

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 SEP 2019	DAY: WED
TABLED BY:	LEADER OF MAJORITY
OF	LEAH MNARA.

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- ELDAS CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018



Revised Template 30th June 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND ELDAS
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Irshad Mohamed
3.	Sub-County Accountant	Bishar Adan
4.	Chairman NGCDFC	Mohamud Abdi
5.	Member NGCDFC	Asha Bishar

(d) Fiduciary Oversight Arrangements

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

P.O. Box 491
ELDAS NG CDF Building
ELDAS-ANOLE Road
WAJIR, KENYA

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

**Reports and Financial Statements
For the year ended June 30, 2018**

(f) NG CDF ELDAS Constituency Contacts

Telephone: (254) 722 930 356
E-mail: irshadmohamed@ngcdf.go.ke
Website: www.ngcdfeldas.go.ke

(g) NG CDF ELDAS Constituency Bankers

1. Kenya Commercial Bank
Account Number: 1147613265
Wajir Branch
P.O. Box 201-70200
Wajir, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The budget performance against the actual amount was not impressive with 44% absorption rate for the financial year 2017/2018. However, for the amount receipt the absorption rate was 99% meaning the funds received during the year under review was properly utilized. This can be seen on page 9 (summary statement of appropriation) of the financial statement. Amount receipts was Ksh 43,405,172 out of Ksh 98,189,655 which was budget for the financial year 2017/2018.

During the financial year under review the constituency was able to issue bursary to deserving and needy student within the constituency with 100% distribution of the amount received as at 30/6/2018. Thirteen projects were implemented and were complete and in use; ten for primary schools, two secondary schools project and one for Eldas police station which is security project.

Constituents are well informed on the NG CDF function and coming forward with their proposal to improve the general wellbeing of residents. Peace and security are the major concern due to scarce resources within the pastoral communities along the constituency boundary as a result of climatic changes.

All projects are of urgency in nature to constituency, hence it becomes difficult to implement them since funds are received quarterly and like in financial year 2017/2018 more than 50% of the budget was received in the financial year 2018/2019 thus interfering with annual constituency program.

To rip the maximum benefits to the residents, NG CDF funds should be disbursed within the financial year to ensure smooth transformation of the area covered.

As way forward, Eldas NG-CDFC should purchase a motor vehicle to ease monitoring of projects. More resources should be allocated to peace building activities both by County Government and Eldas NG-CDF.

Programs and projects should be designed to mitigate the effect of climate change both in the short time and long term.

More public education should be carried out to encourage pastoralists to take their children to school to improve literacy levels.

Sign



CHAIRMAN NGCDF COMMITTEE

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

**Reports and Financial Statements
For the year ended June 30, 2018**

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

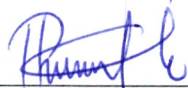
The Accounting Officer in charge of the NGCDF-ELDAS Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-ELDAS 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, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-ELDAS 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.

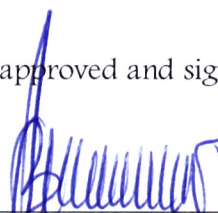
The Accounting Officer in charge of the NGCDF-ELDAS Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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

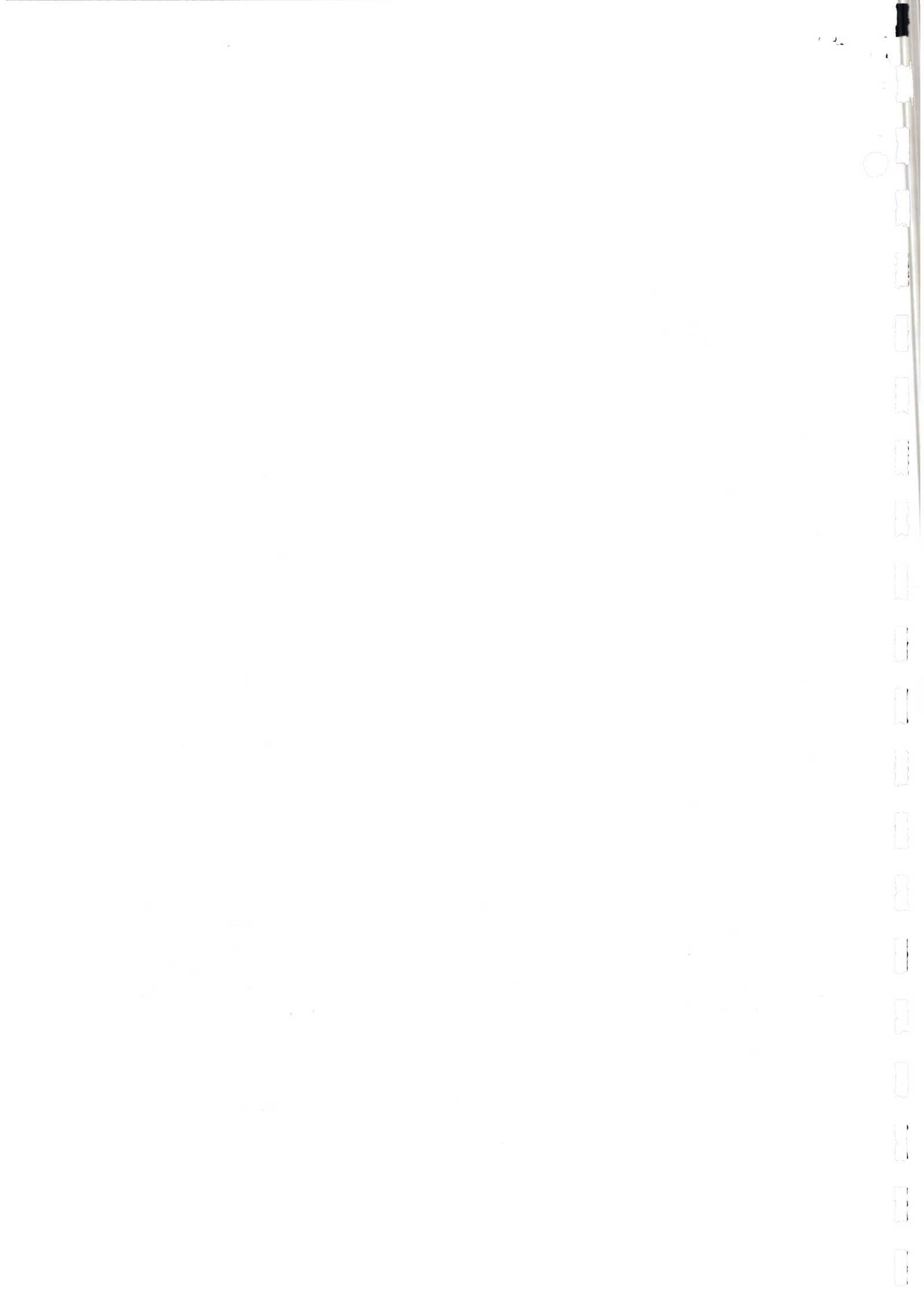
The NGCDF-ELDAS Constituency financial statements were approved and signed by the Accounting Officer on July 2018.



Fund Account Manager
Name: Irshad Mohamed



Sub-County Accountant
Name: Bishar Adan
ICPAK Member Number:



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPEMENT FUND – ELDAS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Eldas Constituency set out on pages 6 to 32 which comprise the statement of financial assets as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Eldas Constituency as at 30 June 2018 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.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

1.1 Unpresented Cheques

The cash and cash equivalents balance of Kshs.7,742,629 as at 30 June 2018 as supported by bank reconciliation statement reflects Kshs.3,717,026 being unpresented cheques. However, scrutiny of the records revealed that an amount of Kshs.360,170 were stale cheques some dating back to 2014 that were paid to various learning institutions for bursaries to needy students, NSSF and Kenya Revenue Authority which continued to reflect as unpresented cheques and have never been reversed to the cash book.

1.2 Receipt in Bank Statement not in the Cash Book

Audit review of the bank reconciliation statement revealed that the payments amounting Kshs.62,014 were reflected in the bank statement but not in the cash book as detailed below:

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Eldas Constituency for the year ended 30 June 2018

Date	Details	(Kshs)
10/02/16	Inward swift	20,000
19/02/16	Inward swift	20,000
21/02/16	Inward swift	20,000
28/07/16	Cash Deposit	2,000
26/09/16	Cheque reversed	14
	Total	62,014

However, the nature of inward swifts and cash deposit totaling Kshs.62,014 had not been explained or rectified.

1.3 Bank Charges

Included in the bank reconciliation statement is an amount of Kshs.35,624 in respect of bank charges. However, details of the bank charges and the period they relate to were not provided.

In the circumstances, it has not been possible to confirm that the cash and cash equivalents balance of Kshs.7,742,629 as at 30 June 2018 is fairly stated.

2. Transfer Other Government Units

Included in the transfers to other Government units Kshs.21,170,000 under note 6 to the financial statements is an amount of Kshs.18,530,000 relating to procurement of primary school projects. Out of these, an amount of Kshs.3,210,000 had not been properly supported. Audit review of the project files revealed that some of the projects did not have the mandatory documents such as tax compliance certificate, KRA pin and dully filled tender forms for the contractors awarded the contracts. It was further noted that the tender opening committee did not sign on pages of the bill of quantities as required by section 78(9) of the Public Procurement and Asset Disposal Act, 2015.

Under the circumstances, the probity of the expenditure of Kshs.3,210,000 as at 30 June 2018 could not be ascertained.

3. Use of Goods and Services

3.1 Committee Expenses

Included in the use of goods and services amount of Kshs.3,048,830 reflected under note 5 to the financial statements is an amount of Kshs.1,339,400 incurred on committee expenses out of which Kshs.378,000 was spent on subsistence allowances for Constituency Development Fund Committee members while on official duties in Nairobi and across the constituency. However, an audit review of the records for the expenditure revealed that the relevant supporting documentation such as bus ticket, air tickets or work tickets for the vehicles used as well as reports from these visits were not made available.

3.2 Irregular Procurement of Specialized Materials

Included in the use of goods and services balance of Kshs.3,048,830 reflected under note 5 to the financial statements is an expenditure of Kshs.300,000 spent on specialized materials and services. The funds were spent on labelling of various projects undertaken

within the Constituency, services that were procured through request for quotation. However, audit scrutiny of the expenditure revealed that there was no opening and evaluation committee's minutes and it was therefore not clear the criteria used for awarding the contract to the winning supplier. Further, the list of projects labelled was not provided to confirm authenticity of the expenditure. In view of the foregoing, it was not possible to ascertain the probity of the expenditure for Kshs.300,000 as at 30 June 2018.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Eldas Constituency in accordance with ISSAI 30 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. Budget Performance Analysis

1.1 Budget Control and Performance

A review of the summary statement of appropriation revealed that during the year under review, the Fund had an approved budget amounting to Kshs.105,862,943. Out of these, Kshs.7,673,288 was unspent balance from the financial year 2016/2017. The budget utilization on receipts and expenditure are as follows: -

Item	Budget Kshs.	Actual Kshs.	Variance Kshs.	% Utilization
Receipts	105,862,943	51,078,460	54,784,483	48%
Expenditure	105,862,943	43,335,300	62,527,643	41%

The above analysis reflects actual receipts of Kshs.51,078,460 against budgeted amount of Kshs.105,862,943 resulting to underfunding of Kshs.54,784,483 representing 52% of the budgeted amount for the year. Further, the Fund spent an amount of Kshs.43,335,300 against a budgeted amount of Kshs.105,862,943 resulting to under expenditure of Kshs.62,527,643 representing 59% of the approved budget as analyzed below:

Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Expenditure Kshs.	% Difference
Compensation of employees	4,502,219	0	4,502,219	100%
Use of goods and services	3,551,280	3,048,830	502,450	14%
Transfer to other Government units	56,067,575	21,170,000	34,897,575	62%

Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Expenditure Kshs.	% Difference
Other grants and transfers	37,041,868	19,117,000	17,924,868	48%
Other payments	4,700,000	0	4,700,000	100%
Total	105,862,942	43,335,830	62,527,112	

From the analysis above, the Fund had zero expenditure on compensation of employees and other payments casting doubts on how the operations of the Fund was conducted without incurring such vital costs. There was also a huge under expenditure on primary and secondary schools' projects.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, 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

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, GOVERNANCE AND RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the 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 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to close operations, or have no realistic alternative but to do so.

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 money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control 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 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.

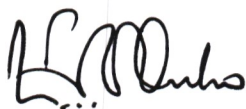
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern 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.

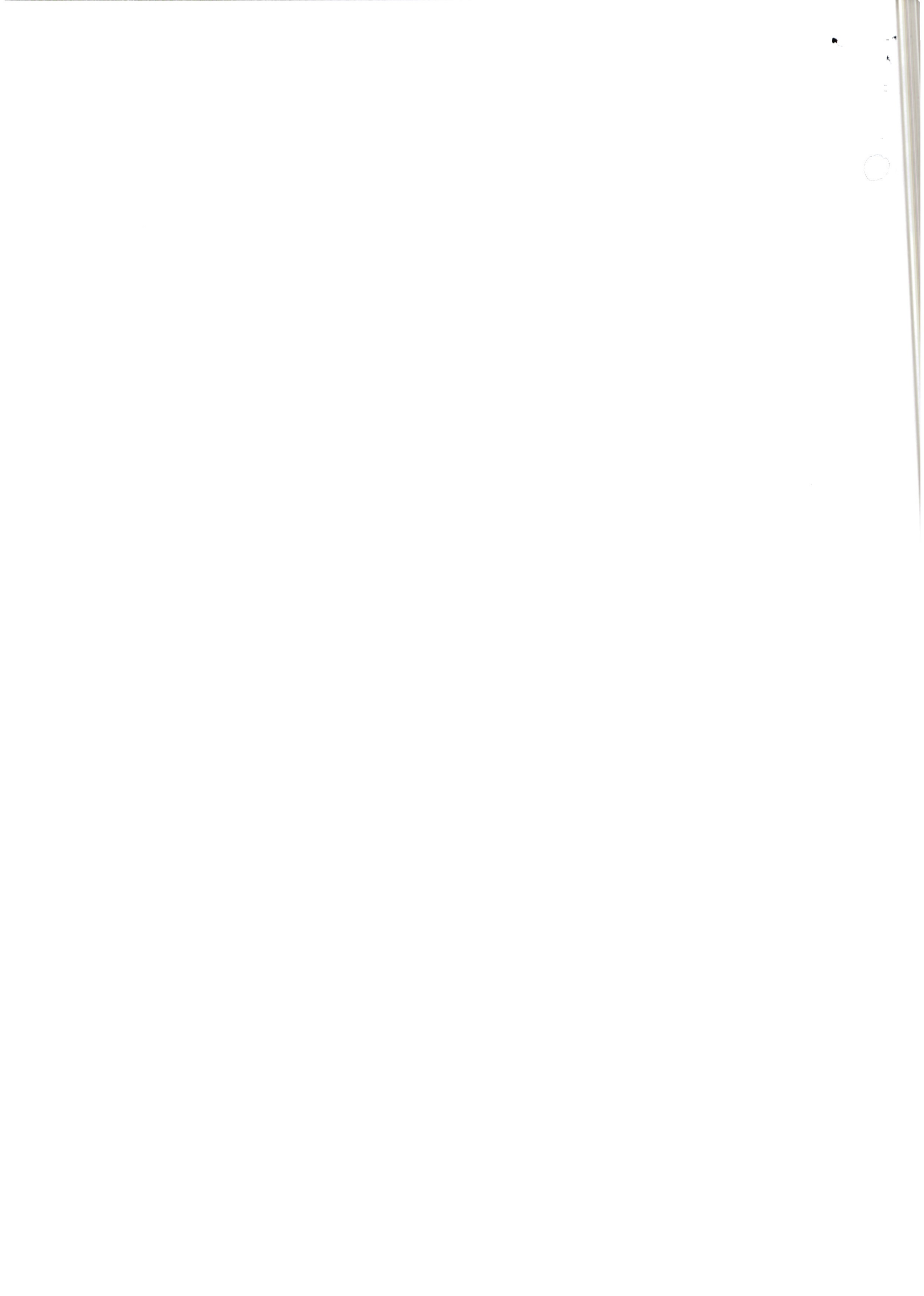
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

24 July 2019

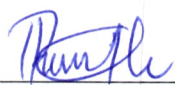


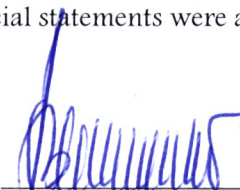
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Not e	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172.00	81,896,551.70
TOTAL RECEIPTS		43,405,172.00	81,896,551.70
PAYMENTS			
Compensation of employees	4	0.00	2,745,600.00
Use of goods and services	5	3,048,830.00	5,718,804.00
Transfers to Other Government Units	6	21,170,000.00	41,435,000.00
Other grants and transfers	7	19,117,000.00	52,643,007.00
Acquisition of Assets	8	0.00	0.00
Other Payments	9	<u>0.00</u>	<u>0.00</u>
TOTAL PAYMENTS		43,335,830.00	102,542,411.00
SURPLUS/(DEFICIT)		<u>69,342</u>	<u>(20,645,859.00)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ELDAS Constituency financial statements were approved on JULY 2018 and signed by:


Fund Account Manager
Name: Irshad Mohamed

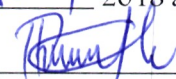

Sub-County Accountant
Name: Bishar Adan
ICPAK Member Number:

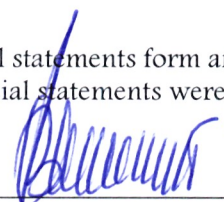
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	7,742,629.00	7,673,288
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		7,742,629.00	7,673,288
Current Receivables- Outstanding Imprests			
	11	-	-
TOTAL FINANCIAL ASSETS		<u>7,742,629.00</u>	<u>7,673,288.00</u>
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	-	-
REPRESENTED BY			
Fund balance b/fwd 1st July 2017	13	7,673,288.00	28,319,147.00
Surplus/Deficit for the year		69,342.00	(20,645,859.00)
Prior year adjustments	14		
NET FINANCIAL POSITION		<u>7,742,630.00</u>	<u>7,673,288.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ELDAS Constituency financial statements were approved on JULY 2018 and signed by:


Fund Account Manager
Name: Irshad Mohamed


Sub-County Accountant
Name: Bishar Adan
ICPAK Member Number:

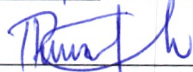
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ELDAS CONSTITUENCY**

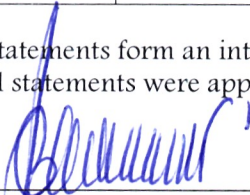
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 – 2018	2016- 2017
Transfers from CDF Board	1	43,405,172.00	81,896,551.70
		43,405,172.00	81,896,551.70
Payments for operating expenses			
Compensation of Employees	4	-	2,745,600.00
Use of goods and services	5	3,048,830.00	5,718,804.00
Transfers to Other Government Units	6	21,170,000.00	41,435,000.00
Other grants and transfers	7	19,117,000.00	52,643,007.00
Other Payments	9	0	0
		43,335,830.00	102,542,411.00
Adjusted for:			
Adjustments during the year	14		
Net cash flow from operating activities		69,342.00	(20,645,859.30)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8		-
Net cash flows from Investing Activities		-	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT		69,342.00	(20,645,859.30)
Cash and cash equivalent at BEGINNING of the year	13	7,673,288.00	28,319,147.00
Cash and cash equivalent at END of the year	10A	7,742,630.00	7,673,287.70

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ELDAS Constituency financial statements were approved on JULY 2018, and signed by:


Fund Account Manager
Name: Irshad Mohamed


Sub-County Accountant
Name: Bishar Adan
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ELDAS CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,344.89	19,052,598.34	105,862,942.79	51,078,460.00	54,784,482.79	41
Proceeds from Sale of Assets					-	
TOTAL RECEIPTS	86,810,344.89	19,052,597.90	105,862,942.79	51,078,460.00	54,784,482.79	41
PAYMENTS						
Compensation of Employees	3,849,819.00	652,400.00	4,502,219.00	-	4,502,219.00	0
Use of goods and services	2,043,947.37	1,507,333.39	3,551,280.76	3,048,830.00	502,450.76	93.41
Transfers to Other Government Units	47,927,027.00	8,140,548.00	56,067,575.00	21,170,000.00	34,897,575.00	34.99
Other grants and transfers	32,989,551.52	4,052,316.51	37,041,868.03	19,117,000.00	17,924,868.03	56.97
Other Payments	-	4,700,000.00	4,700,000.00	-	4,700,000.00	0
TOTALS	86,810,344.89	19,052,597.90	105,862,942.79	43,335,300.00	62,527,112.79	40.93

Adjustment is made up of the opening balance as at 30/06/2017 of Ksh 7,673,287.55 and Ksh 11,379,310.34 which is extra AIE from the board after changes in statutory ceiling as per circular ref.NG CDFB/CIRCULAR Vol. II (02)


Expenditure is below 90% since not all amount allocated to the Constituency was received from NG CDFB.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ELDAS CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

The NGCDF-ELDAS Constituency financial statements were approved on JULY 2018 and signed by:



Fund Account Manager
Name: Irshad Mohamed



Sub-County Accountant
Name: Bishar Adan
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

VIII. 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-ELDAS 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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY
Reports and Financial Statements
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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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

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

Reports and Financial Statements

For the year ended June 30, 2018

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

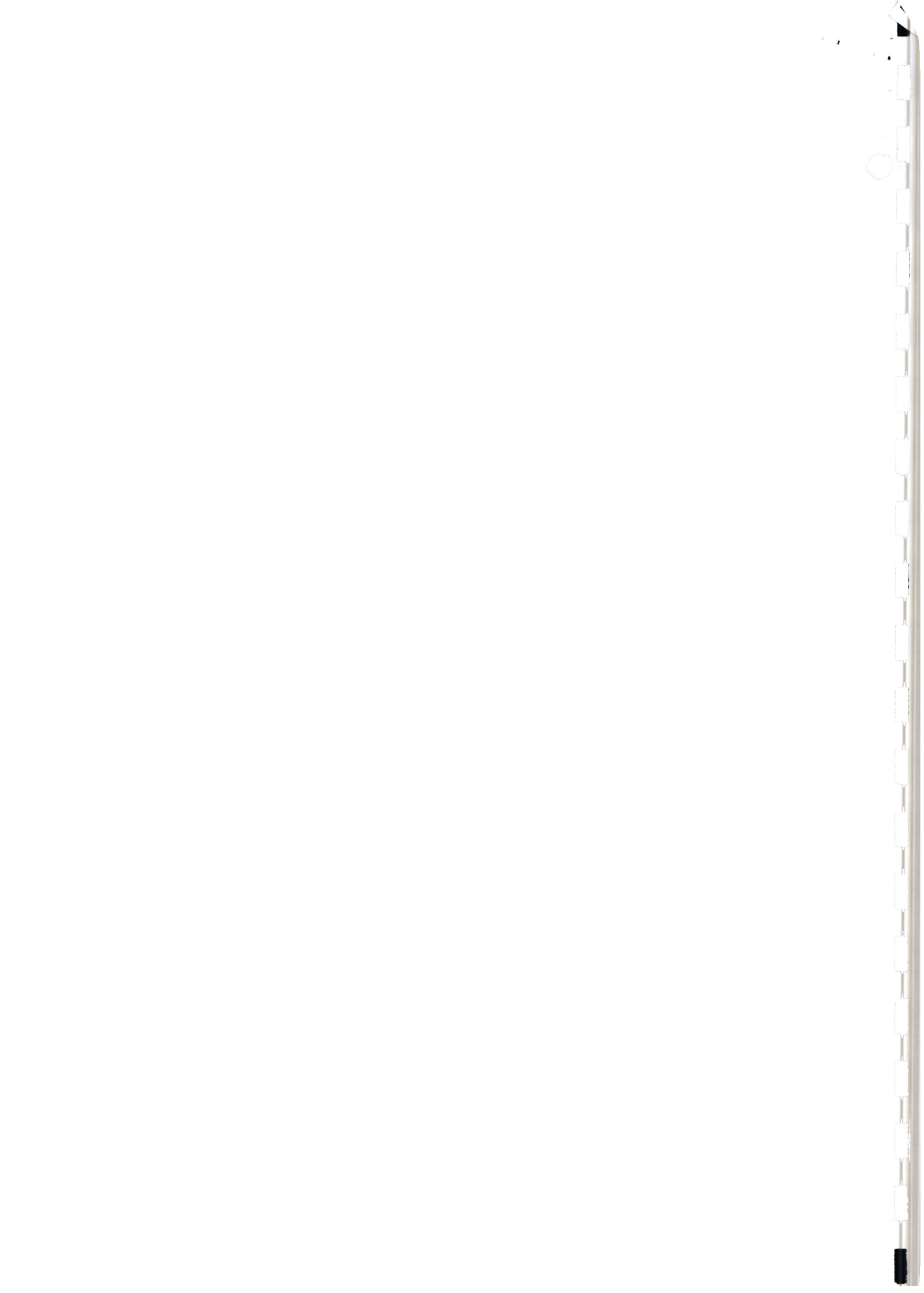
IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO: A829534	1		4,094,827.60
AIE NO: A839586	2		36,853,449.00
AIE NO: A855731	3		40,948,275.10
AIE NO: A855789	1	5,500,000.00	
AIE NO: A892760	2	37,905,172.00	
AIE NO			
TOTAL		43,405,172.00	81,896,551.70

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.0
Total	0.00	0.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from Sale of tender documents	0.00	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

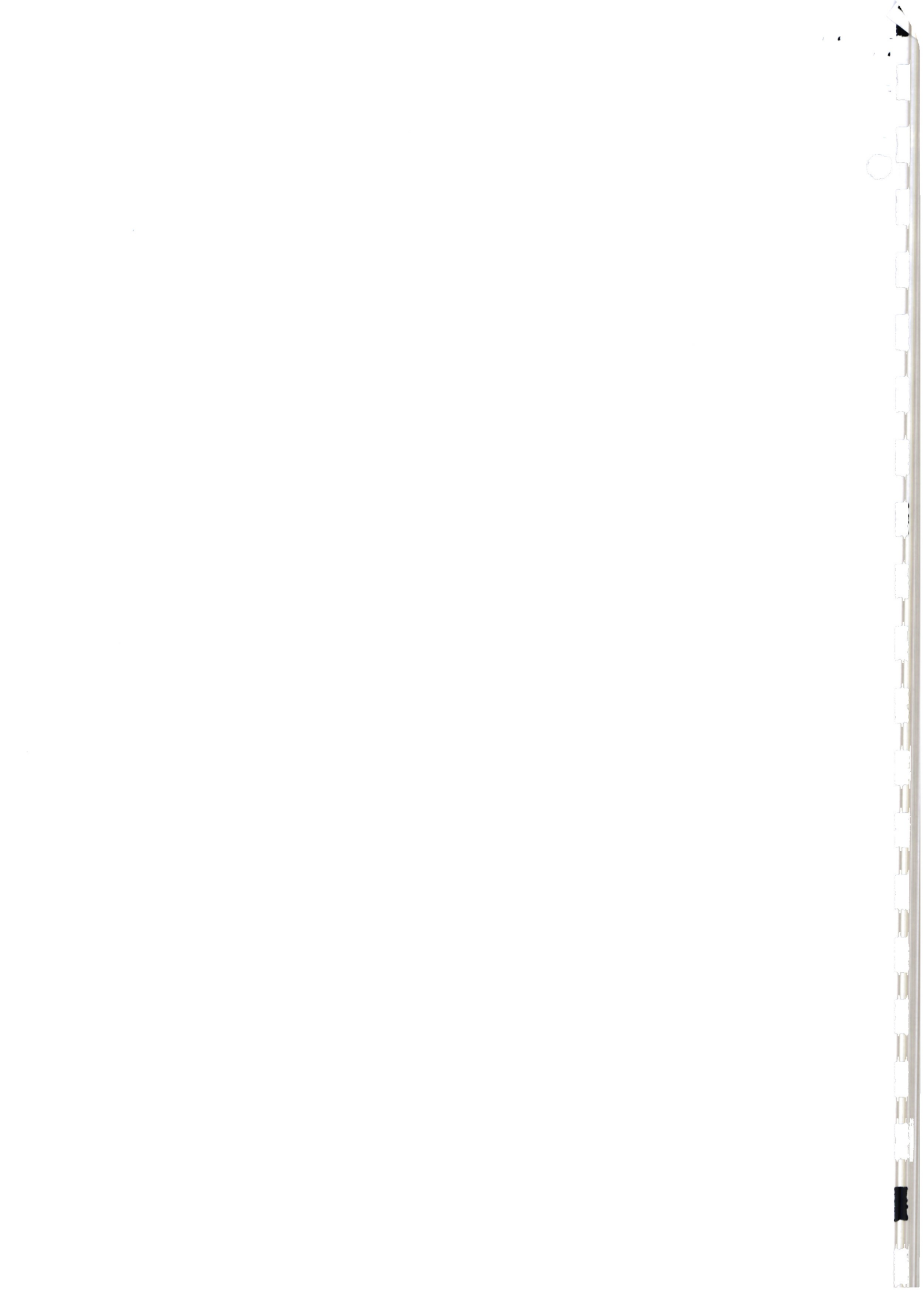
	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	0.00	2,697,600
Basic wages of casual labour	0.00	0.00
Personal allowances paid as part of salary		
House allowance	0.00	0.00
Transport allowance	0.00	0.00
Leave allowance	0.00	0.00
Gratuity	0.00	48,000.00
Other personnel payments	0.00	0.00
Total	0.00	2,745,600

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	1,339,400.00	2,951,600
Utilities, supplies and services	0.00	0.00
Communication, supplies and services	0.00	40,000
Domestic travel and subsistence	173,700.00	997,000
Printing, advertising and information supplies & services	0.00	0.00
Rentals of produced assets	0.00	0.00
Training expenses	700,000.00	120,000.00
Hospitality supplies and services	36,400.00	55,000.00
Insurance costs	0.00	0.00
Specialized materials and services	300,000.00	1,162,354.00
Office and general supplies and services	283,930.00	240,800.00
Other operating expenses	215,400.00	146,050.00
Routine maintenance – vehicles and other transport equipment	0.00	0.00
Routine maintenance – other assets	0.00	6,000.00
Total	3,048,830.00	5,718,804.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	18,530,000	20,390,000
Transfers to secondary schools (see attached list)	2,640,000	21,045,000
Transfers to tertiary institutions (see attached list)	0.00	0.00
Transfers to health institutions (see attached list)	0.00	0.00
TOTAL	21,170,000	41,435,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	3,527,000	7,195,000
Bursary – tertiary institutions (see attached list)	13,700,000	20,945,000
Bursary – special schools (see attached list)	0.00	0.00
Mock & CAT (see attached list)	0.00	0.00
Security projects (see attached list)	1,890,000	16,512,200
Sports projects (see attached list)	0.00	0.00
Environment projects (see attached list)	0.00	600,000
Emergency projects (see attached list)	0.00	5,052,807
Total	19,117,000	50,305,007

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	0.00
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	0.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialised Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
Total	0.00	0.00

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	0.00	0.00
ICT Hub	0.00	0.00
TIVET	0.00	0.00
	0.00	0.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Name of Bank, Account No. KCB Wajir Account No. 1147613265</i>	7,742,628.55	7,673,288
<i>Name of Bank, Account No. 11</i>	0.00	0.00
<i>Name of Bank, Account No.</i>	0.00	0.00
Total	7,742,628.55	7,673,288
10B: CASH IN HAND		
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations (<i>specify</i>)		
Total	0.00	0.00
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	0.00	0.00	0.00
<i>Name of Officer or Institution</i>	dd/mm/yy	0.00	0.00	0.00
<i>Total</i>				<u>0.00</u>

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

12RETENTION

	2017 - 2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0.00	3,235,000
Supplier 2	0.00	0.00
Supplier 3	0.00	0.00
Total	<u>0.00</u>	<u>3,235,000</u>

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	7,742,628.55	28,319,147
Cash in hand	0.00	0.00
Imprest	0.00	364,000
Total	<u>7,742,628.55</u>	<u>28,683,147</u>

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0.00	0.00
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	0.00	0.00

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings		0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	467,688
Supply of services	0.00	0.00
	0.00	467,688

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0.00	0.00
Middle management	0.00	0.00
Unionisable employees	0.00	0.00
Others (<i>compensation of contractual employees</i>)	3,849,819	1,785,600
	3,849,819	1,785,600

15.3: UNUTILIZED FUNDS (See Annex 3)

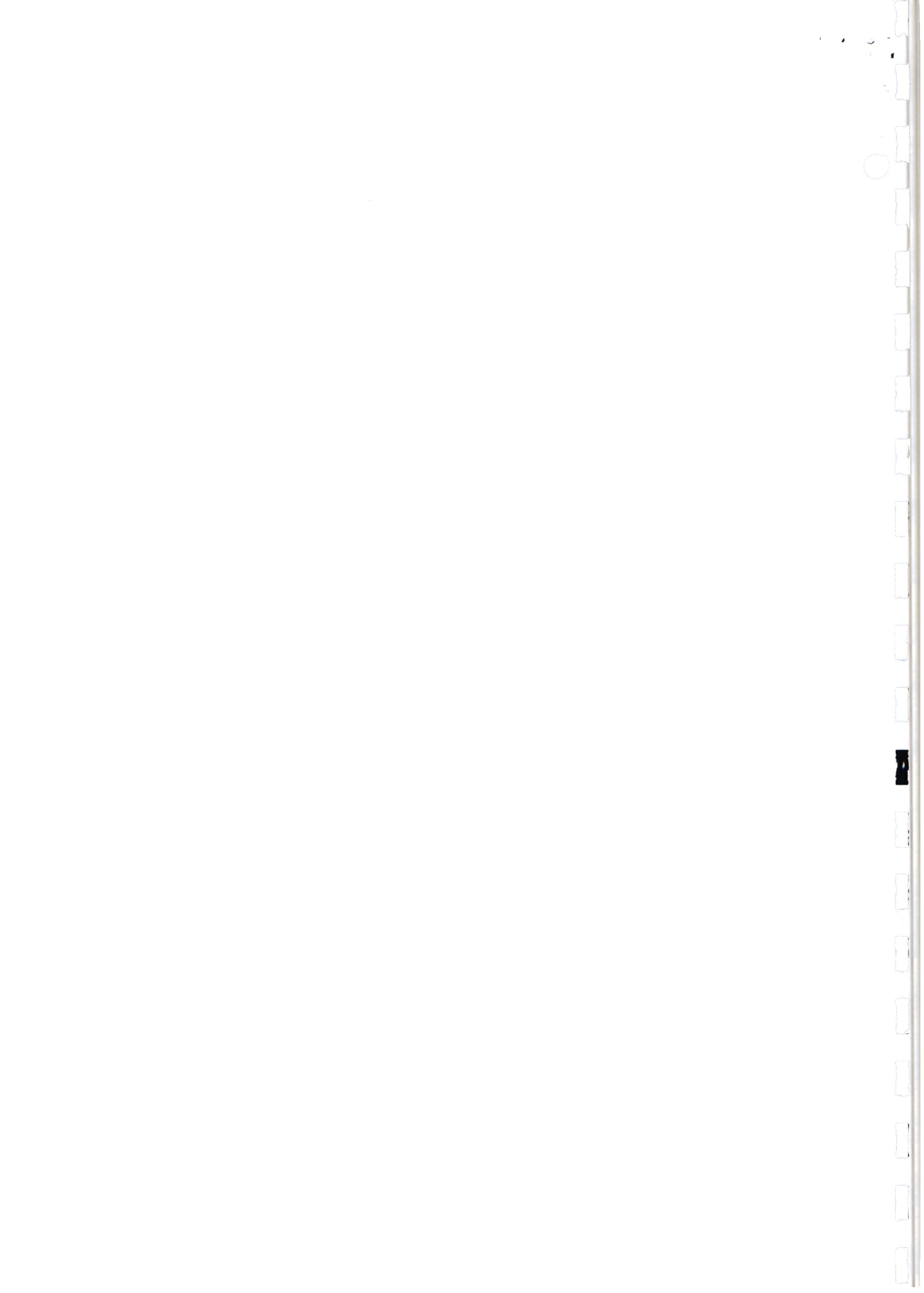
	Kshs	Kshs
Compensation of employees	0.00	0.00
Use of goods and services	0.00	0.00
Amounts due to other Government entities (see attached list)	25,210,000	3,235,000
Amounts due to other grants and other transfers (see attached list)	8,978,586	2,185,000
Acquisition of assets	1,200,000	0.00
Others (<i>specify</i>)	8,177,027	0.00
	43,565,613	5,420,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ELDAS CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	1,320,000	1,200



NATIONAL GOVERNMENT ENTITY - (NG CDF ELDAS)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT ENTITY - (NG CDF ELDAS)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10. Compensation of contractual employees		3,849,819	2017/2018	0.00	3,849,819		Funds were received late in the year but payment has been done after the closure of the financial year.
11.							
12.							
	Sub-Total						
	Grand Total	3,849,819			3,849,819		

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Masalale Primary School	Repair of 3 classrooms and dormitory with roofing and painting to completion	2,000,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Dadhantalai Primary School	Construction of 1 no classroom to completion	700,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Balatalu amin Primary School	Repair of 4 no classroom to completion (roofing and plastering)	50,000	0.00	Retention
Balatalu amin Primary School	Construction of perimeter fence with concrete posts to completion	1,000,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Balatalu amin Primary School	Piping of water to school from borehole to completion (2km) distance	2,000,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Mirgo Harun Primary School	Construction of underground mason water tank	35,000	0.00	Retention
Harote Primary School	Construction of 2 classrooms, 2 toilets and mason water tank	120,000	0.00	Retention
Lanqura Primary School	Construction of 2 classrooms, 2 toilets and mason water tank	120,000	0.00	Retention
Jigjiga Primary School	Construction of 2 classrooms, 2 toilets	85,000	0.00	Retention
Wargadud Primary School	Construction of 2 classrooms, 3 toilets	1,850,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Banadir Primary School	Construction of 2 classrooms, 2 toilets and mason water tank	2,400,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Waradey Primary School	Construction of 2 classroom	1,400,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Baqala Primary School	Construction of 2 classrooms, 2 toilets and mason water tank	120,000	0.00	Retention
Kilkiley Primary School	Construction with concrete post and chain link and 1 classroom	4,700,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Tito Primary School	Construction of 2 classrooms, 2 toilets and	120,000	0.00	Retention

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Areswajil Primary School	mason water tank Construction of 2 classroom	70,000	0.00	Retention
Majabow Primary School	Construction of 2 classrooms , 2 toilets	85,000	0.00	Retention
Bananey Primary School	Construction of 2 classrooms , 2 toilets	85,000	0.00	Retention
Dela Primary School	Construction mason underground water tank	700,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Mirgo Harun Primary School	Construction of 1 classroom	700,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Eldas Girls Secondary School	Construction of 1 classrooms , 2 toilets	85,000	0.00	Retention
Elnur Secondary School	Construction of 2 classrooms	85,000	0.00	Retention
Elnur Secondary School	Supply and delivery of 40 double decker beds	800,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Elnur Secondary School	Digging of shallow well and installation of hand pump to completion	400,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Eldas Secondary School	Construction of dormitory	2,400,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Eldas Secondary School	Construction 4 classrooms and 1 twin toilet	3,100,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Sub-Total		25,210,000		
Amounts due to other grants and other transfers				
Bashir AP camp	Construction of 2 administration police staff house	1,400,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Tulatula DO office	Construction of assistant county commissioners office	1,500,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Eldas Chief office	Construction of chiefs office	1,500,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Eldas Police station	Construction of 4 staff houses	100,000	0.00	Retention
Bursary	To secondary and tertiary	4,478,586	0.00	



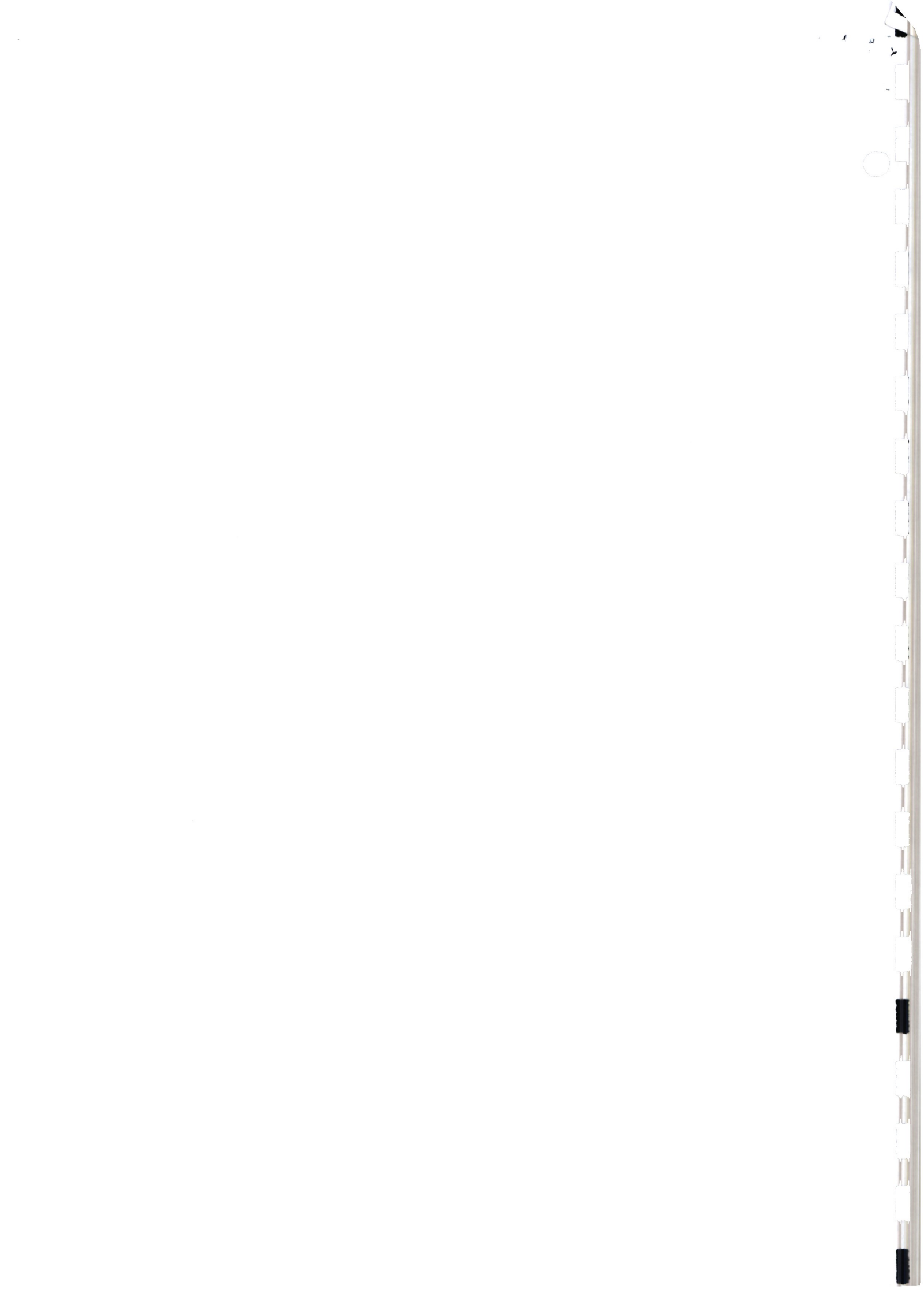
NATIONAL GOVERNMENT ENTITY - (NG CDF ELDAS)
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For the year ended June 30, 2018 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Sub-Total		8,978,586		
Sub-Total				
Acquisition of assets				
NG CDF office	Refurbishment of Buildings	1,200,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Sub-Total		1,200,000		
<i>Others (specify)</i>				
	Strategic plan	3,500,000	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
	ICT Hub	4,677,027	0.00	Project not started since funds not released by NG CDF Board as 30/06/2018
Sub-Total		8,177,027		
Grand Total		43,565,613		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

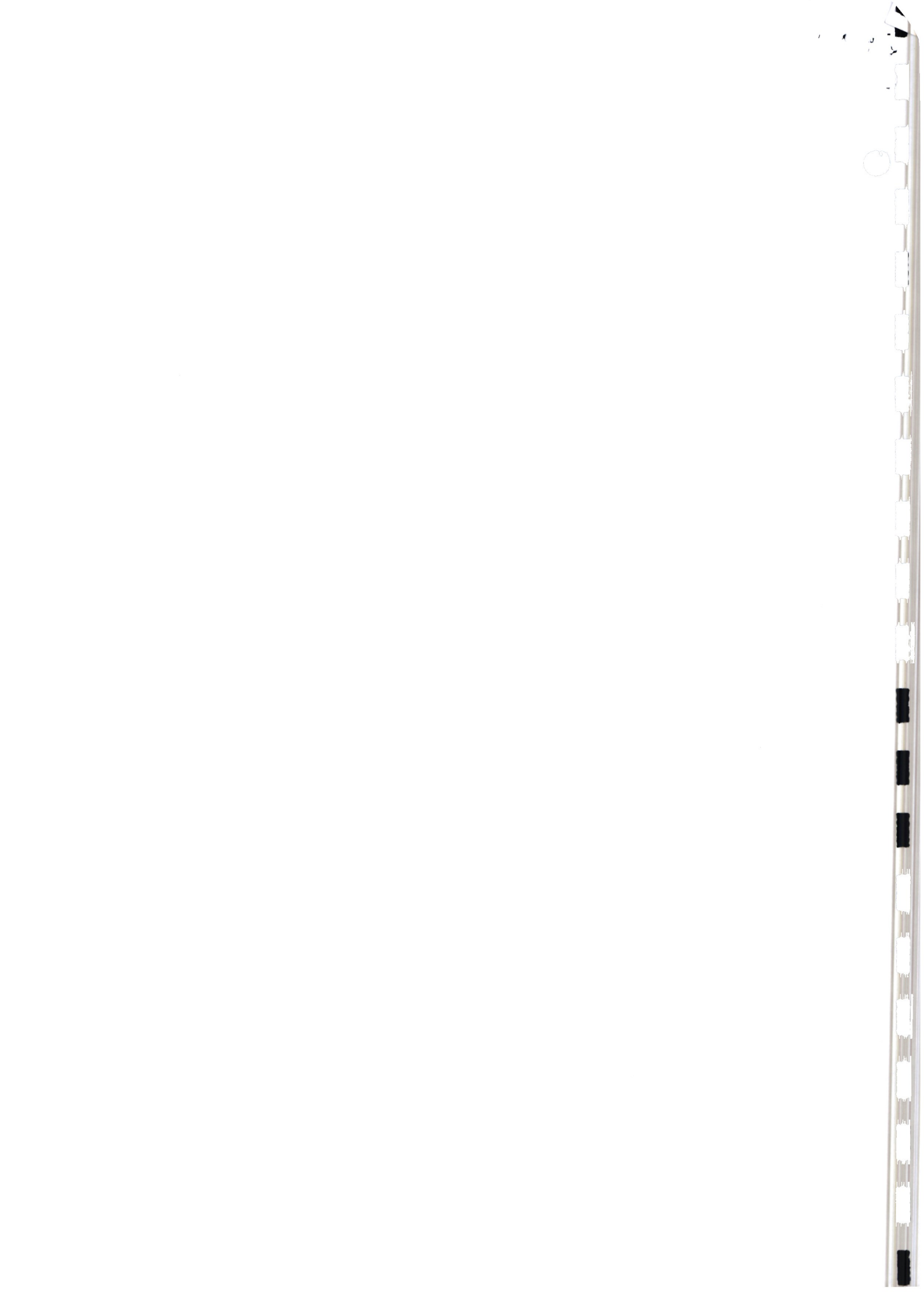
Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	00	00	00	00
Buildings and structures	26,000,000	00	00	26,000,000
Transport equipment	00	00	00	00
Office equipment, furniture and fittings	1,999,950	00	00	1,999,950
ICT Equipment, Software and Other ICT Assets	248,000	00	00	248,000
Other Machinery and Equipment	238,500	00	00	238,500
Heritage and cultural assets	00	00	00	00
Intangible assets	00	00	00	00
Total	28,486,450.00	00	00	28,486,450.00



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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Balatulamin Primary School	KCB	1119820014	0.00	0.00
Dantalai Primary School	KCB	1120780950	0.00	0.00
Lanquraa Primary School	KCB	1223074161	0.00	0.00
Horote Primary School	KCB	1222416352	0.00	0.00
Bananey Centre	KCB	1225698553	0.00	0.00
Jigjiga Primary School	KCB	1234488590	0.00	0.00
Mirgo Harun Primary School	KCB	1221526512	0.00	0.00
Baqala Primary School	KCB	1221461168	0.00	0.00
Eldas Development PMC	KCB	1205357610	0.00	1200.00
Majabow Primary School	KCB	1222633654	0.00	0.00
Areswajil Primary School	KCB	1171981740	0.00	0.00
Eldas Girls Secondary School	KCB	1173274952	1,320,000	0.00
Elnur Secondary School	KCB	1205357610	0.00	0.00
Total			1,320,000	1,200



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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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
4.2	Examination of payment voucher no 399 paid to Eldas constituency PMC was not supported with NG-CDF minutes.	The voucher was supported by NG-CDFC minute during the time of payment but the treasury department misplaced the minute but the NG-CDFC minute is hereby attached.	Irshad Mohamed Fund Account Manager	Responded waiting feedback from Auditor General	
4.5	Copies of tender evaluation and opening minutes were not attached to the payment voucher for audit review	Attached are the copies of evaluation and opening minutes.	Irshad Mohamed FAM	Responded waiting feedback the Auditor General	
4.3	Audit examination of the Committee expenses as a component of use of goods and services revealed that some payments was not properly supported with relevant documentations such as NG-CDFC Minutes authorising and attendance register for the committee meetings.	During the Audit The attendance register and the NG-CDFC minute was misplaced , However documents have been found for verification, The attached are the copies of the NG-CDFC Minute and the attendance register.	Irshad Mohamed FAM	Responded waiting feedback from the Auditor General	
5.1	NG-CDF Eldas spent an amount of Kshs. 102,542,699 or 93% of the total budget allocation for the period under review. This	Most of the funds in the bank account were retentions for various projects which were waiting for six months liability period to elapse.	Irshad Mohamed Fund Account Manager	Responded waiting feedback from Auditor General	



NATIONAL GOVERNMENT ENTITY - (NG CDF ELDAS)

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For the year ended June 30, 2018 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>means, the National Government Constituency Development Fund Management under spent Ksh. 7,673,288 (representing 7%). No explanation was given for not using in full the funds allocated to benefit the constituents.</p>				

