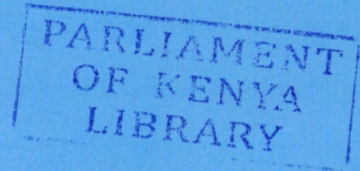





Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS TABLED	
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TABLED BY:	WATHIP. KWANGWE
CLERK-AT THE-TABLE:	J. AINOND

OF

THE AUDITOR-GENERAL

ON

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

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



NG-CDF BOARD

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

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

Reports and Financial Statements

For the year ended June 30, 2019

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 GARSEN 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	Josef Kumbatha
2.	Sub-County Accountant	Ramadhan Katana
3.	Chairman NGCDFC	Daudi Dube

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF GARSEN Constituency Headquarters

P.O. Box 48-80201
GARSEN NG-CDF Building
Junction of Malindi – Lamu Road
Minjila, GARSEN

GARSEN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF GARSEN Constituency Contacts

Telephone: +254 (25) 281 889
E-mail: cdfgarsen@ngcdf.go.ke
Website: www.cdf.go.ke

(g) NGCDF GARSEN Constituency Bankers

1. KCB Bank
Garsen Town
P.O. Box 54 - 80201
GARSEN

(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)
GARSEN CONSTITUENCY**

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

II.FORWARD BY THE CHAIRMAN GARSEN NGCDF COMMITTEE

I am pleased to forward the Financial Statements and Reports for Garsen NG-CDF for the period ended 30th June 2019 as the expended Budget for the Financial Year 2018/2019. The actual receipts from the NG-CDF Board for the referred period was kshs.165,825,358.60 against an Annual Budget of kshs.109,040,876.00 for the FY 2018/2019. The increase in actual receipts compared with Annual Allocation is due to a received balance of kshs.56,802,302 being cumulative from financial years 2017/2018, 2016/2017 and 2015/2016 respectively. The actual expenditure for the referred period was kshs.135,854,429 backed up by cashbook opening balances of kshs.17,819.24. and a cash book closing balance of kshs.29,988,748.41

The absorption rate is at optimum 100% with a convincing utilisation rate of approximately 81.9% per cent overall as indicated by the Appropriation analysis summary.

Notable achievements have been realised in the disbursement of funds across all sectors. The coordination role of bringing all stakeholders on board in the identification, prioritization, implementation, supervision, monitoring and usage of output has boosted the overall performance of the fund.

Despite a few challenges here and there, NG-CDF continues to be one of the most preferred devolved funds at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were leaving in despair and ravaging poverty.

We hope that the NG-CDF Board shall endeavour to disburse funds timely so as to enable the NG-CDF Committees utilize funds in time and also continue engaging all other stakeholders with interest in the management of NG-CDF to develop a positive thinking approach towards NG-CDF issues rather than treating the fund as a political tool that lacks professionalism in its administration, a very misleading fallacy.



Daudi Dube Mukulo

CHAIRMAN NG-CDF COMMITTEE GARSEN

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

Reports and Financial Statements

For the year ended June 30, 2019

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.

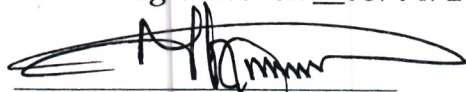
The Accounting Officer in charge of the NGCDF-GARSEN Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. 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-GILGIL 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, 20XX, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-GILGIL 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-GILGIL 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

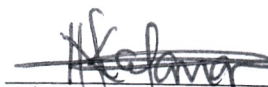
The NGCDF-GARSEN Constituency financial statements were approved and signed by the Accounting Officer on 03/04/2020.



Fund Account Manager

Name: CPA Kumbatha Joseph

ICPAK Member Number: 24271



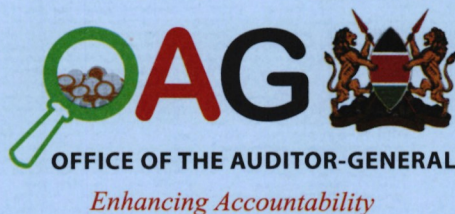
Sub-County Accountant

Name: CPA Katana Ramadhan

ICPAK Member Number: 23209

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GARSEN 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 - Garsen Constituency set out on pages 6 to 34, 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 - Garsen Constituency as at 30 June, 2019 and 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. Use of Goods and Services

1.1 Un-Supported Expenditure

The statement of receipts and payments and Note 5 of the financial statements for the year under review reflects use of goods and services figure of Kshs.12,082,482. Included in this is an amount of Kshs.1,093,500 spent on fuel, oil and lubricants and Kshs.6,593,081 for committee expenses. However, the Fund did not avail the relevant supporting documents for payments totalling Kshs.327,820 for fuel, oil and lubricants and Kshs.909,950 for committee expenses. This is contrary to the provisions of Section 104(1) of the Public Finance Management (National Government) Regulations, 2015 which

provides that all receipts and payments vouchers of public moneys shall be properly supported by the appropriate authority and documentation.

Consequently, the validity and completeness of the expenditure on goods and services of Kshs.1,237,770 as at 30 June, 2019 could not be confirmed.

1.2 Irregular Allowances on Training

Included in the use of goods and services in Note 5 to the financial statements is training expenses figure of Kshs.1,997,000 out of which an amount of Kshs.1,270,000 was spent on a training at Seven Island Beach Resort in Watamu for full board accommodation and transport for participants. However, audit examination of expenditure revealed that fifty-seven (57) participants who attended the training were also paid an allowance of Kshs.4,000 each all totalling to Kshs.228,000. It was not clear why the participants were paid additional allowances while they were on full board package.

In the circumstances, the validity of the expenditure of Kshs.228,000 as at 30 June, 2019 could not be confirmed.

2. Unsupported Transfer to Other Government Entities

The statement of receipts and payments and Note 6 of the financial statements reflects total figure of Kshs.59,398,000 on transfers to other government units. However, audit review of documents availed for audit revealed that expenditure totalling to Kshs.18,974,000 was not supported with the relevant documents like tender register, list of prequalified suppliers, advertisement notices, contract agreement, procurement plan, signed inspection and acceptance committee report. It was further observed that tender opening minutes for the contracts were not signed by all the members of the committee as required by Section 78(9)(a) of the Public Procurement and Asset Disposal Act, 2015.

Consequently, the validity and completeness of the expenditure on transfer to other government units of Kshs.18,974,000 as at 30 June, 2019 could not be confirmed.

3. Other Grants and Transfers

3.1 Un-Acknowledged Bursary Payments

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers figure of Kshs.60,028,010. Included in this figure is an amount of Kshs.37,632,500 representing payments for bursary to needy students. However, audit review of the expenditure revealed that bursary payments amounting to Kshs.2,542,000 were not acknowledged by the recipient institution. In addition, a bursary applications register was not maintained to record details of all applicants. It was further observed that a cheque dispatch register for outgoing bursary cheques was not maintained.

Consequently, the validity and accuracy of the expenditure on bursary of Kshs.2,542,000 as at 30 June, 2019 could not be confirmed.

3.2. Un-Supported Expenditure

Included in other grants and transfers figure of Kshs.60,028,010 in Note 7 to the financial statements is an amount of Kshs.22,395,510 for security, emergency, environment, sports and strategic plan projects. However, audit review of the expenditure revealed that payments totalling to Kshs.5,055,000 were not supported with inspection and acceptance committee report, distribution schedules for goods distributed to beneficiaries, local purchase orders, local service orders and invoices. It was further noted that an amount of Kshs.1,207,800 for supply of emergency relief food to internally displaced persons were not supported by relevant documents such as inspection and acceptance documents and appeal for emergency intervention.

In the circumstances, the validity of the expenditure on security, emergency, environment, sports and strategic plan projects of Kshs.6,262,800 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Garsen 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 other key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects that, the Fund spent Kshs.135,854,429 against an approved budget of Kshs.165,843,178,158 resulting to an under-expenditure of Kshs.29,988,748 or 18% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Garsen Constituency.

1.1 Project Implementation and Management

During the financial year under review, the Fund allocated Kshs.129,607,400 to fifty nine (59) projects in various sectors including education, security, sport, environment and social security.

The analysis as per Project Implementation Status (PIS) availed for audit review revealed that fifty-five (55) projects were completed, two (2) projects were on going and two (2) projects had not started.

Non-implementation of development projects affects service delivery to the constituents.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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 of Conclusion

1. Irregular Procurement of Laptops

During the year under review, the Fund acquired three laptops (Apple 13.3" MacBook's) at a total cost Kshs.747,000. However, the following anomalies were noted:-

- i). A list of prequalified suppliers was not provided for audit review to confirm whether the company which supplied the laptops was prequalified.
- ii). Procurement records such as tender opening minutes, tender evaluation minutes and professional opinion were not provided to support the procurement process.
- iii). One of the laptops was not availed for physical verification hence it was not possible to confirm whether it was being utilized for service provision to the Fund.

In the circumstances, the validity and value for money of the expenditure of procurement of laptops for Kshs.747,000 as 30 June, 2019 could not be ascertained.

2. Late Remittance of Statutory Deductions

The statement of receipts and payments and Note 4 of the financial statements reflects compensation of employees figure of Kshs.2,003,869 as at 30 June, 2019. Included in this figure is an amount of Kshs.492,958 paid to National Social Security Fund which included Kshs.464,608 as penalties for late remittance of employees' deductions. However, it was observed that the Fund had adequate budgetary allocation to cater for the statutory deductions and there was no clear justifiable reason for late remittance.

3. Failure to Maintain an Asset Register

Annex 4 to the financial statements is a summary of fixed asset register which reflects a historical fixed assets balance of Kshs.14,472,068 comprising of five (5) classes of assets. However, it was observed that an asset register was not maintained.

Failure to maintain the asset register may expose the Fund to loss of vital assets.

4. Long Outstanding Imprest

The statement of assets and liabilities and Note 11 of the financial statements reflects an outstanding imprest balance of Kshs.2,323,131 as at 30 June, 2019. As reported in the Auditor-General's report for 2017/2018, the imprest comprise of thirteen (13) temporary imprests issued to a former Fund Accounts Manager between 3 August, 2017 and 26 March, 2018 and had not been surrendered by 30 June, 2019. This is contrary to the provisions of Section 93(5) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy and Disaster Recovery Plan

During the year under review the Fund did not develop and document a risk management policy. It was further observed that the Fund had not put in place a disaster recovery plan, contrary to Section 165(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the accounting officer shall ensure that the national Government entity develops: -

- (i) Risk management strategies, which include fraud prevention mechanism; and
- (ii) A system of risk management and internal control that builds robust business operations.

In view of the above, the Fund is in breach of the law.

2. Lack of a Constituency Oversight Committee

The Fund did not have a Constituency Oversight Committee for the period under review contrary to Section 53 (1) of the National Government Constituencies Development Fund

Act, 2015 which provides for establishment of a Constituency Oversight Committee for projects undertaken under the Act.

In the circumstances, the Fund is in breach of the law.

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 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 the 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 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

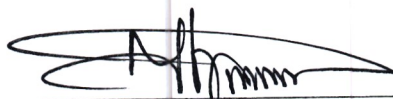
29 October, 2021

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	165,825,359	43,405,172
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>0</u>	<u>0</u>
TOTAL RECEIPTS		165,825,359	43,405,172
PAYMENTS			
Compensation of employees	4	2,003,869	2,028,279
Use of goods and services	5	12,082,482	3,291,810
Transfers to Other Government Units	6	59,398,000	11,297,788
Other grants and transfers	7	60,028,010	26,849,344
Acquisition of Assets	8	1,492,068	0
Other Payments	9	<u>850,000</u>	<u>0</u>
TOTAL PAYMENTS		135,854,429	43,467,221
SURPLUS/(DEFICIT)		<u>29,970,929</u>	<u>(62,049)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-GARSEN Constituency financial statements were approved on 03/04/2020 and signed by:



Fund Account Manager

Name: CPA Kumbatha Joseph

ICPAK Member Number: 24271



Sub-County Accountant

Name: CPA Katana Ramadhan

ICPAK Member Number: 23209

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GARSEN 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)	10	29,988,748	17,819
Cash Balances (cash at hand)	10	0	0
Total Cash and Cash Equivalents		29,988,748	17,819
Current Receivables			
Outstanding Imprests	11	2,323,131	2,323,131
TOTAL FINANCIAL ASSETS		32,311,879	2,340,950
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	0
NET FINANCIAL ASSETS		32,311,879	2,340,950
REPRESENTED BY			
Fund balance b/fwd	13	2,340,950	2,402,999
Surplus/Deficit for the year		29,970,929	(62,049)
NET FINANCIAL POSITION		32,311,879	2,340,950

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-GARSEN Constituency financial statements were approved on 03/04/2020 and signed by:


Fund Account Manager

Name: CPA Kumbatha Joseph

ICPAK Member Number: 24271


Sub-County Accountant

Name: CPA Katana Ramadhan

ICPAK Member Number: 23209

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GARSEN CONSTITUENCY

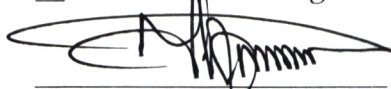
Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	165,825,359	43,405,172
Other Receipts	3	0	0
Total receipts		165,825,359	43,405,172
Payments			
Compensation of Employees	4	2,003,869	2,028,279
Use of goods and services	5	12,082,482	4,591,810
Transfers to Other Government Units	6	59,398,000	11,297,788
Other grants and transfers	7	60,028,010	25,549,344
Other Payments	9	850,000	0
Total payments		134,362,361	43,467,221
Total Receipts Less Total Payments		31,462,997	(62,049)
Adjusted for:			
Retention Payable	12A	0	0
Gratuity Payable	12B	0	0
Net Adjustments		0	0
Net cash flow from operating activities		31,462,997	(62,049)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	1,492,068	0
Net cash flows from Investing Activities		(1,492,068)	0
NET INCREASE IN CASH AND CASH EQUIVALENT		29,970,929	(62,049)
Cash and cash equivalent at BEGINNING of the year	13	2,340,950	2,402,999
Cash and cash equivalent at END of the year		<u>32,311,879</u>	<u>2,340,950</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-GARSEN Constituency financial statements were approved on 03/04/ 2020 and signed by:



Fund Account Manager

Name: CPA Kumbatha Joseph

ICPAK Member Number: 24271



Sub-County Accountant

Name: CPA Katana Ramadhan

ICPAK Member Number: 23209

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	56,802,302	165,843,178	165,843,178	0	100%
TOTAL RECEIPTS	109,040,876	56,802,302	165,843,178	165,843,178	0	100%
PAYMENTS						
Compensation of Employees	2,000,000	1,291,722	3,291,722	2,003,869	1,287,853	61%
Use of goods and services	7,801,882	4,396,259	12,198,141	12,082,482	115,659	99%
Transfers to Other Government Units	35,600,000	32,800,487	68,400,487	59,398,000	9,002,487	87%
Other grants and transfers	53,738,993	12,136,807	65,875,800	60,028,010	5,847,790	91%
Acquisition of Assets	9,900,000	1,500,000	11,400,000	1,492,068	9,907,932	13%
Other Payments	0	4,677,027	4,677,027	850,000	3,827,027	18%
TOTAL	109,040,876	56,802,302	165,843,178	135,854,429	29,988,748	82%

- (a) The station was NOT in a position to generate any income during the financial period under review
- (b) Overall utilization rate was well above average as a result of improved operations
- (c) All sectors across the board performed above average though below the optimal 100 per centum mark occasioned by persistent delayed funds disbursement by the NG-CDF Board
- The difference between the Original budget totals and the Final budget totals originates from the balances brought forward from the previous financial years.

The NG-CDF-GARSEN Constituency financial statements were approved on 03/04/2020 and signed by:

Fund Account Manager

Name: CPA Kumbathia

ICPAK Member Number: 24271

Sub-County Accountant

Name: CPA Katana Ramadhan

ICPAK Member Number: 23209

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

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 Kshs	Kshs	2018/2019 Kshs	30/06/19 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,000,000	1,291,721	3,291,721	2,003,868	1,287,853
1.2 Committee Expenses	3,000,000	3,002,119	6,002,119	5,973,131	28,988
1.3 Use of goods and services	1,531,882	342,810	1,874,692	1,788,352	86,340
2.0 Monitoring and evaluation					
2.1 Capacity building	1,270,000	27,003	1,297,003	1,297,000	3
2.2 Committee Expenses	2,000,000	524,686	2,524,686	2,524,000	687
2.3 Use of goods and services	0	500,000	500,000	500,000	0
3.0 Emergency	5,738,993	1,765,093	7,504,086	6,795,800	708,287
Floods Mitigation				1,207,800	0
Security Sensitization				550,000	0
Security Sensitization				600,000	0
Floods Mitigation				900,000	0
Floods Mitigation				900,000	0
Floods Mitigation				700,000	0
Security Sensitization				350,000	0
Security Sensitization				600,000	0
Floods Mitigation				800,000	0
Security Sensitization				188,000	0
4.0 Bursary and Social Security					
4.2 Secondary Schools	18,000,000	2,466,180	20,466,180	20,465,500	680
4.3 Tertiary Institutions	12,000,000	2,000,000	14,000,000	14,000,000	0
4.5 Social Security	6,000,000	0	6,000,000	3,167,000	2,833,000

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

5.0 Sports		2,000,000	977,586	2,977,586	2,975,500	2,086
6.0 Environment						
Imani primary school	0	75,862	75,862	75,862	75,000	862
Dalu primary school	0	75,862	75,862	75,862	75,000	862
Kipini primary school	0	75,862	75,862	75,862	75,000	862
Kipao secondary school	250,000	100,000	350,000	350,000	350,000	0
Hashaka Secondary School	250,000	100,000	350,000	350,000	350,000	0
Hurara secondary school	0	100,000	100,000	100,000	100,000	0
Hurara secondary school	0	200,000	200,000	200,000	200,000	0
Gaderi secondary school	0	100,000	100,000	100,000	100,000	0
Gaderi secondary school	0	200,000	200,000	200,000	200,000	0
Galili primary school	0	100,000	100,000	100,000	100,000	0
Onkolde primary school	0	100,000	100,000	100,000	100,000	0
Kipini secondary school	300,000	0	300,000	300,000	300,000	0
Ngao girls secondary school	300,000	0	300,000	300,000	300,000	0
Tarasa Secondary school	200,000	0	200,000	200,000	200,000	0
Min Hajji Secondary school	100,000	0	100,000	100,000	100,000	0
Buyani Secondary school	300,000	0	300,000	300,000	0	300,000
Oda secondary school	300,000	0	300,000	300,000	300,000	0
7.0 Primary Schools Projects						
(List all the Projects)						
1. Ongonyo primary school	300,000	3,720,000	4,020,000	4,020,000	4,020,000	0
2. Kipao primary school	0	122,211	122,211	120,000	120,000	2,211
3. Gubani primary school	0	3,420,000	3,420,000	3,420,000	3,420,000	0
4. Handaraku primary school	0	3,120,000	3,120,000	3,120,000	3,120,000	0
5. Odole primary school	0	3,120,000	3,120,000	3,120,000	3,120,000	0
6. Kon Kora primary school	0	3,720,000	3,720,000	3,720,000	3,720,000	0
7. Kikomo primary school	2,000,000	1,690,000	3,690,000	3,690,000	1,690,000	2,000,000
8. Sheli primary school	0	1,100,000	1,100,000	1,100,000	1,100,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARSEN CONSTITUENCY
Reports and Financial Statements
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9. Bahati primary school	0	240,000	240,000	240,000	240,000	0
Ramadh primary school	600,000	2,424,138	3,024,138	3,024,000	3,024,000	138
Katsangani primary school	1,000,000	2,424,138	3,424,138	3,424,000	3,424,000	138
Galili primary school	2,200,000	0	2,200,000	0	0	2,200,000
Maderte primary school	3,000,000	0	3,000,000	3,000,000	3,000,000	0
Danisa primary school	2,000,000	0	2,000,000	2,000,000	2,000,000	0
Kitere primary school	3,000,000	0	3,000,000	3,000,000	3,000,000	0
Shauri moyo primary school	3,000,000	0	3,000,000	3,000,000	3,000,000	0
Riketa primary school	3,000,000	0	3,000,000	3,000,000	3,000,000	0
Nduru primary school	1,000,000	0	1,000,000	0	0	1,000,000
Minjila primary school	500,000	0	500,000	500,000	500,000	0
Odoganda primary school	150,000	0	150,000	0	0	150,000
Onwardei primary school	150,000	0	150,000	0	0	150,000
8.0 Secondary Schools Projects (List all the Projects)						
Sane Girls secondary school	0	2,000,000	200,000	2,000,000	2,000,000	0
Gerarsa secondary school	1,500,000	2,400,000	3,900,000	2,400,000	2,400,000	1,500,000
Gadeni secondary school	2,000,000	800,000	2,800,000	2,800,000	2,800,000	0
Kipao High School	2,600,000	500,000	3,100,000	1,100,000	1,100,000	2,000,000
Hashaka Secondary School	2,600,000	500,000	3,100,000	3,100,000	3,100,000	0
Hurara secondary school	3,000,000	0	3,000,000	3,000,000	3,000,000	0
Kitere secundary school	500,000	0	500,000	500,000	500,000	0
9.0 Tertiary institutions Projects (List all the Projects)						
Tana Delta Sub-county Education Office	1,500,000	1,500,000	3,000,000	3,000,000	3,000,000	0
10.0 Security Projects						

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

Tana Delta Sub-county Head quarters	2,000,000	1,000,000	3,000,000		2,999,210	790
Assa Kone Police Post	4,000,000	0	4,000,000		4,000,000	0
Kone Mansa Chiefs Office	2,000,000	0	2,000,000		0	2,000,000
11.0 Acquisition of assets						
11.1 Motor Vehicles	9,900,000	0	9,900,000		0	9,900,000
11.2 Refurbishment of NG-CDF office	0	750,000	750,000		745,067	4,933
11.4 Purchase of computers	0	750,000	750,000		747,000	3,000
12.0 Others						
12.1 Strategic Plan	0	2,700,000	2,700,000		2,700,000	0
Constituency Innovation Hub		4,677,027				
Tana Delta Sub-county Education Office					500,000	
Dibe Primary school					350,000	0
Onkolde primary school						1,500,000
Galiti primary school						200,000
Garsen primary school						1,000,000
Ramadha primary school						400,000
Konkona primary school						350,000
Sheli primary school						377,027
Total	109,040,875	56,802,302	161,166,149		142,650,228	29,988,748

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-GARSEN 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.

External Assistance

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

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.

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. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
NGCDF Board		
AIE NO. A855806	41,403,751	5,500,000
AIE NO. A892944	11,379,310	37,905,172
AIE NO. B005273	2,001,421	
AIE NO. B030317	500,000	
AIE NO. B030054	10,000,000	
AIE NO. B030390	15,000,000	
AIE NO. B006331	6,000,000	
AIE NO. B042735	12,000,000	
AIE NO. A699046	11,000,000	
AIE NO. B042700	1,500,000	
AIE NO. B047509	55,040,875	
TOTAL	165,825,358	43,405,172

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

3. OTHER RECEIPTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

Description	2018 – 2019	2017 - 2018
		Kshs
Basic wages of contractual employees	1,510,911	1,469,570
Employer contribution to NSSF	492,958	83,088
Gratuity-contractual employees	0	475,620
TOTAL	2,003,869	2,028,278

5. USE OF GOODS AND SERVICES

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	293,020	41,510
Water & Sewerage charges	16,000	0
Communication, supplies and services	134,350	50,000
Domestic travel and subsistence	351,900	180,600
Printing, advertising and information supplies & services	480,445	252,400
Training expenses	1,997,000	216,000
Hospitality supplies and services	154,910	28,200
Committee Expenses	6,593,081	1,810,000
Office and general supplies and services	839,910	502,550
Fuel, oil & lubricants	1,093,500	27,700
Other operating expenses	0	60,000
Bank service commission and charges	36,549	0
Routine maintenance - vehicles and other transport equipment	91,817	0
Routine maintenance- other assets	0	122,850
TOTAL	12,082,482	3,291,810

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	41,498,000	497,788
Transfers to Secondary schools	14,900,000	10,800,000
Transfers to Tertiary institutions	3,000,000	0
TOTAL	59,398,000	11,297,788

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**GARSEN CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019***NOTES TO THE FINANCIAL STATEMENTS (Continued)***7. OTHER GRANTS AND TRANSFERS**

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	20,465,500	11,426,506
Bursary -Tertiary	14,000,000	10,500,000
Bursary – Social programs	3,167,000	
Security	6,999,210	0
Sports	2,975,500	250,000
Environment	2,925,000	0
Emergency Projects	6,795,800	3,372,838
Preparation of 5 Year Strategic Plan	2,700,000	1,300,000
TOTAL	60,028,010	26,849,344

8. ACQUISITION OF ASSETS

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Non Financial Assets		
Refurbishment of Buildings	745,068	0
Purchase of Computers, Printers and Other IT Equipment	747,000	0
TOTAL	1,492,068	0

9. OTHER PAYMENTS

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Constituency Innovation Hub (CIH)	850,000	0
TOTAL	850,000	0

10. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
KCB Bank - Garsen branch - 110796735	29,988,748	17,819
Cash in hand	0	0
Total	29,988,748	17,819

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11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Imprest No.	Cheque No.	Amount Taken	Amount Surrendered	Balance
				Kshs	Kshs	Kshs
John Mwangi Chege				233,131	0	233,131
John Mwangi Chege	03/08/2017	2865638	5721	500,000	0	500,000
John Mwangi Chege	06/09/2017	2865612	5723	100,000	0	100,000
John Mwangi Chege	04/08/2017	2865640	5723	235,000	0	235,000
John Mwangi Chege	03/08/2017	2865639	5724	100,000	0	100,000
John Mwangi Chege	06/09/2017	2865641	5739	100,000	0	100,000
John Mwangi Chege	13/09/2017	2865642	5744	100,000	0	100,000
John Mwangi Chege		2865750	5745	260,000	0	260,000
John Mwangi Chege	18/10/2017	3143951	5746	270,000	0	270,000
John Mwangi Chege	09/11/2017	3143957	5752	90,000	0	90,000
John Mwangi Chege	22/12/2017	3143984	5753	35,000	0	35,000
John Mwangi Chege	07/02/2018	3143997	5754	200,000	0	200,000
John Mwangi Chege	26/03/2018	007753	5829	100,000	0	100,000
Total						2,323,131

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Total	0	0

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	0	0
Name 2	0	0
Total	0	0

13. BALANCES BROUGHT FORWARD

Description	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	17,819	79,868
Cash in hand	0	0
Imprest	2,323,131	2,323,131
Total	2,340,950	2,402,999

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

OTHER IMPORTANT DISCLOSURES

14.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

14.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	0	0
Others (<i>specify</i>)	0	0
	0	0

14.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,287,853	1,291,721
Use of goods and services	115,759	4,396,259
Amounts due to other Government entities (see attached list)	9,002,487	32,800,487
Amounts due to other grants and other transfers (see attached list)	5,847,421	6,656,938
Acquisition of assets	9,907,932	1,500,000
Others (<i>specify</i>)	3,827,027	7,377,027
	29,988,748	56,802,302

14.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	2,361,137	10,800,000
	2,361,137	10,800,000

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1.	0	0	0	0	
2.	0	0	0	0	
3.	0	0	0	0	
Sub-Total	0	0	0	0	
Construction of civil works					
4.	0	0	0	0	
5.	0	0	0	0	
6.	0	0	0	0	
Sub-Total	0	0	0	0	
Supply of goods					
7.	0	0	0	0	
8.	0	0	0	0	
9.	0	0	0	0	
Sub-Total	0	0	0	0	
Supply of services					
10.	0	0	0	0	
11.	0	0	0	0	
12.	0	0	0	0	
Sub-Total	0	0	0	0	
Grand Total	0	0	0	0	

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Senior Management						
1.		0	0	0	0	
2.		0	0	0	0	
3.		0	0	0	0	
Sub-Total		0	0	0	0	
Middle Management						
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
Sub-Total		0	0	0	0	
Unionisable Employees						
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
Sub-Total		0	0	0	0	
Others (specify)						
10.		0	0	0	0	
11.		0	0	0	0	
12.		0	0	0	0	
Sub-Total		0	0	0	0	
Grand Total		0	0	0	0	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balances 2018/2019	Outstanding Balance 2017/2018	Comments
Compensation of Employees		1,287,853	1,291,721	Reserves to cover from June
Use of goods and services		115,759	5,005,127	Improved activities
Sub-Total		1,403,612	6,296,848	
Amounts due to other Government entities				
1. Primary Schools		5,502,487	25,100,488	Improved utilization
2. Secondary Schools		3,500,000	6,200,000	Improved utilization
3. Tertiary		0	1,500,000	Improved utilization
Sub-Total		9,002,487	32,800,488	
Amounts due to other grants and other transfers				
3. Security Projects		2,000,790	1,000,000	Delayed funds from NGCDF Board
4. Environmental Projects		302,587	1,227,587	Improved utilization
5. Sports Activities		2,086	977,586	Improved utilization
6. Bursary – Secondary		670	2,357,672	Improved utilization
7. Bursary – Tertiary		0	1,500,000	Improved utilization
8. Social programs		2,833,000	0	Funds re-allocated to Bursary
8. Emergency		708,287	1,765,093	
Sub-Total		5,847,421	8,827,939	
9. Acquisition of Assets		9,907,932	1,500,000	Delayed funds from Board
10. Others payments		3,827,027	7,377,027	CIH funds re-allocated
Sub-Total		13,734,959	8,877,027	
Grand Total		29,988,748	56,802,302	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/2018	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/2019
Land	1,000,000	0	0	1,000,000
Buildings and structures	5,000,000	745,068	0	5,745,068
Transport equipment	6,000,000	0	0	6,000,000
Office equipment, furniture and fittings	250,000	0	0	250,000
ICT Equipment, Software and Other ICT Assets	365,000	747,000	0	1,477,000
Total	12,615,000	1,492,068	0	14,472,068

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

PMC	BANK	ACCOUNT NUMBER	DISBURSEMENTS FY 2018/2019	AMOUNT PAID TO DATE	BALANCE 30/06/2019	BALANCE 30/06/2018
Kipao Secondary School	KCB Bank - Garsen branch	1233232568	950,000.00	6,092,878.30	257,121.70	5,400,000
Hashaka Secondary School	KCB Bank - Garsen branch	1233417428	2,950,000.00	8,339,769.30	10,230.70	5,400,000
Kikomo Primary School	KCB Bank - Garsen branch	1183531583	1,450,000.00	1,446,766.55	3,233.45	0.00
Ramadha Primary School	KCB Bank - Garsen branch	1242127674	3,024,000.00	3,022,912.00	1,088.00	0.00
Shauri Moyo Primary School	KCB Bank - Garsen branch	1176988573	3,000,000.00	2,546,486.80	453,513.20	0.00
Sheli Primary School	KCB Bank - Garsen branch	1177799353	1,100,000.00	1,091,396.70	8,603.30	0.00
Onkolde Primary School	KCB Bank - Garsen branch	1237826705	100,000.00	98,025.00	1,975.00	0.00
Minjila Primary School	KCB Bank - Garsen branch	1200525019	500,000.00	497,962.00	2,038.00	0.00
Gerarsa Secondary School	KCB Bank - Garsen branch	1238929311	1,900,000.00	1,898,321.00	1,679.00	0.00
Maderte Primary school	KCB Bank - Garsen branch	1237910919	3,000,000.00	1,685,555.00	1,314,445.00	0.00
Ongonyo Primary School	KCB Bank - Garsen branch	1237897912	3,900,000.00	3,894,336.60	5,663.40	0.00
Riketa Primary School	KCB Bank - Garsen branch	1183525095	3,000,000.00	2,989,917.50	10,082.50	0.00
Katsangani Primary School	KCB Bank - Garsen branch	1157474934	3,424,000.00	3,418,041.90	5,958.10	0.00
Hurara Secondary School	KCB Bank - Garsen branch	1240886241	3,300,000.00	3,297,525.00	2,475.00	0.00
Gadeni Secondary School	KCB Bank - Garsen branch	113552705	3,100,000.00	3,098,949.40	1,050.60	0.00
Imani Primary School	KCB Bank - Garsen branch	1240046839	75,000.00	74,995.00	5.00	0.00
Danisa Primary School	KCB Bank - Garsen branch	1176467395	2,000,000.00	1,991,677.70	8,322.30	0.00
Dalu Primary School	KCB Bank - Garsen branch	1239269773	75,000.00	74,200.00	800.00	0.00
Handaraku Primary School	KCB Bank - Garsen branch	1233417290	3,000,000.00	2,745,505.00	254,495.00	0.00
Garsen Constituency Sports Committee	KCB Bank - Garsen branch	1178922987	2,000,000.00	1,995,756.95	4,243.05	0.00
Ngao Girls Secondary School	KCB Bank - Garsen branch	1159221561	300,000.00	289,740.25	10,259.75	0.00
Gubani Primary School	KCB Bank - Garsen branch	1242791256	3,300,000.00	3,296,145	3,855.00	0.00
Odole Primary School	KCB Bank - Garsen branch	1147818657	3,000,000.00			0.00

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PMC	BANK	ACCOUNT NUMBER	DISBURSEMENTS FY 2018/2019	AMOUNT PAID TO DATE	BALANCE 30/06/2019	BALANCE 30/06/2018
Konkona Primary School	KCB Bank - Garsen branch	1239239645	3,600,000.00			0.00
Kitere Primary School	KCB Bank - Garsen branch	1256597554	3,000,000.00			0.00
Sane Girls Secondary School	KCB Bank - Garsen branch	1172807140	2,000,000.00			0.00
Assa Kone Police Post	KCB Bank - Garsen branch	1107969735	4,000,000.00			0.00
Tana Delta Sub-county Education Office	KCB Bank - Garsen branch		3,000,000.00			0.00
Kitere Secondary School	KCB Bank - Garsen branch		500,000.00			0.00
Tarasaa Secondary School	KCB Bank - Garsen branch		200,000.00			0.00
Oda Secondary School	KCB Bank - Garsen branch		300,000.00			0.00
Minhaji Secondary School	KCB Bank - Garsen branch		100,000.00			0.00
Kipini Secondary School	KCB Bank - Garsen branch		300,000.00			0.00
Kipini Primary School	KCB Bank - Garsen branch		75,000.00			0.00
Galili Primary School	KCB Bank - Garsen branch		100,000.00			0.00
Total					2,361,137.05	10,800,000

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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 (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
1.0 Unsupported Expenditure	Examination of payment vouchers and other supporting documents relating to training expenses revealed that an amount of kshs.725,000 was spent by the staffs who were attending team building in Malindi. However, the expenditure was not supported with relevant documents such as, approval of the activity by the Constituency Development Fund Committee minutes, traveling documents, quotations for selection of venue, and activity programs. Consequently, it was not possible to confirm whether the expenditure was properly charged on public funds	Capacity building training was conducted and attended by NG-CDF Committee members and Office staff jointly with other constituencies in Coast region in February 2018 at Kaskazi Beach Hotel - Diani as supported by the availed documentation that had been misplaced.	FAM	Resolved	June 2019
2.0 Budget and Budgetary Control	As indicated, in the statements, the approved budget for the Constituency was kshs.98,269,523.00 out of which the amount received during the year was kshs.43,405,172.00 Actual expenditure during the year was kshs.43,467,221.00 resulting to under expenditure of kshs.17,820.00 As at close of the Financial year, the National Government Constituencies Development Fund Board had not released kshs.54,784,482.00 being part of the approved budget for the year which led to non-implementation all development programmes included in the approved budget. Consequently, the	The approved budget for the year under audit was kshs.98,189,654.00 - Total expenditure - kshs.43,467,221.00 translating to 44.2% budget utilization. - Budget under-utilization - kshs.54,802,302.00 translating to 55.8% budget under-utilization	FAM	Resolved	June 2019

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Reference No. on the external audit Report (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
	residents of Garsen Constituency did not get full benefits from the Fund as a result of non-disbursement of all the budgeted funds.	As per the Summary statement of Appropriation in the amended Financial Statements, overall utilization rate fell below average due to delays in receipts of funds from the NG-CDF Board occasioned by the prolonged political turmoil that resulted into a repeat presidential pol			
3.0 Under payment of Salary	The constituency spent kshs.2,028,279.00 on compensation of employees. Examination of the monthly payment schedules indicate that the constituency did not pay the employees all the applicable allowances as provided in the NG-CDF Board Circular Ref.BOARD/CIRCULARS/VOL. I/166 Employees were paid basic salary and house allowances while commuter and hardship allowances were not paid	The committee had implemented the referred circular - REF: CDF BOARD/ CIRCULARS/V OL.I.I/166 - RECRUITMEN T OF CDFC STAFF, dated 24 June 2013, guided by the captured basic salary rates as indicated in the circular adding an allowance of housing as deemed fit by the committee for the office staff. However,	NG-CDF Committee	Resolved	June 2019

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Reference No. on the external audit Report (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
		based on the of the Audit findings, the recommendations shall be tabled before the Garsen NG-CDF Committee for deliberation, approval and minuting before implementations to be effected in the forthcoming budget allocation (FY 2019-2020) Project budget.			
4.0 Ineligible Expenditure	Statement of receipts and payments reflects expenditure on use of goods and services of kshs.3,291,810.00 Included in this figure are payments amounting to kshs.1,055,000.00 for committee related expenses which were made without relevant supporting documents for monitoring and evaluation activities and Constituency Development Fund Committee meetings. Payment schedules attached did not indicate dates when the alleged meetings took place neither were there minutes to support expenditure. For field allowances, monitoring and evaluation reports were not provided for audit review. In the absence of relevant supporting documents, it was not possible to confirm whether the expenditure was properly charged on public funds	Misplaced files containing meeting attendance registers and committee project monitoring and evaluation reports have since been located and available to the auditors for audit	FAM	Resolved	June 2019

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Reference No. on the external audit Report (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
5.0 Irregularities in Procurement of Goods, Works and Services	<p>During the year under review, National Government Constituency Development Fund - Garsen made payments totaling kshs.10,800,000.00 for construction of three (3) classrooms and twelve (6) no. of toilets at Kipao and Hashaka secondary school respectively. However, review of payment vouchers and project files among other records revealed the following anomalies;</p> <ul style="list-style-type: none"> - Local advertisement for the construction works was made instead of inviting tenders through a national open tender where the advertisement should have been placed in the major dailies or dedicated government tenders' portal or in the constituency website as required under section 96(2) of the Public Procurement and Asset Disposal Act, 2015. - Project files provided for audit did not contain key tender documents such as signed opening and evaluation minutes, inspection and acceptance reports, handing over report and certificate of practical completions as required. - There were no contract agreements signed between the contractors and the Project Management Committees (PMC) as required by section 135 (2) of the Public Procurement and Asset Disposal Act, 2015. - Bank statements of various PMC accounts, project work plan and returns on how the administration expenses of all projects were utilized were not provided for audit review as required by section 9 and 10 of the National Government 	<p>3no. classrooms were constructed at Kipao High school at a cost of kshs.4,500,000.00 and 3no. @ with 2-doors pit-latrines at a total cost of kshs.900,000.00.</p> <p>3no. classrooms were constructed at Hashaka Secondary school at a cost of kshs.4,500,000.00 and 3no. @ with 2-doors pit-latrines at a total cost of kshs.900,000.00.</p> <p>Contractors were invited from prequalified annual tenders of Tana Delta sub-county</p> <p>To protect local contractors, save costs of advertising, shorten time of tendering process and realize maximum value for the money, tenders were</p>	FAM	Resolved	June 2019

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Reference No. on the external audit Report (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
	Constituencies Development Fund Act, 2015 Physical verification of projects carried out on 15/02/2019 revealed that construction of three classrooms and six toilets at Kipao and Hashaka Secondary schools were complete and in use. It was however observed that the projects were not labelled as at the time of the audit verification.	floated locally - Tender documents that had been misplaced now available in project files for audit Copies of PMC Accounts - Bank statements available for audit having been faithful requested from the bank - Projects have since been labelled as recommended			
6.0 Preparation of Strategic Plan	The constituency awarded a contract to Muani General Contractors for the preparation of 5-year strategic plan at a contract price of kshs.2,900,000.00. It was however noted that the tender was advertised locally instead of advertisement in dedicated Government tenders' portals or in its own website, or a notice in at least two daily newspapers of nationwide circulation as required under section 96(2) of the Public Procurement and Asset Disposal Act, 2015. Tender evaluation minutes were also not provided for audit verification.	Tendering was done locally to promote local based consultants and service providers. It also cuts down on advertising costs and saves time. Tender evaluation reports had been misplaced but now found and filed in respective file	FAM	Resolved	June 2019
7.0 Un-acknowledged Bursary	The statement of receipts and payments reflect that other grants and transfers was kshs.26,849,344.00. Included in this figure are payments for	Some bursary acknowledgement receipts had been misplaced but	FAM	Resolved	June 2019

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Reference No. on the external audit Report (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
	<p>bursary amounting to kshs.21,926,000.00. Acknowledgement for bursary amounting to kshs.2,739,000.00 was however not provided for audit verification. It was further noted that bursary applications register was not maintained to record names of applicants, their identification details and location of domicile.</p> <p>In the circumstances, it was not possible to ascertain whether bursaries amounting to kshs.2,739,000 were paid to the intended beneficiaries.</p>	<p>now available for audit in respective bursary file</p> <p>Recommendations adopted and now bursary register is maintained</p>			
<p>8.0 Long Overdue Outstanding imprest</p>	<p>The statement of Assets indicates outstanding imprests as at June 30th, 2018 amounted to kshs.2,223,131.00. As at February 18th, 2019 when the audit was concluded, outstanding imprests had not been surrendered. The outstanding amount comprises twelve (12) temporary imprests issued to John Mwangi Chege, a former Fund Account Manager of the constituency. Multiple imprests were issued to the officer before surrendering the previous imprest contrary to section 93 (4) (b) of the Public Finance Management Act, 2015. The imprest holder was transferred to another station yet no measures were taken to ensure full recovery of the outstanding imprests before he was cleared from the Constituency.</p>	<p>Reminders and counter reminders have been sent to the imprest holder by the sub-county accountant urging him to surrender the imprests, but the officer is yet to take action</p>	<p>Former FAM</p>	<p>Pending</p>	<p>June 2020</p>
<p>9.0 Failure to maintain Updated Asset Register</p>	<p>Annex 4 to the financial statements on summary of fixed asset register indicates that cumulative cost of assets acquired by the constituency as at June 30th 2018 was</p>	<p>Asset Register has since been updated</p>	<p>FAM</p>	<p>Resolved</p>	<p>June 2019</p>

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Reference No. on the external audit Report (Paragraph)	Issue / Observations from Auditor (Basis for a Qualified Opinion)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (The date issue expected to be resolved)
	<p>kshs.12,615,000.00. The assets register maintained was however not updated. Key asset details such as date of acquisition and cost of acquisition were not provided in the asset register which was last updated in 2016. This is contrary to Section 143(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of Assets under his or her control or possession as prescribed by the relevant laws.</p>				
<p>10. Report on Effectiveness of Internal Controls, Risk management and Governance</p>	<p>All payments are supposed to be approved by the AIE holder and authorized by the Sub-county Accountant. Examination of payment vouchers for committee expenses however revealed that payment vouchers worth kshs.1,105,000.00 were not authorized by the Sub-county Accountant as required. Consequently, the authenticity of expenditure amounting to kshs.1,105,000.00 could not be confirmed.</p>	<p>Failure to sign payment vouchers as an indication of authorization of the transactions by the sub-county Accountant could have been due to an over-site during signing of large number of payment vouchers</p>	<p>Sub-county Treasury Accountant</p>	<p>Resolved</p>	<p>June 2019</p>