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REPORT

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DATE: 09 NOV 2021	DAY: Tue
TABLED BY:	Majority Whip Hon Wanjau
CLERK-AT THE-TABLE:	B. Inzofu

OF

THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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



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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MOYALE CONSTITUENCY
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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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 MOYALE Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Suleiman Guyo Roba
2.	Sub-County Accountant	Nicholus Nyaga
3.	Chairman NGCDFC	Denge Tulu
4.	Member NGCDFC	Abdikadir Huqa

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF MOYALE Constituency Headquarters

P.O. Box 24-60700
Next to Administration Police Station,
Moyale, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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(f) NGCDF MOYALE Constituency Contacts

Telephone: (254) 714307288
E-mail: cdfmoyale@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF MOYALE Constituency Bankers

1. Equity Bank Ltd
P.O Box Moyale.
Account No. 1020298992601

(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) –
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Moyale constituency is among the four constituencies that make up Marsabit County. The constituency is divided into two administrative sub counties (districts): Moyale and Sololo and seven administrative wards (Butiye, Sololo, Hellu/Manyatta, Golbo, Moyale Township, Uran and Obbu).

It has a population of 80,650 people as per 2009 census but based on population growth rate of 2.4% the figure is projected at 88,676. Its inhabited mostly by pastoral peoples including: Borana, Gabra, Burji, Garre, Sakuye and others (Smart Survey-August 2013).

It has diverse physiographic conditions ranging from plateau hills rising from 800-1200m along the border with Ethiopia in the North to flats low lying plains(500-800m) on its border with Wajir North Constituency in the East, North Horr Constituency in the west and Eldas Constituency in the South.

Ng-Cdf Moyale Committee is working hard to ensure that the Fund received from Ng-cdf Board is utilized for the intended purpose in order to bring development across all sectors of the economy.

During Financial year 2018-2019 the Moyale NG-CDF had an annual budget of Kshs 170,009,755 and was able to receive Kshs 114,968,879 for implementation of different projects. The Budget Utilization difference was 55,040,876 and stood at 68 %. In Comparison to the last Financial year, this showed an improvement of 7%.

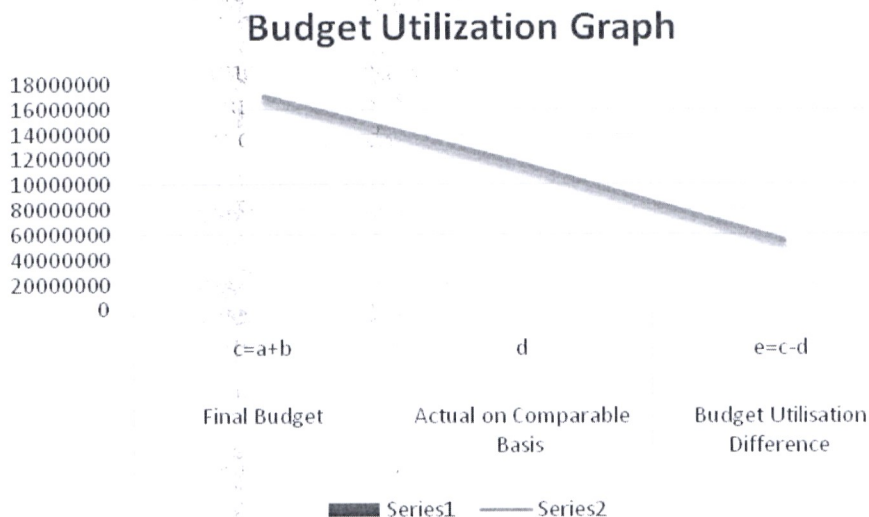


Fig: Budget Utilization Graph , 2018-2019.

During the Year, the Constituency received Kshs 114,968,879 from the NGCDFB and was able to utilize Kshs 96,905,351. This amounts to 89% Utilization for the year. Compared to previous Financial year's 57% Utilization of the funds received.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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During the Financial Year the Constituency had various challenges in project Implementations The major implementation challenges are vastness of the constituency and frequent tribal clashes i.e Insecurity that is rampant in most zones within which the projects are identified for implementations. However, through community good will and outreach programmes the NGCDFC Was able to carry out all the projects without hitches.

Moyale NGCDFC was able to award bursaries to thousands of students in Secondary Schools, Middle Level Colleges and Universities. In this area, The Constituency was able to increase per student allocation from Ksh 2,000 to Kshs 7,000 due to adequate planning and proper identification of beneficiaries.

Denge
.....
FUND ACCOUNT MANAGER
NG - CDF MOYALE
P.O. BOX 24 - 60700
MOYALE

**DENGE TULU
CHAIRMAN NGCDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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-MOYALE 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.

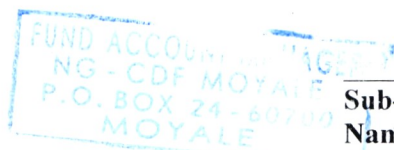
The Accounting Officer in charge of the NGCDF-MOYALE Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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-MOYALE 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-MOYALE 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-MOYALE Constituency financial statements were approved and signed by the Accounting Officer on 05/08/ 2019.

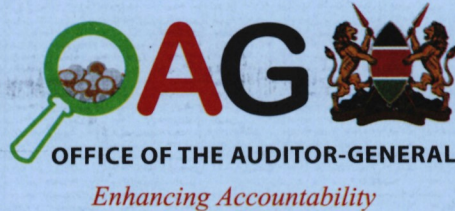

Fund Account Manager
Name: Suleiman Guyo
ICPAK M. No: 20979




Sub-County Accountant
Name: Nicholas Nyaga
ICPAK M. No: 15407

REPUBLIC OF KENYA

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Moyale Constituency set out on pages 7 to 39, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and 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 the National Government Constituencies Development Fund - Moyale Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Understated Cash and Cash Equivalents

Note 10A to the financial statements reflects Kshs. 18,700,730 in respect to cash and cash equivalents balance as at 30 June, 2019 held in one bank account.

However, the respective bank reconciliation statement reflects unrepresented cheques totalling Kshs.6,468,995 which further includes stale cheques totalling Kshs.1,229,110. The cheques had not been replaced or reversed in the cash book as at 30 June, 2019 thereby understating the cash and cash equivalents balance of Kshs.18,700,730 by the same amount.

Consequently, the validity and accuracy of the cash and cash equivalents balance of Kshs. 18,700,730 as at 30 June, 2019 could not be confirmed.

2. Erroneous Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustments of Kshs.637,202 in respect to reversal of stale cheques. However, the particulars of the reversed cheques were not provided for audit review. Further prior year adjustments are supposed to be reinstated in the comparative components of prior year.

In the circumstances, the accuracy and validity of the prior year adjustments of Kshs.637,202 as at 30 June, 2019 could not be confirmed.

3.0 Accuracy of the Financial Statements

3.1 Variance in Unutilized Fund

Annex 3 to the financial statements reflects unutilised funds totalling Kshs.18,700,730 for the financial year ended 30 June, 2019. However, a review of the respective ledger revealed that the balance is understated by Kshs.726,803 on seven (7) items as follows:

Name	Unutilized Balance as per Financial Statements (Kshs.)	Ledger Balances (Kshs.)	Variances (Kshs.)
1. Bursaries	3,199,781	3,210,478	(10,697)
2. Employee Salaries	987,175	1,162,077	(174,902)
3. NSSF	10,400	0	10,400
4. NHIF Insurance	6,700	0	6,700
5. M&E - Committee Expenses	407,419	447,419	(40,000)
6. Admin - Goods and Services	321,979	660,283	(338,304)
7. M&E- Goods and Services	355,385	535,385	(180,000)
Total	5,288,839	6,015,642	(726,803)

Consequently, the accuracy of the unutilized fund balance of Kshs.18,700,730 as at 30 June, 2019 could not be confirmed.

3.2 Variance in Summary of Fixed Assets Register

Annex 4 to the financial statements reflects an opening balance of Kshs.13,893,250 in respect to fixed assets. However, the closing balance of fixed assets as per the audited 2017/2018 financial statements is Kshs.13,988,250 resulting to an unexplained variance of Kshs.95,000.

Consequently, the accuracy of the Kshs.13,893,250 fixed assets balance as at 30 June, 2019 could not be confirmed.

4. Unaccounted for Bursary

Note 7 to the financial statements reflects Kshs.59,153,687 in respect to other grants and other payments which include Kshs.25,621,000 and Kshs.16,468,980 in respect to bursaries disbursed to secondary schools and tertiary institutions respectively both

totalling Kshs.42,089,980. However, supporting documents including the acknowledgements, selection criteria and bursary selection committee minutes were not availed for audit review. It was not possible to confirm the recipients, selection criteria objectivity, equity and fairness of the bursaries received by the respective secondary schools and tertiary institutions.

In the circumstance, the accountability and value for money for the Kshs.42,089,980 bursaries for the year ended 30 June, 2019 could not be confirmed.

5. Use of goods and Services

5.1 Unsupported Other Committee Expenses

Note 5 to the financial statements reflects Kshs.5,078,911 in respect to use of goods and services which includes Kshs.2,046,000 in respect to other committee expenses. However, included in the Kshs.2,046,000 is Kshs.471,000 which was not supported by the relevant supporting documents including payment vouchers containing full details, clear narrations and particulars of the items to which they related to.

Further, included in the Kshs.2,046,000 is imprest of Kshs.540,000 issued to an officer for monitoring and evaluation committee while on projects inspection. However, records availed reflects that the vehicle hired for the project inspection had a passenger capacity of eight (8) people yet the payment schedule indicated that seventeen (17) people were paid sitting allowance while inspecting the projects.

No explanation was given on how the extra nine (9) committee members travelled to the projects. In addition, a back to office report was not availed for audit review.

Consequently, the validity and value for money for the Kshs.471,000 and Kshs.540,000 expenditures both totalling Kshs.1,011,000 for the year ended 30 June, 2019 could not be confirmed.

5.2 Unsupported Fuel, Oil and Lubricant

Note 5 to the financial statements reflects Kshs.5,078,911 in respect to use of goods and services during the year under review includes Kshs.717,727 in respect to fuel, oil and lubricants which further includes Kshs.163,694 in respect to supply of fuel. However, no supporting documents including delivery notes, fuel register and work tickets were availed for audit review.

Consequently, the validity and value for money for the Kshs.163,694 expenditure for the year ended 30 June, 2019 could not be confirmed.

6.0 Presentation of the Financial Statements

A review of the presentation of the financial statements for the year under review revealed the following anomalies;

6.1 Errors in Table of Contents

Review of the financial statements revealed that the numbering in the table of contents do not tally with the pages on the actual items as follows;

Item	Assigned Page in Table of Content	Actual Page in the Financial Statement
Statement of Receipt and Payments	6	7
Summary Statement of Appropriation - Recurrent and Development Combined	11	12
Budget Execution by Programmes and Sub-Programmes	11	13
Notes to the Financial Statements	18	23

Consequently, the financial statements have not been prepared in line with International Public Sector Accounting Standard (IPSAS) and Public Sector Accounting Standard Board (PSASB).

6.2 Progress on Follow Up of Auditor Recommendations

The financial statements for the year under review reflects, at page 39, progress on follow up of Auditor recommendations as prescribed by the Public Sector Accounting Standards Board (PSASB). The progress report indicates that there are no outstanding audit issues raised by the Auditor-General in the previous year. However, the audited 2017/2018 financial statements contain a report of the Auditor-General with eight (8) audit issues and no evidence has been availed to show how the issues were resolved.

In the circumstances, the accuracy and completeness of the information in the progress report for the year ended 30 June, 2019 could not be confirmed.

6.3 Omitted Period of the Financial Statements

The statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined do not reflect on the heading "for the year ended 30 June, 2019" while the statement of assets and liabilities, does not reflect "as at 30 June, 2019" on the same as required by Public Sector Accounting Standards Board (PSASB).

Consequently, the presentation of the financial statements for the year under review is not in accordance with template issued in June, 2019 by Public Sector Accounting Standards Board (PSASB).

6.4 Erroneous Inclusion of Annotation (Kshs.000) in the Financial Statements

The headers of the financial statement from page 33 to 39 include the annotation (Kshs.000) implying that the amounts are in thousands. However, the amounts in the financial statements are presented as a whole not in thousand.

Consequently, the inclusion of the annotation (Kshs.000) is a misrepresentation of the financial statements.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Moyale 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 review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.170,009,755 and Kshs.114,968,879 respectively resulting to an under-funding of Kshs. 55,040,876 or 32% of the budget. Similarly, the Fund spent Kshs.96,905,351 against an approved budget of Kshs.170,009,755 resulting to an under-expenditure of Kshs.73,104,403 or 43% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Moyale Constituency.

2. Project Implementation Status Report

Note 6 and 7 to the financial statements reflects Kshs.30,791,948 and Kshs.59,153,687 in respect to transfers to other Government entities and other grants and other payments respectively both totalling Kshs.89,945,635 for the year ended 30 June, 2019 which was disbursed to various institutions to implement projects. However, the project implementation status was not availed for audit review.

In the circumstances, it has not been possible to ascertain the implementation status of projects worth Kshs.89,945,635 for the year ended 30 June, 2019.

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 has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 cease operations..

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement 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 Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

05 October, 2021

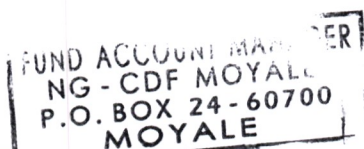
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MOYALE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	108,784,483	84,353,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	84,353,447
PAYMENTS			
Compensation of employees	4	1,880,806	1,416,059
Use of goods and services	5	5,078,911	4,194,245
Transfers to Other Government Units	6	30,791,948	28,694,500
Other grants and transfers	7	59,153,687	45,920,500
Acquisition of Assets	8	-	
Other Payments	9	-	1,029,897
TOTAL PAYMENTS		96,905,351	81,255,201
SURPLUS/DEFICIT		11,879,132	3,098,246

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MOYALE Constituency financial statements were approved on 05/08/2019 and signed by:

Fund Account Manager



Sub-County Accountant
Name: Suleiman Guyo
Name: Nicholas Nyaga

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MOYALE CONSTITUENCY
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For the year ended June 30, 2019***

ICPAK M. No: 20979

ICPAK M. No: 15407

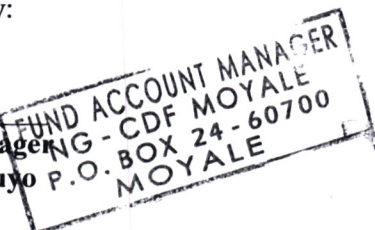
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MOYALE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	18,700,730	6,184,396
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		18,700,730	6,184,396
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		18,700,730	6,184,396
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		18,700,730	6,184,396
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	6,184,396	3,086,150
Surplus/Deficit for the year		11,879,132	3,098,246
Prior year adjustments	14	637,202	-
NET LIABILITIES		18,700,730	6,184,396

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MOYALE Constituency financial statements were approved on 05/08/2019 and signed by:

Fund Account Manager
Name: Suleiman Guyo



Sub-County Accountant
Name: Nicholas Nyaga
ICPAK M. No: 20979
ICPAK M. No: 15407

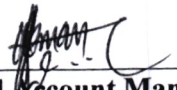
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2019**

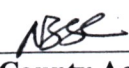
VI. STATEMENT OF CASHFLOW

			2018 - 2019	2017 - 2018
			Kshs	Kshs
Receipts				
Transfers from CDF Board	1		108,784,483	84,353,447
Other Receipts	3		-	
Total Receipts			108,784,483	84,353,447
Payments				
Compensation of Employees	4		1,880,806	1,416,059
Use of goods and services	5		5,078,911	4,194,245
Transfers to Other Government Units	6		30,791,948	28,694,500
Other grants and transfers	7		59,153,687	45,920,500
Other Payments	9		-	1,029,897
Total Payments			96,905,351	81,255,201
Total Receipts Less Total Payments			11,879,132	3,098,246
Adjusted for:				
Outstanding Imprest	11			
Retention	12A			
Gratuity Payable	12B			
Prior Year adjustment	14	637,202		
Net Adjustments			637,202	-
Net cash flow from operating activities			12,516,334	3,098,246
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2			
Acquisition of Assets	8			
Net cash flows from Investing Activities				
NET INCREASE IN CASH AND CASH EQUIVALENT			12,516,334	3,098,246
Cash and cash equivalent at BEGINNING of the year	13		6,184,396	3,086,150
Cash and cash equivalent at END of the year			18,700,730	6,184,396

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MOYALE Constituency financial statements were approved on 05/08/2019 and signed by:


Fund Account Manager
Name: Suleiman Guyo
ICPAK M. No: 20979




Sub-County Accountant
Name: Nicholas Nyaga
ICPAK M. No: 15407

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MOYALE CONSTITUENCY
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**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED**

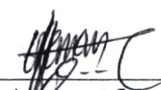
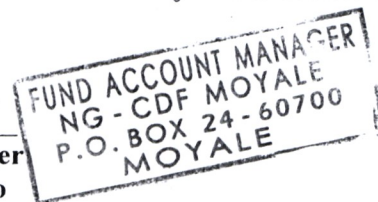
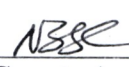
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	60,968,879	170,009,755	114,968,879	55,040,876	68%
Proceeds from Sale of Assets	0	-	-	-	-	-
Other Receipts	0	-	-	-	-	-
TOTAL	109,040,876	60,968,879	170,009,755	114,968,879	55,040,876	68%
PAYMENTS						
Compensation of Employees	3,006,680	1,358,281.00	4,364,961	1,816,706	2,548,255	42%
Use of goods and services	6,806,999	7,065,232.91	13,872,232	5,143,011	8,729,221	37%
Transfers to Other Government Units	53,560,000	31,191,948.00	84,751,948	30,791,948	53,960,000	36%
Other grants and transfers	45,667,196.72	20,184,160.29	65,851,357	59,153,687	6,697,670	90%
Other Payments		1,169,257	1,169,257	-	1,169,257	
TOTAL	109,040,876	60,968,879	170,009,755	96,905,351	73,104,403	57%

(a) For the revenue items no AIA was realised during the year 2018/2019.

(b) The Constituency did not realise any over utilization but significant under utilization in Compensation of employees (42%), Use of goods and services (37%) and Transfer to Other Government Units (36%): The Underutilization largely emanated from delay in receipt of funds from the Board, Frequent transfers of the AIE Holders at the station thus low uptake of the funds.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-MOYALE Constituency financial statements were approved on 05/08/ 2019 and signed by:

 Fund Account Manager Name: Suleiman Guyo ICPAK M. No: 20979		 Sub-County Accountant Name: Nicholas Nyaga ICPAK M. No: 15407
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(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury).

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MOYALE CONSTITUENCY
Reports and Financial Statements
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration					
Employees' Salaries	3,077,480.00	1,358,281.00	4,435,761	1,777,106	2,658,655.45
Goods and Services	1,605,432.53	1,481,907.00	3,087,340	1,324,421	1,762,918.63
Committee Expenses	1,859,540.00	715,798.19	2,575,338	1,106,000	1,469,338.19
Employees' Salaries		25,260.00	25,260		25,260.00
Goods and Services		300,000.00	300,000		300,000.00
Sub-Total	6,542,452.53	3,881,246.19	10,423,699	4,207,526	6,216,172.27
2.0 Monitoring and Evaluation					0.00
Goods and Services	484,310.30	184,310.00	668,620	309,290	359,330.30
Committee Expenses	1,330,000.00	858,758.29	2,188,758	940,000	1,248,758.29
Capacity Building of NG-CDFs/PMCs	1,456,915.97	-	1,456,916	0	1,456,915.97
Sub-Total	3,271,226.27	1,043,068.29	4,314,295	1,249,290	3,065,004.56
3.0 Emergency					0.00
Emergency	5,738,993.45	539,650.00	6,278,643	5,030,000	1,248,643.45
Emergencies		1,882,674.30	1,882,674		1,882,674.30
Sub-Total	5,738,993.45	2,422,324.30	8,161,318	5,030,000	3,131,317.75
4.0 Bursary and Social Security Programme					0.00
Bursary Secondary Schools	24,000,000.00	1,744,628.00	25,744,628	25,621,000	123,628.00
Bursary Tertiary Schools	13,247,385.76	3,982,758.62	17,230,144	16,468,980	761,164.38
Bursary Tertiary Schools				103,700	-103,700.00
Sub-Total	37,247,385.76	5,727,386.62	42,974,772	42,193,680	781,092.38
5.0 Sports					0.00
Moyale Sports Projects	2,180,817.51	1,736,206.80	3,917,024	1,736,207	2,180,817.51
Moyale Sports Projects					0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

MOYALE CONSTITUENCY

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Sub-Total	2,180,817.51	1,736,206.80	3,917,024	1,736,207	2,180,817.51
6.0 Water					0.00
Water	0.00	742.00	742	0	742.00
Water					0.00
Sub-Total	0.00	742.00	742	0	742.00
6.0 Environment					0.00
Environment	500,000.00	525,000.00	1,025,000	525,000	500,000.00
Environment					0.00
Sub-Total	500,000.00	525,000.00	1,025,000	525,000	500,000.00
7.0 Primary School Projects					
Teso Primary school	1,360,000.00		1,360,000		1,360,000
Qilta Primary school	945,000.00		945,000		945,000
Harsaqa primary school	1,360,000.00		1,360,000		1,360,000
Bori primary school	750,000.00		750,000		750,000
Somare primary school	3,500,000.00		3,500,000		3,500,000
Dadach Lakole primary school	1,345,000.00		1,345,000		1,345,000
Butiye primary school	787,500.00		787,500		787,500
Funan Nyata primary school	1,260,000.00		1,260,000		1,260,000
Gadha korma primary School	1,360,000.00		1,360,000		1,360,000
Odda primary School	250,000.00		250,000		250,000
Watiti primary school	1,500,000.00		1,500,000		1,500,000
Dirdima primary school	1,460,000.00		1,460,000		1,460,000
Badhan Rero primary school	1,500,000.00		1,500,000		1,500,000
Ele dimtu primary school	1,360,000.00		1,360,000		1,360,000
Kinisa primary school	630,000.00		630,000		630,000
Gadha Korma primary school	250,000.00		250,000		250,000
Adhadi primary school	945,000.00		945,000		945,000
Kukub Primary school	1,360,000.00		1,360,000		1,360,000
AlKhulafaurashidin primary school	630,000.00		630,000		630,000
Manyatta primary school	630,000.00		630,000		630,000
Ramole primary School	945,000.00		945,000		945,000
Mado Adi primary School	630,000.00		630,000		630,000
Sessi primary school	1,200,000.00		1,200,000		1,200,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Karbururi primary school	1,500,000.00		1,500,000		1,500,000
Golole primary school	1,120,000.00		1,120,000		1,120,000
Rawana primary school	500,000.00		500,000		500,000
Funan Qumbi primary school	600,000.00		600,000		600,000
Qiltipe primary school	1,360,000.00		1,360,000		1,360,000
Qicha primary school	945,000.00		945,000		945,000
Waye Godha primary school	600,000.00		600,000		600,000
Dambala Fachana primary school	1,230,000.00		1,230,000		1,230,000
Hawecha primary school	1,500,000.00		1,500,000		1,500,000
Bori primary school	1,440,000.00		1,440,000		1,440,000
Somare Pry Sch		1,360,000.00	1,360,000	1,360,000	0
Hadesa Pry School		1,360,000.00	1,360,000	1,360,000	0
Misa Pry Sch		1,360,000.00	1,360,000	1,360,000	0
Harsako Pry Sch		1,360,000.00	1,360,000	1,360,000	0
Yaballo Pry School		1,360,000.00	1,360,000	1,360,000	0
Kukub Pry Sch		1,360,000.00	1,360,000	1,360,000	0
Dadach Lakole Pry Sch		2,172,700.00	2,172,700	2,172,700	0
Dadach Elele Pry Sch		1,360,000.00	1,360,000	1,360,000	0
Badan Rero Pry Sch		1,465,000.00	1,465,000	1,465,000	0
Rawana Pry Sch		1,465,000.00	1,465,000	1,465,000	0
Funan Qumbi Pry Sch		1,465,000.00	1,465,000	1,465,000	0
Elle Borr Pry Sch		1,465,000.00	1,465,000	1,465,000	0
Anona Pry School		315,000.00	315,000	315,000	0
Uran Godha Pry Sch		840,000.00	840,000	840,000	0
Boori Pry Sch		787,500.00	787,500	787,500	0
Madho Adhi Pry Sch		290,000.00	290,000	290,000	0
Mansile Pry Sch		250,000.00	250,000	250,000	0
Dambala Fachana Pry Sch		250,000.00	250,000	250,000	0
Waye Godha Pry Sch		250,000.00	250,000	250,000	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Nana Pry Sch		100,000.00	100,000	100,000	0
Amballo Pry Sch		250,000.00	250,000	250,000	0
Amballo Pry Sch		250,000.00	250,000	250,000	0
Golole Pry Sch		1,267,500.00	1,267,500	1,267,500	0
Golole Pry Sch		700,000.00	700,000	700,000	0
Hellu Pry Sch		290,000.00	290,000	290,000	0
Manyatta Pry Sch		702,748.00	702,748	702,748	0
Badan Rero Pry Sch		787,500.00	787,500	787,500	0
Uran Godha Pry Sch		630,800.00	630,800	630,800	0
Anona Pry School		1,050,000.00	1,050,000	1,050,000	0
Godoma Pry Sch		400,000.00	400,000		400,000
Sub-Total	36,752,500.00	26,963,748.00	63,716,248	26,563,748	37,152,500.00
8.0 Secondary School Projects					-
Township Mixed Day Secondary School	2,000,000.00		2,000,000		2,000,000
Butiye Mixed Day Secondary school	1,000,000.00		1,000,000		1,000,000
Odda Mixed Day Secondary school	1,760,000.00		1,760,000		1,760,000
Manyatta Mixed Day secondary school	1,760,000.00		1,760,000		1,760,000
Dr.Guracha Memorial Girls secondary school	1,200,000.00		1,200,000		1,200,000
Sololo Boys High school	1,000,000.00		1,000,000		1,000,000
Sololo Boys High school	1,200,000.00		1,200,000		1,200,000
Manyatta Mixed Day Sec Sch		1,260,000.00	1,260,000	1,260,000	0
Walda Complex Sec Sch		445,000.00	445,000	445,000	0
Dr. Guracha Memorial Sec		630,800.00	630,800	630,800	0
Sololo Boys Sec Sch		630,800.00	630,800	630,800	0
Odha Mixed Day Sec		630,800.00	630,800	630,800	0
			0		0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Sub-Total	9,920,000.00	3,597,400.00	13,517,400	3,597,400	9,920,000.00
9.0 Tertiary institutions projects					
Moyale Special Sch for Hearing Impaired		630,800.00	630,000	630,800	-800
Sub-Total	-	630,800.00	630,000	630,800	-800
10.0 Security Projects					
Goro Muda chiefs office	600,000.00		600,000		600,000
Heilu chiefs office	600,000.00		600,000		600,000
Kinisa chiefs office	600,000.00		600,000		600,000
Heilu border patrol police base	1,187,500.00		1,187,500		1,187,500
Manyatta chiefs office	630,000.00		630,000		630,000
Moyale ATPU	700,000.00		700,000		700,000
Moyale prison	840,000.00		840,000		840,000
Moyale DCIO office	630,000.00		630,000		630,000
Golole chiefs office	600,000.00		600,000		600,000
Walda chiefs office	500,000.00		500,000		500,000
Golole Chiefs Office		2,100,000.00	2,100,000	2,100,000	0
Moyale Police Station		787,500.00	787,500	787,500	0
Hellu Police Post		787,500.00	787,500	787,500	0
Dabel Police Posts		787,500.00	787,500	787,500	0
Odda Police Posts		787,500.00	787,500	787,500	0
Heillu Chiefs Office		1,050,000.00	1,050,000	1,050,000	0
Goromuda Chiefs Office		1,050,000.00	1,050,000	1,050,000	0
Kinissa Chiefs Office		1,050,000.00	1,050,000	1,050,000	0
Walda Chiefs Office		1,372,500.00	1,372,500	1,372,500	0
Sub-Total	6,887,500.00	9,772,500.00	16,660,000	9,772,500	6,887,500
11.0 Acquisitions of Assets					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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					-
12.0 Others					-
Strategic Plan	0	3,500,000	3,500,000	1,399,200	2,100,800
Innovation Hubs	0	1,169,257	1,169,257		1,169,257
Sub-Total	0	4,669,257	4,669,257	1,399,200	3,270,057
GRAND TOTAL	109,040,876	60,969,679	170,009,755	96,905,351	73,104,403

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
0	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	0	0	0	0	0	
Transfers from CDF Board	109,040,876	60,968,879	170,009,755	114,968,879	55,040,876	68%
Proceeds from Sale of Assets	0	0	0	0	0	
Other Receipts	0	0	0	0	0	
TOTAL	109,040,876	60,968,879	170,009,755	114,968,879	55,040,876	68%
PAYMENTS	0	0	0	0	0	
Compensation of Employees	3,006,680	1,358,281	4,364,961	1,880,806	2,484,155	43%
Use of goods and services	6,806,999	7,065,233	13,872,232	5,078,911	8,793,321	37%
Transfers to Other Government Units	53,560,000	31,191,948	84,751,948	30,791,948	53,960,000	36%
Other grants and transfers	45,667,197	20,184,160	65,851,357	59,153,687	6,697,670	90%
Other Payments	0	1,169,257	1,169,257	0	1,169,257	0%
TOTAL	109,040,876	60,968,879	170,009,755	96,905,351	73,104,403	57%

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-MOYALE 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.

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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 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.

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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 Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements.

A comparison of the actual performance against the comparable budget for the financial year

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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 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.

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NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description	AIE No.	2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation		54,784,483.15	5,500,000.00
		10,000,000.00	40,948,275.10
		12,000,000.00	37,905,172.00
		8,000,000.00	
		12,000,000.00	
		12,000,000.00	
Conditional grants			-
			-
Receipt from other Constituency			-
TOTAL		108,784,483	84,353,447

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	0	-
Receipts from the Sale of Vehicles and Transport Equipment	0	-
Receipts from the Sale Plant Machinery and Equipment	0	-
Receipts from the Sale of Office and General Equipment	0	-
TOTAL	0	

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3. OTHER RECEPTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Interest Received	0	-
Rents	0	-
Sale of Tender Documents	0	-
Other Receipts Not Classified Elsewhere (specify)	0	-
TOTAL	0	-

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,687,106	1,380,999
Basic wages of casual labour	90,000	0
Personal allowances paid as part of salary		0
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Other personnel payments	64,100	0
Employer contribution to NSSF	39,600	35,060
Gratuity-Paid	0	0
Gratuity-Accrued		0
TOTAL	1,880,806	1,416,059

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services		
Electricity	30,000	
Water & sewerage charges		
Office rent		
Communication, supplies and services	32,880	
Domestic travel and subsistence	3,000	
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses		1,190,000
Hospitality supplies and services		
Other committee expenses	2,046,000	
Committee allowance		2,359,000
Insurance costs		
Specialized materials and services		
Office and general supplies and services	180,000	
Fuel , oil & lubricants	717,727	400,000
Other operating expenses		
Bank service commission and charges	77,004	43,945
Security operations		
Routine maintenance - vehicles and other transport equipment	593,100	201,300
Routine maintenance- other assets		
Strategic Plan	1,399,200	
TOTAL	5,078,911	4,194,245

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	26,563,748	12,337,000
Transfers to Secondary schools	3,597,400	6,095,000
Transfers to Tertiary institutions	630,800	10,262,500
TIVET		
TOTAL	30,791,948	28,694,500

7. **OTHER GRANTS AND OTHER PAYMENTS**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	25,621,000	20,098,000
Bursary -Tertiary	16,468,980	15,630,000
Bursary-Special schools	0	0
Mocks & CAT	0	0
Security	9,772,500	6,352,500
Sports	1,736,207	600,000
Environment	525,000	
Emergency Projects	5,030,000	3,240,000
TOTAL	59,153,687	45,920,500

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	0	-
Purchase of Vehicles	0	-
Purchase of Bicycles & Motorcycles	0	-
Overhaul of Vehicles	0	-
Purchase of office furniture and fittings	0	0
Purchase of computers ,printers and other IT equipments	0	0
Purchase of photocopier	0	-
Purchase of other office equipments	0	-
Purchase of soft ware	0	-
Acquisition of Land	0	-
TOTAL	0	-

9. OTHER PAYMENTS

9 Other Payments	2018-2019	2017 - 2018
	Kshs	Kshs
ICT HUB	0	-
Moyale NGCDFC Office Renovation	0	529,897
NGCDFC Solar Installation and Conditioning	0	500,000
TOTAL	0	1,029,897

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019
		Kshs (30/6/2019)
<i>Equity Bank, Moyale Branch , Moyale NG- CDF</i>	<i>1020298992601</i>	18,700,730
TOTAL		18,700,730

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2019)</i>
	Date imprest taken	Kshs	Kshs	Kshs
			-	-
		0	-	-
		0	-	-
		0	-	-
		0	-	-
TOTAL		0	-	-

12A. RETENTION

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
ABC Ltd		xx	
XYZ Ltd			xx
TOTAL		xx	xx

13. BALANCES BROUGHT FORWARD

		2018-2019	2017 - 2018
		(1/7/2018)	(1/7/2017)
		Kshs	Kshs
Bank accounts		6,184,396	3,086,150
Cash in hand			
Imprest			-
TOTAL		6,184,396	3,086,150

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14. PRIOR YEAR ADJUSTMENTS

		2018-2019	2017 - 2018
		Kshs	Kshs
Bank accounts		637,202	
Cash in hand		0	-
Imprest		0	-
TOTAL		637,202	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

		2018-2019	2017 - 2018
		Kshs	Kshs
Construction of buildings		0	-
Construction of civil works		0	-
Supply of goods		0	-
Supply of services		0	-
TOTAL		0	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

		2018-2019	2017 - 2018
		Kshs	Kshs
NGCDFC Staff		0	-
Others (specify)		0	-
		0	-

15.3: UNUTILIZED FUND (See Annex 3)

		2018-2019	2017 - 2018
		Kshs	Kshs
Compensation of employees		0	-
Use of goods and services		0	-
Amounts due to other Government entities		0	-
Amounts due to other grants and other transfers		0	-
Acquisition of assets			
Others (specify)			
TOTAL		0	xx

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

			2018-2019	2017-2018
PMC	BANK	A/C NO	Kshs	Kshs
TOTAL			xxx	xxx

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	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						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2019	2018	
		a	b	c	d=a-c		
NGCDF Staff salary							
1.							
2.							
3.							
Sub-Total							
NGCDFC Staff gratuity							
1							
2							
3							
Sub-Total							
Others (specify)							
1							
2							
3							
Sub-Total							
Grand Total							

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Amounts due to other Government entities				
1. Primary School Projects		5,037,500	0	
2. Secondary School Projects		0	0	
3. Tertiary Institution Projects		0	0	
Sub-Total		5,037,500	0	
Amounts due to other grants and other transfers				
4. Emergency		672,890	539,650	
5. Bursaries		3,199,781	1,744,628	
6. Mocks		0	0	
7. Environment		0	0	
8. Sports		0	0	
9. Security		3,530,000	0	
10. Strategic Plan		2,100,800	0	
11. Water		742	742	
Sub-Total		6,310,169	2,285,021	
Compensation of Employees				
11. Employee Salaries		987,175	1,358,281	
12. NSSF		10,400		
Sub-Total		997,575	1,358,281	
Use of goods and Services				
13. NHIF Insurance		6,700	0	
14. Admin-Committee Expenses		875,442	357,499	
15. M&E -Committee Expenses		407,419	517,379	
16. Admin -goods and services		321,979	1,481,907	
17. M&E-Goods and Services		355,385	184,310	
18. M&E -Capacity Building		0	0	
19. Admin-Office Equipment		0	0	
Sub-total		2,268,226	2,541,095	
Other Transfers				
20. Constituency Innovation Hub		1,169,257	0	
Sub-total		1,169,257	0	
Grand Total		18,700,730	6,184,397	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	0	0	-
Buildings and structures	7,976,000.00	0	0	7,976,000.00
Motor Vehicles	4,550,000.00	0	0	4,550,000.00
Office equipment, furniture and fittings	1,367,250.00	0	0	1,367,250.00
ICT Equipment, Software and Other ICT Assets	-	0	0	-
Other Machinery and Equipment	-	0	0	-
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
Total	13,893,250.00	0	0	13,893,250.00

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

	PROJECT ACCOUNTS	ACCOUNT NO.	Bank Balance as at 30.06.2018	Bank Balance as at 30.06.2019
1	Somare Pry Sch	1020277693919	-	230.00
2	Hadesa Pry School	1020161528492	1,510.00	3,130.00
3	Misa Pry Sch	1020161528492	-	59,760.00
4	Harsako Pry Sch	1020161528492	44,969.00	104,461.00
5	Yaballo Pry School	1020161539730	-	-
6	Kukub Pry Sch	1020272568225	570.00	490.00
7	Dadach Lakole Pry Sch	1020264471150	455.00	275.00
8	Dadach Elele Pry Sch	1020270817314	10,229.00	-
9	Badan Rero Pry Sch	1020269413608	852,130.00	4,230.00
10	Rawana Pry Sch	1020265045114	2,341.00	2,381.00
11	Funan Qumbi Pry Sch	1020161588470	2,555.00	2,555.00
12	Elle Borr Pry Sch	1020299287124	-	-
13	Anona Pry School	1020264486704	704.00	155,644.00
14	Uran Godha Pry Sch	1020277696299	500.00	500.00
15	Boori Pry Sch	1020269371692	290.00	290.00
16	Madho Adhi Pry Sch	1020272288002	140.00	40,020.00
17	Dambala Fachana Pry Sch	1020199842784	1,350.00	1,350.00
18	Waye Godha Pry Sch	1020160967601	207.00	207.00
19	Nana Pry Sch	1020264300852	2,620.00	2,320.00
20	Amballo Pry Sch	1020265822267	770.00	420.00

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21	Golole Pry Sch	1020196394545	-	-
22	Hellu Pry Sch	1020269444606	290.00	930.00
23	Manyatta Pry Sch	1020163437117	50.00	37,458.00
24	Manyatta Mixed Day Sec Sch	1020271334201	670.00	2,190.00
25	Golole Chiefs Office	1020277969173	-	407.00
26	Moyale Police Station	1020277691005	-	10,600.00
27	Dabel Police Posts	1020277690520	-	1,000.00
28	Odda Police Posts	1020277691109	-	9,800.00
29	Walda Chiefs Office	1020276297099	550.00	62,330.00
30	Butiye Primary School	1020264464778	500,195.00	940.00
		Total Balances	1,423,095.00	503,918.00

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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)	Timeframe: (Put a date when you expect the issue to be resolved)
	<i>NO OUTSTANDING AUDIT ISSUES</i>				