			
		<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>(1/7/2018</b>	<b>(1/7/2017)</b>
		<b>Kshs</b>	<b>Kshs</b>
Bank accounts		687,993	3,084,352
Cash in hand			-
<b>TOTAL</b>		<b>687,993</b>	<b>3,084,352</b>

<b>14</b>			
	<b>PRIOR YEAR</b>		
	<b>ADJUSTMENTS</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Bank accounts		-	-
Cash in hand		-	-
Imprest		-	-
<b>TOTAL</b>			

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<b>15</b>	<b>OTHER IMPORTANT DISCLOSURES</b>		
<b>15.1: PENDING ACCOUNTS PAYABLE</b>			
		<b>2018- 2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
<b>TOTAL</b>		-	-
<b>15.2: PENDING STAFF PAYABLES</b>			
		<b>2018- 2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff		-	-
Others (specify)		-	-
		-	-

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<b>15.3: UNUTILIZED FUND (See Annex 1)</b>			
		<b>2018-2019</b>	<b>2017 - 2018</b>
		<b>Kshs</b>	<b>Kshs</b>
Compensation of employees		1,006,127	82,713.28
Use of goods and services		70,000	77,925
Amounts due to other Government entities		40,611,546	83,196.76
Amounts due to other grants and other transfers		8,415,015	337,102.97
Acquisition of assets		7,221	
Committee expense		309,336	24,703
national social Security benefit			50,800
Other Payments		4,690,951	31,551.72
		<b>55,110,196</b>	<b>687,992.73</b>

**15.4: PMC account balances(see annex 3)**

			<b>2018-2019</b>	<b>2017-2018</b>
<b>PMC</b>	<b>BANK</b>	<b>A/C NO</b>	<b>Kshs</b>	<b>Kshs</b>
			-	6,779

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<b>ANNEX 1-UN-UTILIZED FUND</b>		
	<b>2018/2019</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>KSH</b>
<b>1.0 Administration</b>		
<b>PAYMENTS</b>		
Compensation of Employees	1,006,127	<b>1,006,127</b>
Goods and Services	69,999	<b>69,999</b>
Committee Expenses	309,336	<b>309,336</b>
<b>AMOUNT DUE TO OTHE GOVERNMENT ENTITIES</b>		
<b>Primary School Projects</b>	-	
Nanighi Primary school dorm	80,900	
Abaqdera primary classes	10,000	
warable primary school	2,000	
Borehole 5 primary school	5,200	
Alinjugur primary desks	10,000	
Aliemij primary school	800,000	
Welmarer Primary School	1,800,000	
Bullanadhir primary school	1,800,000	
Mansabubu primary classes	800,000	
Bura primary school	1,800,000	
Nanighi Primary school	1,800,000	
Jambele primary school	1,600,000	
Garasweino primary school	1,800,000	
Guyo primary school	2,500,000	
Hajijimay primary school	800,000	
Wrable integrated pry	1,800,000	
Alinjugur integrated pry	1,800,000	
Fafi primary school	1,800,000	
Dekaharja primary school	800,000	
Bullagolol primary school	1,800,000	
Amuma Primary school	1,200,000	
Fafi Girls primary school	1,500,000	
Harbole primary school	2,500,000	
<b>Sub-Total</b>	<b>28,808,100</b>	
<b>8.0 Secondary School Projects</b>	-	
Fafi Girls Secondary school	1,602,033	

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Nanighi Secondary School	5,413	
Shill Secondary School	8,000	
Galmagala Secondary	2,000,000	
Borehole5 secondary school	500,000	
Nanighi Secondary School	3,500,000	
Nanighi Secondary School	600,000	
Bore5 admin block	2,500,000	
Galmagala secondary school	1,088,000	
<b>Sub-Total</b>	<b>11,803,446</b>	<b>40,611,546</b>
<b>AMOUNT DUE TO OTHER GRANTS AND OTHER TRANSFERS</b>		
Emergency	-	
Primary Schools	113,959	
Bursary Secondary Schools	109,000	
Bursary Tertiary Schools	211,238	
Sports	2,180,818	<b>2,615,015</b>
<b>SECUTIY</b>		
Bura police	1,000,000	
Amuma police	2,300,000	
Borehole5 Ap camp	2,500,000	
<b>Sub-total</b>	<b>5,800,000</b>	<b>5,800,000</b>
<b>ACQUISITION OF ASSET</b>		
NG- CDF office	7,221	
Sub-Total	<b>7,221</b>	<b>7,221</b>
<b>12.0 OTHER PAYMENT</b>		
Strategic Plan	23,924	
cit hub	4,667,027	
Sub-Total	<b>4,690,951</b>	<b>4,690,951</b>
<b>GRAND TOTAL</b>		<b>55,110,196</b>

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2017/18</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2018/19</b>
Land	4,716,000			4,716,000
Buildings and structures	6,717,843	2,579,341		9,297,184
Transport equipment	468,140			468,140
Office equipment, furniture and fittings	268,500			268,500
ICT Equipment, Software and Other ICT Assets	308,850			308,850
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>12,479,333</b>	<b>2,579,341</b>		<b>15,058,674</b>

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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2018/19</b>	<b>Bank Balance 2017/18</b>
Warfa Youth Group	Equity	0580177094822	-	1280
Ruka Self Help Group	Equity	0580165866319	-	2669
Neema Furnitures and Welders SHG	Equity	0580170093160	-	2230
Nanighi Secondary School Pmc	Equity	0580173078552	-	450
Bura Secondary Pmc	Equity	0580172872924	-	50
Uftis Classrooms Pmc	Equity	0580173247554	-	100
<b>Total</b>				<b>6,779</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal person resolve issue and designation)	Point to the (Name	Status: (Resolved / Not Resolved)	Timefram e: (Put date when you expect the issue to be resolved)
4.3	Unsupported Motor vehicle Repairs	Management to avail certificate of inspection from mechanical department	FAM		Resolved	
4.4	Un accounted for Bursary Expenses	Management to avail Acknowledgement letters	FAM		Resolved	
4.5	Unaccounted for Committee expenses	Management to share the list of projects visited	FAM		Resolved	
4.6	Lack of Asset Register	Management to avail asset register for the office	FAM		Resolved	



10/10/10