

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
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DAY: Wednesday	
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REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

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ELDAS CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

*ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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***ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Irshad Mohamed Habashow
2.	Sub-County Accountant	Bishar Adan Hassan
3.	Chairman NGCDFC	Mohamud Abdi Ibrahim
4.	Member NGCDFC	Asha Bishar Jelle

(d) Fiduciary Oversight Arrangements

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

(e) ELDAS Constituency NGCDF Headquarters

**P.O. Box 491
ELDAS NG-CDF Building
Eldas -Anole Road
WAJIR, KENYA**

*ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
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(f) ELDAS Constituency NGCDF Contacts

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

(g) ELDAS Constituency NGCDF Bankers

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
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT



I am pleased to present to you the Eldas Annual report and financial statement for the year ended 30th June 2021.

The budget performance against the actual amount was above average with 67.8% absorption rate for the financial year 2020/2021. However, for the amount receipt the absorption rate was 94% 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 162,267,724.1 out of Ksh 206,456,603.00 which was budget for the financial year 2020/2021 and prior year funds that were not disbursed to the constituency as at the beginning of the year under review.

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 30/6/2021. Sixty Three projects were implemented and were complete and in use; thirty three for primary schools, thirteen for secondary schools project, one tertiary project and sixteen security projects.

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.

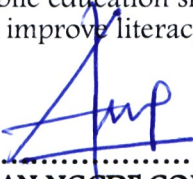
All projects are of urgency in nature to the constituency, hence it becomes difficult to implement them since funds are received quarterly and like this financial year more than 50% of the budget was not received as at the end of the financial year thus interfering with annual constituency program.

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 term and long term.

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


.....
**CHAIRMAN NGCDF COMMITTEE
MOHAMUD ABDI IBRAHIM**

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of *ELDAS Constituency 2018-2022* plan are to:

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To promote quality education in the constituency	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Construction and revamping of infrastructure and amenities in schools - number of bursary beneficiaries at all levels 	In FY 19/20 -The number of classrooms, dormitories, laboratories were increased. -promotion of education access through bursary provision
Security	To foster a peaceful and secure constituency	Develop and enhance provincial administration	Number of usable physical infrastructure built in locations, sub locations and police	-The number of police posts increased. -Chiefs and

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Constituency Program	Objective	Outcome	Indicator	Performance
		and other security organs infrastructure to enhance service delivery	stations	assistant chiefs offices constructed.
Environment	To establish a sustainable green constituency	-Drill boreholes to promote access to clean and safe water -Equip schools and public facilities with sanitation facilities -Provide tree seedlings to schools to improve the forest cover	- Number of boreholes drilled -Number of sanitation facilities built in primary and secondary -Number of trees planted	Number of boreholes, sanitation facilities built and trees planted increased
Sports	Promote youth activities in the constituency	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** ELDASX NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NG-CDF Eldas collaborates with like-minded institutions to promote environmental performance through tree planting to protect water catchment areas.

The constituency promotes environmental conservation through installation of water gutters and water tanks to schools and police stations. This ensures that storm water is harvested during raining seasons. This promotes sustainable green constituency.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. ELDASx constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

ELDAS NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-ELDASX 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, 2021. 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 constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, 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 constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- ELDAS Constituency financial statements were approved and signed by the Accounting Officer on 24/08/ 2021.



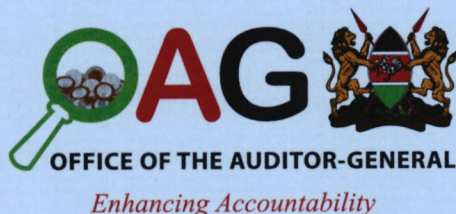
Chairman NGCDF Committee
Name: Mohamud Abdi Ibrahim



Fund Account Manager
Name: Irshad Mohamed Habashow

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ELDAS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Eldas Constituency set out on pages 13 to 46, which comprise of the statement of financial assets and liabilities as at 30 June, 2021 and the

Report of the Auditor-General on National Government Constituencies Development Fund - Eldas Constituency for the year ended 30 June, 2021

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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Eldas Constituency as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis totalling Kshs.214,480,391 and Kshs.170,291,512 respectively resulting to a shortfall of revenue of Kshs.44,188,879 or 21% of the budget. Similarly, the Fund expended Kshs.145,443,285 against an approved budget of Kshs.214,480,391 resulting to an under-expenditure of Kshs.69,037,106 or 32% of the budget.

The underfunding and underperformance affected the planned activities of the Fund and may have impacted negatively on service delivery to the residents of Eldas Constituency.

2. Projects Implementation Status

During the year under review, the Fund budgeted to implement a total of one hundred (100) projects comprised of sixty-six (66) on education, twenty-four (24) on security, four (4) on environment, five (5) on sports and one (1) on construction of the Constituency office. However, only seventy-six (76) of the projects were completed in the year under review.

Delayed implementation of the remainder twenty-four (24) projects may hamper service delivery to the residents of the Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Title Deed and Failure to Value Land

Annex 4 to the financial statements on summary of fixed assets register reflects total assets balance of Kshs.30,136,450. However, land owned by the Fund is disclosed at zero value in the assets register. Although Management has an allotment for the land letter from Wajir County Lands Registry, the title deed had not been obtained as at 30 June, 2021. Further, the land is not valued to reflect its current market value.

In the circumstances, the laxity to value the land and obtain ownership documents may lead to risk of encroachment on the land.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls 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 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 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 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

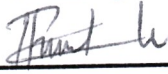
09 September, 2022

*ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

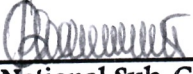
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts			
Transfers From Ngcdf Board	1	162,267,724	123,040,876
Total Receipts		162,267,724	123,040,876
Payments			
Compensation Of Employees	2	3,860,600	3,447,400
Use Of Goods And Services	3	6,417,935	3,890,673
Transfers To Other Government Units	4	87,519,750	21,288,851
Other Grants And Transfers	5	46,145,000	90,626,000
Acquisition Of Assets	6	1,500,000	-
Total Payments		145,443,285	119,252,924
Surplus/Deficit		16,824,439	3,787,952


The accounting policies and explanatory notes to these financial statements form an integral part of these financial statements. The NGCDF-ELDAS Constituency financial statements were approved on 24/08/2021 and signed by:



Fund Account Manager
Name: Irshad Mohamed



National Sub-County
Accountant
Name: Bishar Adan Hassan
ICPAK M/No:19500



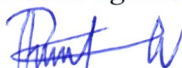
Chairman NG-CDF Committee
Name: Mohamud Abdi Ibrahim

*ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalent			
Bank Balances (As Per The Cash Book)	7	24,848,227	8,023,788
Total Cash And Cash Equivalent		24,848,227	8,023,788
Total Financial Assets		24,848,227	8,023,788
Net Financial Assets		24,848,227	8,023,788
Fund Balance B/Fwd 1st July...	8	8,023,788	4,235,836
Surplus/Defict For The Year		16,824,439	3,787,952
Net Financial Position		24,848,227	8,023,788

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 24/08/2021 and signed by:



**Fund Account Manager
Name: Irshad Mohamed**



**National Sub-County
Accountant
Name: Bishar Adan Hassan
ICPAK M/No: 19500**



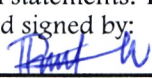
**Chairman NG-CDF Committee
Name: Mohamud Abdi Ibrahim**

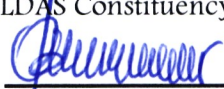
ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

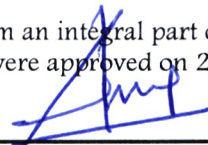
STATEMENT OF CASHFLOW

	Notes	2020 - 2021	2019 - 2020
		Kshs	Kshs
Transfers From Ngcdf Board	1	162,267,724	123,040,876
		162,267,724	123,040,876
Payments For Operating Activities			
Compensation Of Employees	2	3,860,600	3,447,400
Use Of Goods And Services	3	6,417,935	3,890,673
Transfers To Other Government Units	4	87,519,750	21,288,851
Other Grants And Transfers	5	46,145,000	90,626,000
		143,943,285	119,252,924
Net Cash Flow From Operating Activities		18,324,439	3,787,952
Acquisition Of Assets	6	(1,500,000)	-
Net Cash Flows From Investing Activities		(1,500,000)	-
Net Increase In Cash & Cash Equivalent		16,824,439	3,787,952
Cash And Cash Equivalent At Beginning Of The Year	7	8,023,788	4,235,836
Cash And Cash Equivalent At End Of The Year		24,848,227	8,023,788

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 24/08/2021 and signed by:


Fund Account Manager
Name: Irshad Mohamed


National Sub-County
Accountant
Name: Bishar Adan Hassan
ICPAK M/No:19500


Chairman NG-CDF Committee
Name: Mohamud Abdi Ibrahim

*ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) And Aia	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			Previous Years Outstanding Disbursements				
Transfers From Ng-Cdf Board	137,088,879	8,023,788	69,367,724	214,480,391	170,291,512	44,188,879	79.4%
Total Receipts	137,088,879	8,023,788	69,367,724	214,480,391	170,291,512	44,188,879	79.4%
Payments							
Compensation Of Employees	3,007,600	1,096,299	732,000	4,835,899	3,860,600	975,299	79.8%
Use Of Goods And Services	4,216,822	3,401,471	1,795,552	9,413,845	6,417,935	2,995,910	68.2%
Transfers To Other Government Units	76,272,250	2,337,426	42,200,000	120,809,676	87,519,750	33,289,926	72.4%
Other Grants And Transfers	52,092,207	1,188,592	24,640,172	77,920,971	46,145,000	31,775,971	59.2%
Acquisition Of Assets	1,500,000		0	1,500,000	1,500,000	-	100.0%
Total	137,088,879	8,023,788	69,367,724	214,480,391	145,443,285	69,037,106	67.8%


ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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

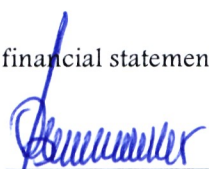
Adjustment is made up of the opening balance as at 1/07/2020 and prior year funds disbursed to the constituency after the beginning of the financial year 2020/2021.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	69,037,106
Less undisbursed funds receivable from the Board as at 30th June 2021	44,188,879
	24,848,227
Cash and Cash Equivalents at the end of the FY 2020/2021	24,848,227

The NGCDF-ELDAS Constituency financial statements were approved on 24/08/2021 and signed by:

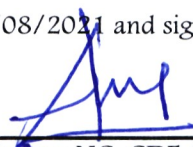


Fund Account Manager
Name: Irshad Mohamed



National Sub-County
Accountant
Name: Bishar Adan Hassan

ICPAK M/No:19500



Chairman NG-CDF Committee

Name: Mohamud Abdi
Ibrahim

ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,007,600	1,096,299	732,000	4,835,899	3,860,600	975,299	
1.2 Committee allowances	1,200,000	883,046	384,520	2,467,566	1,226,800	1,240,766	50
1.3 Use of goods and services	1,016,822.41	1,074,482		2,091,304	1,815,135	276,169	87
Total	5,224,422	3,053,827	1,116,520	9,394,769	6,902,535	2,492,234	
2.0 Monitoring and evaluation							
2.1 Capacity building	900,000	543,146	1,300,000	2,743,146	2,236,000	507,146	82
2.2 Committee allowances	600,000	421,226		1,021,226	900,000	121,226	88
2.3 Use of goods and services	500,000	500,000	111,030	1,111,030	240,000	871,030	22
Total	2,000,000	1,464,372	1,411,030	4,875,402	3,376,000	1,499,402	
3.0 Emergency							
	7,192,206.90	139,839	28,213.00	7,360,289	7,350,000	10,289	100
Total	7,192,207	139,839	28,243	7,360,289	7,350,000	10,289	

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a) 2020/2021	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d) 30/06/2021	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
4.0 Bursary and Social Security							
4.1 Secondary Schools	8,000,000		331,596	8,331,596	326,000	8,005,596	4
4.2 Tertiary Institutions	9,200,000		1,010,335	10,210,335	1,054,000	9,156,335	10
Total	17,200,000	-	1,341,931	18,541,931	1,380,000	17,161,931	
5.0 Sports							
Eldas Secondary School			800,000	800,000	800,000	-	
Tulatula Secondary School			300,000	300,000	300,000	-	
Elnur Primary School			300,000	300,000	300,000	-	
Eldas Primary School			300,000	300,000	300,000	-	
Jukala primary school			300,000	300,000	300,000	-	100
Total	-	-	2,000,000	2,000,000	2,000,000	-	
6.0 Environment							
Elnur Primary School			400,000	400,000	400,000	-	
Eldas primary School			400,000	400,000	400,000	-	
Eldas Girls Secondary school			400,000	400,000	400,000	-	
Eldas police station			400,000	400,000	400,000	-	100
Total	-	-	1,600,000	1,600,000	1,600,000	-	
7.0 Primary Schools Projects							
Bakala Primary School		90,000		90,000	90,000		

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Liban Primary School		30,000		30,000		30,000	
Jukala primary school		60,000		60,000	60,000	0	
Dadantalai primary school		85,000		85,000		85,000	
Eldas primary school		100,000		100,000	100,000	0	
Jukala primary school		85,000		85,000		85,000	
Masalale Primary School		85,000		85,000		85,000	
Yaqo primary school		65,000		65,000		65,000	
Abdiwako primary school		100,000		100,000		100,000	
Basir primary school		60,000		60,000		60,000	
Baladwein primary school		110,000		110,000		110,000	
Elnur Primary School		200,000		200,000	200,000	0	
Mirgo Harun Primary School		95,000		95,000		95,000	
Waradey Primary School		95,000		95,000		95,000	
Eldas primary school		125,000		125,000	50,000	75,000	

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a) 2020/2021	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d) 30/06/2021	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs		Kshs	
Lakoley primary school		135,000		135,000		135,000	
Jukala primary school		115,000		115,000		115,000	
Bula Bilal Primary School		50,000		50,000		50,000	
Daqahley Primary School		60,000		60,000	60,000	0	
Haroto Primary School			1,050,000	1,050,000	1,050,000	0	
Areswarji Primary School			1,200,000	1,200,000	1,200,000	0	
Areswarji Primary School			1,800,000	1,800,000	1,800,000	0	
Kilkiley Primary School		95,000	1,000,000	1,095,000	1,000,000	95,000	
Anole primary school		40,000	1,000,000	1,040,000	1,000,000	40,000	
Banadir Primary School			1,050,000	1,050,000	1,050,000	0	
Lakoley South primary school			600,000	600,000	600,000	0	
Taqwa primary school		95,426	1,800,000	1,895,426	1,800,000	95,426	
Mirgo harun Primary School			1,500,000	1,500,000	1,500,000	0	
Balatulamin Primary School			1,050,000	1,050,000	1,050,000	0	

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Yaqoo Primary School			470,000	470,000	400,000	70,000	
Orote Primary School			1,800,000	1,800,000	1,710,000	90,000	
Bula Mahadey Primary School			1,800,000	1,800,000	1,800,000	0	
Tuliatula Township Primary School			1,800,000	1,800,000	1,710,000	90,000	
Bakala Primary School	2,500,000.00			2,500,000	2,375,000	125,000	
Bakala Primary School	2,000,000.00			2,000,000	1,900,000	100,000	
Dagayar Primary School	1,050,000.00			1,050,000		1,050,000	
Dagayar Primary School	1,200,000.00			1,200,000		1,200,000	
Dadantalai Primary School	1,500,000.00			1,500,000	1,500,000	0	
Dadantalai Primary School	1,050,000.00			1,050,000		1,050,000	
Dela Primary School	4,000,000.00			4,000,000	3,800,000	200,000	
Abdiwako Primary School	4,000,000.00			4,000,000		4,000,000	
Abdiwako Primary School	3,000,000.00			3,000,000	3,000,000	0	
Abdiwako Primary School	2,000,000.00			2,000,000	1,900,000	100,000	

ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
		Opening Balance (C/BK) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Jukala Primary School	1,500,000.00			1,500,000	1,500,000	0	
Jukala Primary School	1,000,000.00			1,000,000		1,000,000	
Jukala Primary School	1,400,000.00			1,400,000	1,330,000	70,000	
Arjek Primary School	1,800,000.00			1,800,000	1,710,000	90,000	
Masalale Primary School	1,600,000.00			1,600,000	1,600,000	0	
Tulatula Township Primary School	1,800,000.00			1,800,000	1,710,000	90,000	
Mirgo harun Primary School	2,000,000.00			2,000,000	1,900,000	100,000	
Balatulamin Primary School	1,500,000.00			1,500,000	1,425,000	75,000	
Elnur Primary School	1,800,000.00			1,800,000	0	1,800,000	
Elnur Primary School	1,000,000.00			1,000,000		1,000,000	
Wargadud Primary School	1,500,000.00			1,500,000		1,500,000	
Waradey Primary School	750,000.00			750,000	712,500	37,500	
Liban Primary School	750,000.00			750,000	712,500	37,500	
Baladweyn Primary School	750,000.00			750,000	712,500	37,500	

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs			Kshs	Kshs	Kshs	
Lanqura Primary School	750,000.00			750,000	712,500	37,500	
Jigjiga Primary School	750,000.00			750,000	712,500	37,500	
Bananey Primary School	750,000.00			750,000	712,500	37,500	
Lakoley South Primary School	1,300,000.00			1,300,000		1,300,000	
Majabow Primary School	750,000.00			750,000	0	750,000	
Eldas Primary School	600,000.00			600,000	570,000	30,000	
Eldas Wagberi Primary School	1,900,000.00			1,900,000	0	1,900,000	
Jukala Primary School	1,000,000.00			1,000,000	0	1,000,000	
Jukala Primary School	1,500,000.00			1,500,000	0	1,500,000	
Total	50,750,000	1,975,426	17,920,000	70,645,426	48,725,000	21,920,426	
8.0 Secondary Schools Projects				-		-	
Eldas Secondary School		80,000	3,000,000	3,080,000	3,080,000	0	
Eldas Secondary School			3,650,000	3,650,000	3,567,500	82,500	
Eldas Secondary School		85,000	5,400,000	5,485,000	5,485,000	0	

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Eldas Secondary School		100,000	1,000,000	1,100,000	1,100,000	0	
Elnur Secondary School			1,600,000	1,600,000	175,000	1,425,000	
Elnur Secondary School			2,500,000	2,500,000	2,500,000	0	
Eldas Secondary School		100,000	1,000,000	1,100,000	1,100,000	0	
Eldas Girls Secondary school			900,000	900,000	725,000	175,000	
Eldas Girls Secondary school			1,500,000	1,500,000	1,500,000	0	
Eldas Girls Secondary school			2,000,000	2,000,000	2,000,000	0	
Elnur Secondary School	1,800,000.00			1,800,000	1,800,000	0	
Elnur Secondary School	1,600,000.00			1,600,000		1,600,000	
Elnur Secondary School	760,000.00			760,000		760,000	
Eldas Secondary School	3,000,000.00			3,000,000	3,000,000	0	
Eldas Secondary School	4,000,000.00			4,000,000	3,800,000	200,000	
Eldas Secondary School	7,162,250.00			7,162,250	7,162,250	0	

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
		Kshs	Kshs	Kshs	Kshs	Kshs	
Eldas Secondary School	1,500,000.00			1,500,000	0	1,500,000	-
Eldas Secondary School	3,000,000.00			3,000,000	0	3,000,000	-
Tulatula Secondary School	2,700,000.00			2,700,000	0	2,700,000	-
Total	25,522,250	365,000	22,550,000	48,437,250	36,994,750	11,442,500	-
9.0 Tertiary institutions Projects				-		-	
Eldas Teachers Service Commission Office			1,800,000	1,800,000	1,800,000	-	100
Total	-	-	1,800,000	1,800,000	1,800,000	-	
10.0 Security Projects				-		-	
Basir Ap Camp		230,000		230,000		230,000	
Tulatula Do Office		10,000		10,000		10,000	
Eldas Chief office		85,000		85,000		85,000	
Dela Police Post			3,800,000	3,800,000	3,800,000	0	
Dela Police Post		100,000	2,500,000	2,600,000	2,600,000	0	
Elnur Ap		105,324		105,324		105,324	
Eldas Ap		10,000		10,000		10,000	
Eldas Police Station		225,000		225,000	225,000	0	
Jigjiga Police Post		120,000	2,400,000	2,520,000	2,520,000	0	

**ELDAS Constituency
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Anole Administration Police		75,000		75,000	75,000	0	
Eldas Prison		65,000		65,000		65,000	
Jigjiga Police Post			1,300,000	1,300,000	1,300,000	0	
Dodha Chief Office			1,200,000	1,200,000	1,200,000	0	
Biad Chief Office			1,200,000	1,200,000	1,200,000	0	
Eldas Prison			1,500,000	1,500,000	1,450,000	50,000	
Tito Police Post			2,700,000	2,700,000	2,700,000	0	
Tito Police Post			1,500,000	1,500,000	1,500,000	0	
Eldas Police Station			1,500,000	1,500,000	1,500,000	0	
Tito Police Post	3,500,000.00			3,500,000	3,500,000	0	
Basir Police Station	5,000,000.00			5,000,000		5,000,000	
Basir Police Station	2,300,000.00			2,300,000	2,185,000	115,000	
Anole Police Post	1,400,000.00			1,400,000	1,400,000	0	
Waradey Police Post	1,000,000.00			1,000,000		1,000,000	
Masalale Police post	300,000.00			300,000	300,000	0	
Elnur Police Station	3,300,000.00			3,300,000	3,135,000	165,000	
Elnur Police Station	4,000,000.00			4,000,000		4,000,000	

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Balutalamin Chief Office	1,500,000.00			1,500,000	1,425,000	75,000	
Eldas Critical infrastructure police unit	300,000.00			300,000	300,000	0	
Eldas Critical infrastructure police unit	1,500,000.00			1,500,000	1,500,000	0	
Dadantalai Chief Office	1,200,000.00			1,200,000		1,200,000	
Areswarji Chief Office	1,200,000.00		-	1,200,000		1,200,000	
Mirgo harun Chief Office	1,200,000.00			1,200,000		1,200,000	100
Total	27,700,000	1,025,324	19,600,000	48,325,324	33,815,000	14,510,324	
11.0 Acquisition of assets				-		-	
11.2 Construction of CDF office	1,500,000		-	1,500,000	1,500,000	-	-
Total	1,500,000	-	-	1,500,000	1,500,000	-	
Total	137,088,879	8,023,788	69,367,724	214,480,391	145,443,285	69,037,106	

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-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.

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash 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 various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 20xx to 30th June 20xx as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
NGCDF Board		
AIE NO. B 041034		48,040,876
AIE NO. B 047317		7,000,000
AIE NO. B 047395		4,000,000
AIE NO. B 041264		18,000,000
AIE NO. B 047684		6,000,000
AIE NO. B 047876		9,000,000
AIE NO. B 049253		15,000,000
AIE NO. B104286		16,000,000
AIE NO. B104712	20,000,000.00	
AIE NO. A823505	35,000,000.00	
AIE NO. B104539	14,367,724.10	
AIE NO. B124507	9,000,000.00	
AIE NO. B124919	10,000,000.00	
AIE NO. B119774	13,000,000.00	
AIE NO. B128065	6,900,000.00	
AIE NO. B128376	7,000,000.00	
AIE NO. B138788	13,000,000.00	
AIE NO. B132120	6,000,000.00	
AIE NO. B126083	6,000,000.00	
AIE NO. B126373	10,000,000.00	
AIE NO. B140519	12,000,000.00	
TOTAL	162,267,724	123,040,846

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,860,600	3,447,400
Total	3,860,600	3,447,400

3. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services		249,273
Domestic travel and subsistence	215,800	114,400
Training expenses	2,236,000	1,402,000
Committee allowance	1,411,000	1,341,000
Office and general supplies and services	1,632,350	784,000
Other operating expenses	922,785	0
Total	6,417,935	3,890,673

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	48,725,000	12,020,000
Transfers to secondary schools (see attached list)	36,994,750	9,268,851
Transfers to tertiary institutions (see attached list)	1,800,000	
TOTAL	87,519,750	21,288,851

5. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	326,000	12,629,000
Bursary – tertiary institutions (see attached list)	1,054,000	23,402,000
Security projects (see attached list)	33,815,000	42,405,000
Sports projects (see attached list)	2,000,000	

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Environment projects (see attached list)	1,600,000	400,000
Emergency projects (see attached list)	7,350,000	11,790,000
Total	46,145,000	90,626,000

6. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Construction of Buildings	1,500,000	0.00
Total	1,500,000	0.00

7: CASH BOOK BANK BALANCE

BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Kenya Commercial Bank, A/C no.1147613265</i>	24,848,227	8,023,788
Total	24,848,227	8,023,788

8. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	8,023,788	4,235,836
Total	8,023,788	4,235,836

9. OTHER IMPORTANT DISCLOSURES

9.1: UNUTILIZED FUND (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	975,299	1,828,299
Use of goods and services	3,016,340	5,197,022
Amounts due to other Government entities (see attached list)	33,289,926	44,537,426
Amounts due to other grants and other transfers (see attached list)	31,755,541	25,828,764
	69,037,106	77,391,511

9.2: PMC account balances (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	13,240	19,729
	13,240	19,729

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ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		975,299.04	1,828,299	
Use of goods & services		3,016,339.72	5,197,022	
Amounts due to other Government entities				
Orote primary school	Retention	90,000		
Tulatula Township primary school	Retention	90,000		
Bakala Primary School	Retention	100,000		
Abdiwako primary school	Retention	100,000		
Jigjiga primary school	Retention	37,500		
Baladweyn primary school	Retention	37,500		
Bakala primary school	Retention	125,000		
Balatulamin primary school	Retention	75,000		
Bananey primary school	Retention	37,500		
Dela primary school	Retention	200,000		
Eidas primary school	Retention	30,000		
Jukala primary school	Retention	75,000		
Lanqura primary school	Retention	37,500		
Liban primary school	Retention	37,500		
Mirgoharun primary school	Retention	100,000		
Waradey primary school	Retention	37,500		
Dagayar primary school	Retention of 1 classroom & 2 toilets	1,050,000		
Dagayar primary school	Construction of underground tank	1,200,000		
Dadantalai Primary School	Construction of 1 classroom & 2 toilets	1,050,000		
Abdiwako Primary School	construction of fence	4,000,000.00		
Jukala Primary School	Construction of underground tank	1,000,000.00		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-ELDAS
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Elnur Primary School	Renovation of 3 classrooms	1,000,000.00		
Wargadiud Primary School	construction of 2 classrooms	1,500,000.00		
Lakoley South Primary School	Renovation of 4 classrooms	1,300,000.00		
Jukala Primary School	Renovation of 3 classrooms	1,000,000.00		
Eldas Wagberi pri school	Renovation of 6 classrooms	1,900,000.00		
Majabow primary school	Construction of 1 classroom	750,000.00		
Jukala primary school	construction of 2 classrooms	1,500,000.00		
Elnur Primary School	Construction of 2 classrooms & 2 toilets	1,800,000.00		
Eldas Secondary School	Retention	200,000.00		
Elnur Secondary School	Construction of 2 classrooms & 2 toilets	1,800,000.00		
Elnur Secondary School	Construction of 3 staff houses	1,600,000.00		
Elnur Secondary School	supply of desks	760,000.00		
Eldas Secondary School	Construction of principal's house	3,000,000.00		
Eldas Secondary School	Supply of lab fittings	1,500,000.00		
Tulatula Secondary School	Construction of dormitory	2,700,000.00		
	Sub-Total	33,289,926		
Amounts due to other grants and other transfers				
Waradey Police Post	Renovation of staff houses	1,000,000.00		
Dadantalai Chief Office	Chief office	1,200,000.00		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- ELDAS
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Areswarji Chief Office	Chief office	1,200,000.00		
Mirgo harun Chief Office	Chief office	1,200,000.00		
Basir police station	Construction of fence	5,000,000.00		
Elnur police station	Construction of staff houses	4,000,000.00		
Elnur police station	Retention	165,000.00		
Tito police post	Retention	175,000.00		
Bursary Secondary Schools	Bursary	8,000,000.00		
Bursary Tertiary	Bursary	9,200,000.00		
Emergency	Emergency	206.90		
Acquisition of assets	Sub-Total	31,755,541.35		
Others (specify)				
	Sub-Total			
Funds pending approval				
	Grand Total	69,087,106.11		

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures	26,000,000	1,500,000		27,500,000
Office equipment, furniture and fittings	1,540,950			1,540,950
ICT Equipment, Software and Other ICT Assets	857,000			857,000
Other Machinery and Equipment	238,500			238,500
Total	28,636,450.00	1,500,000		30,136,450.00

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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Eldas Secondary School	KCB	1239300115	2,300	3,500
Elnur Secondary School	KCB	1205357610	1,800	2,400
Dela Primary School	KCB	1287458866	1,200	1,400
Abdiwako Primary School	KCB	1284773620	1,100	1,500
Elnur Primary School	KCB	1253714703	950	2,109
Eldas Primary School	KCB	1253473447	840	1,200
Bakala Primary School	KCB	1253277494	1,150	2,500
Elnur Police Station	KCB	1283776243	1,300	1,450
Jukala Primary School	KCB	1121558062	1,400	1,320
Mirgoharun primary school	KCB	1167889096	1,200	2,350
Total			13,240	19,729

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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Budgetary control and performance</p> <p>The fund spent an amount of Kshs. 119,252,924 of the budgeted amount of Kshs. 196,644,435 resulting to under expenditure of kshs. 77,391,512 or 40% of the approved budget.</p> <p>The underfunding and under absorption may have affected the planned activities and impacted negatively on service delivery to the constituents.</p>	<p>The Non-implementation of development projects was due to delay in disbursement of funds by the NG-CDF Board.</p> <p>The bulk of the funds for the year was received after the end of the financial year under review. That prompted the lack of implementation of some of the planned development projects. The projects were however</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		implemented after the receipts of the funds as indicated in the project implementation status.		
1.	<p>Unaccounted Transfers to Secondary and primary school</p> <p>The statement of receipts and payments for the year ended 30 june, 2020 reflects transfers to other governments units of kshs. 21,288,851 out of which an amount of kshs. 9,268,851 and kshs. 12,020,000 was transferred to secondary and primary schools within the constituency respectively. However, a review of</p>	The missing documents from the project files which include confidential business questionnaires, form of tender, tender questionnaires and handing over report, were in the respective project management	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	payment Vouchers and project files revealed that payments for projects totalling kshs. 3,515,000 and kshs. 5,750,000 for secondary and primary schools respectively were not supported with tender documents such as confidential business questionnaire , form of tender, tender questionnaire and handing/taking over reports required.	committee files, it has since been brought by the project management committees and are now available for audit verification and copies of the tender documents are hereby attached.		
2.	<p>Procurement of Security Projects</p> <p>Included in the other grants and other payments balance of Kshs. 90,626,000 under note 7 to financial statements is an amount Kshs. 42,405,000 transferred to various Project Management</p>	<p>i. The missing documents from the projects file in respect to transfers to secondary schools which include confidential business questionnaires, form of tender, tender</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Committees for implementation security projects. However, a review of payment records and project files among other records revealed that grants totaling to Kshs.10,050,000 had following anomalies:</p> <p>i). The project files provided for audit did not contain standard tender documents such as quotations issued to the prospective bidders, confidential business questionnaires, form of tender, tender questionnaires and handing over reports. It was</p>	<p>questionnaires and handing over report, were in the project management committee file, it has since been brought by the project management committees and are now available for audit verification and copies of the tender documents are hereby attached.</p> <p>ii. The procurement professional opinion was also in the files</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>therefore not possible to confirm whether the projects were procured in accordance the Public Procurement and Asset Disposal Act, 2015.</p> <p>ii). Contracts issued by various Project Management Committees were not supported with procurement professional opinion contrary to the requirement of Section 162 of the Public Procurement and Assets Disposal Act, 2015.</p> <p>iii). In some cases, the tender opening committee did not append their signatures or initials on one or more pages of</p>	<p>of the project management committees and copies of the document is hereby attached.</p> <p>iii. As for the tender opening committee members not signing one or more pages of the bill of quantities, it was an oversight on the part of the tender opening committees members and that</p>		

**ELDAS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the bill of quantities and tender documents as required by Section 78 (9) of the Public Procurement and Asset Disposal Act, 2015	will be corrected in future by training all project management committees on procurement process.		

