

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

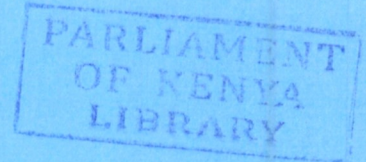
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 24 JUL 2019

DAY: Wednesday

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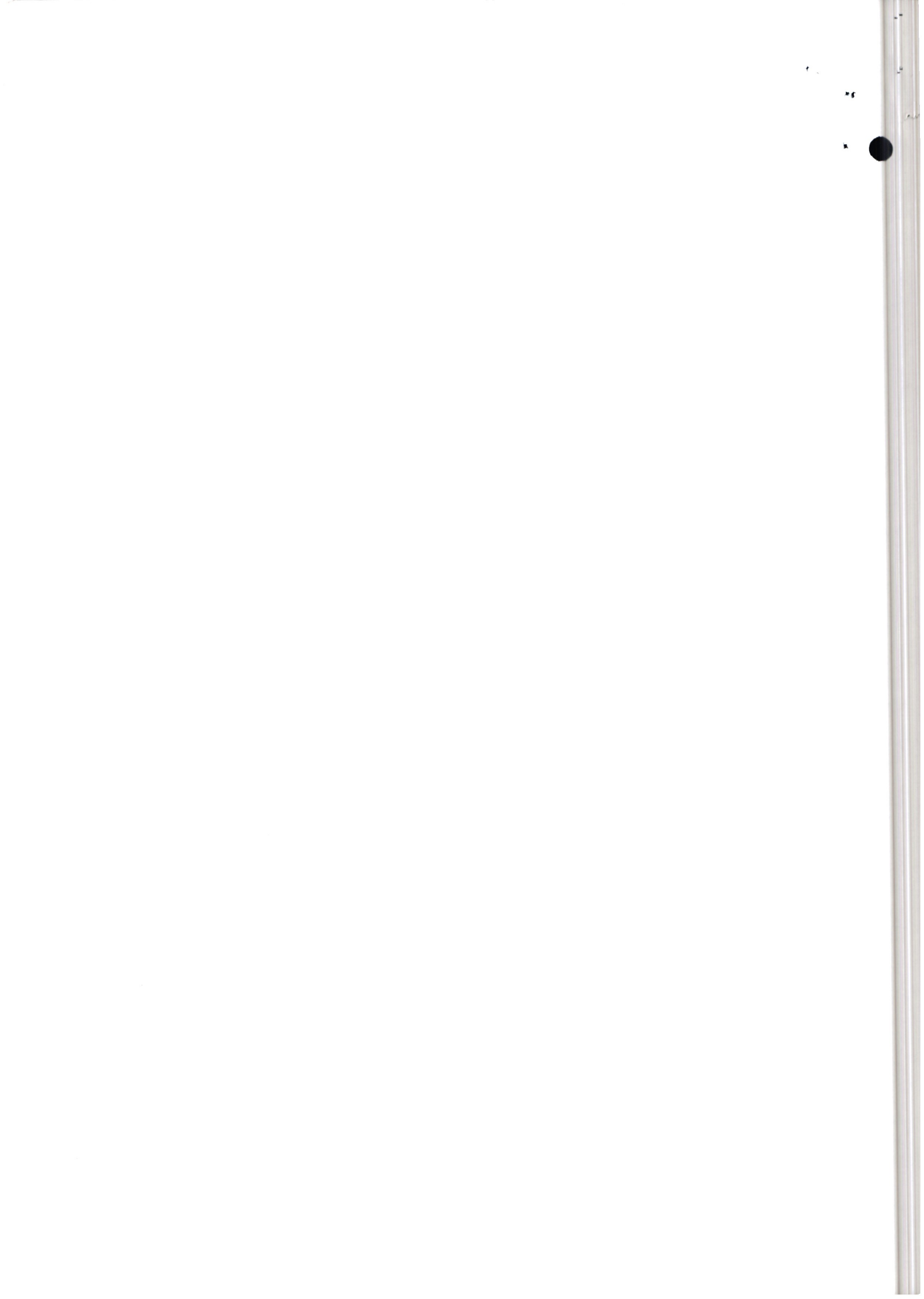


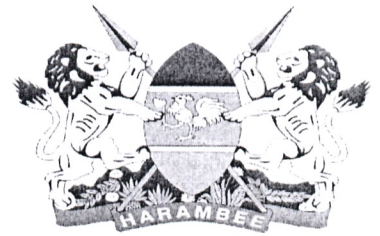
OF
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – MOYALE
CONSTITUENCY**

**FOR THE YEAR
ENDED 30 JUNE 2018**





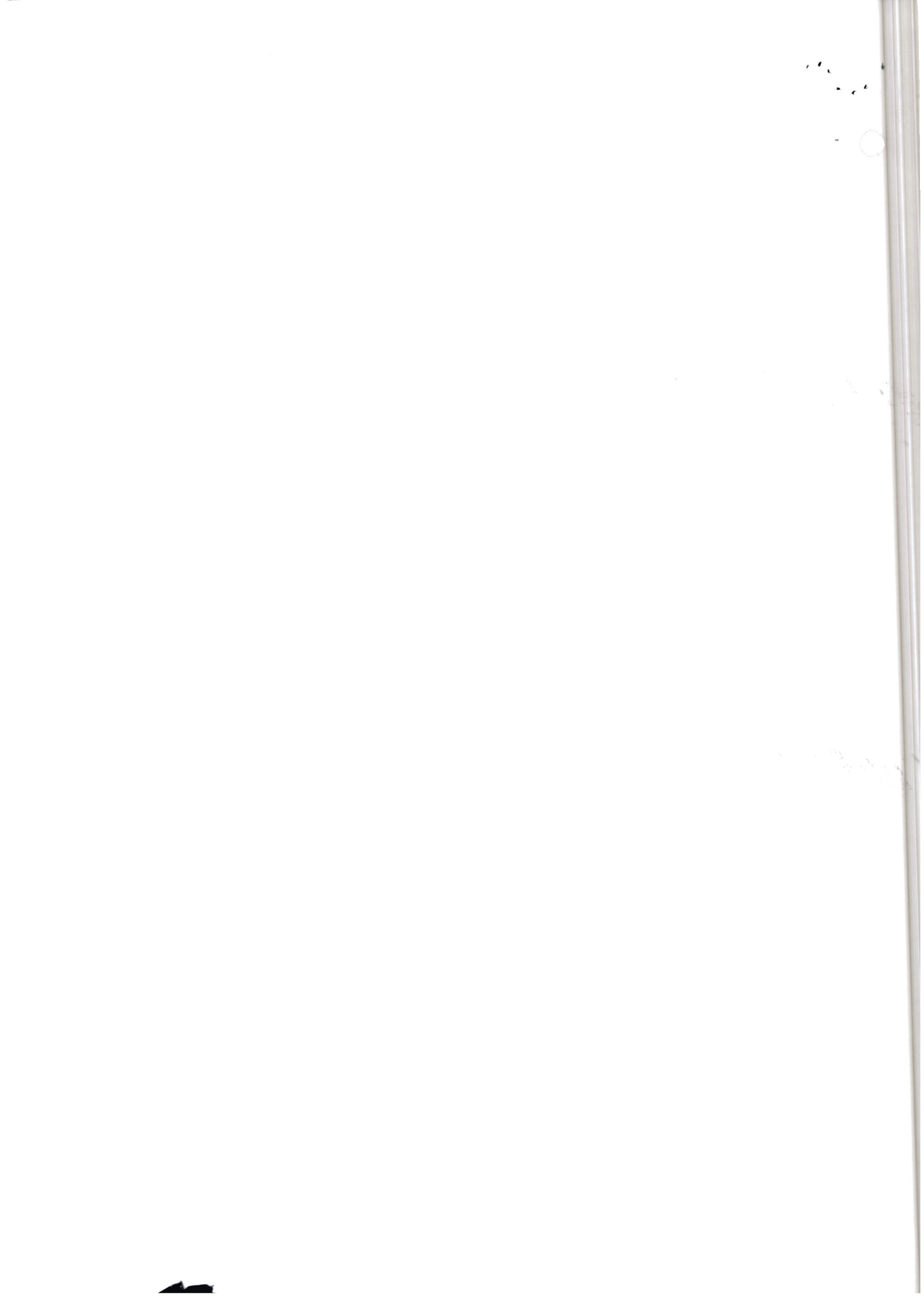
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MOYALE CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

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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.

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Yusuf Dika
3.	Sub-County Accountant	Nickolus Nyaga
4.	Chairman NGCDFC	Denge Tulu
5.	Member NGCDFC	Buke Roba

(d) Fiduciary Oversight Arrangements

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

(e) MOYALE Constituency Headquarters

NGCDF Office Building,
P.O Box 24-60700
Moyale.
Moyale Town

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF MOYALE Constituency Contacts

Telephone: (254) 0703 957 387

E-mail: Ywako@ngcdf.go.ke or cdfmoyale@gmail.com

Website: www.ngcdf.go.ke

(g) NGCDF MOYALE Constituency Bankers

Equity Bank Limited

Moyale Branch

Account No. 1020298992601

P.O Box Moyale

(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

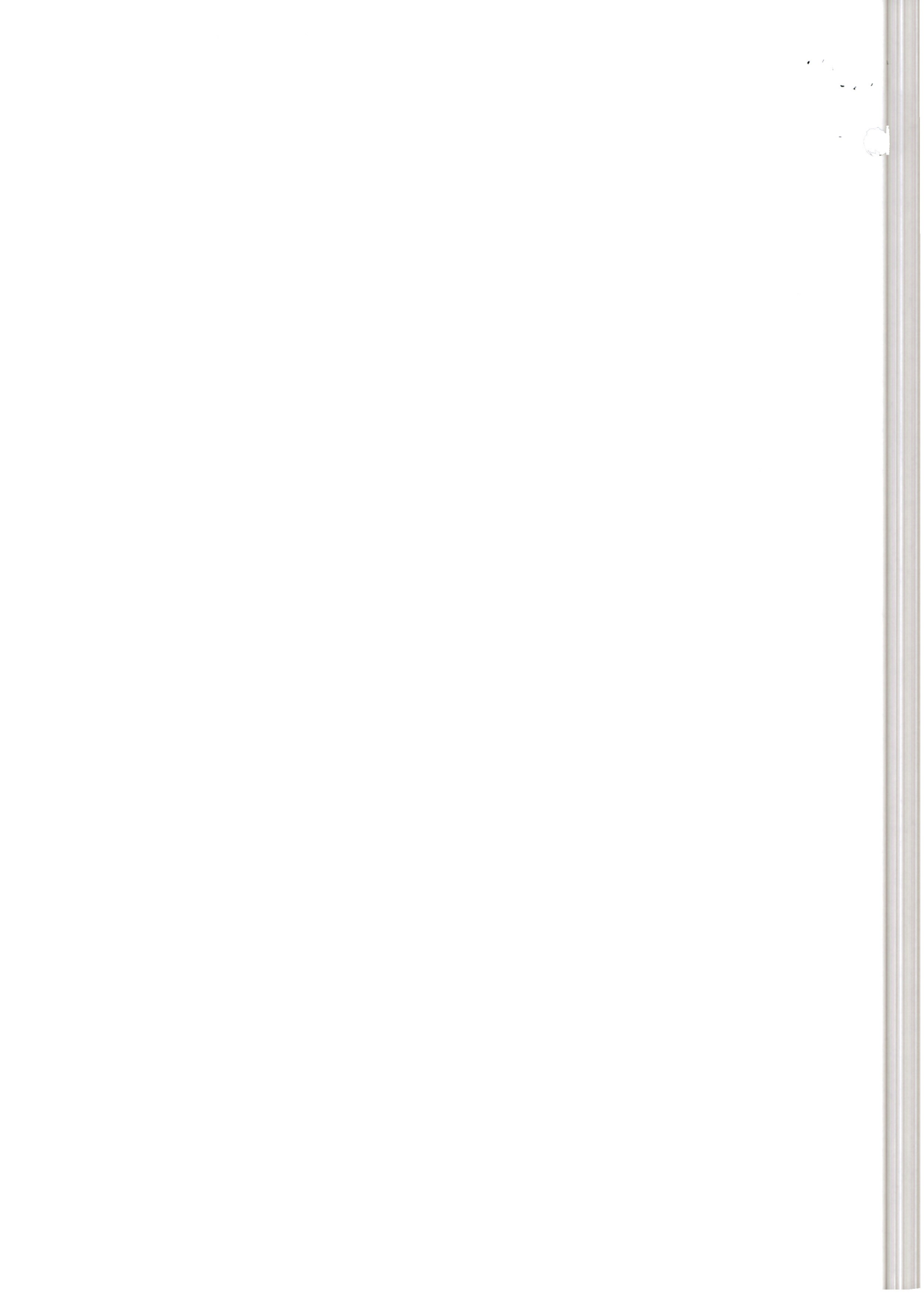
State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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

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

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

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

During Financial year 2017-2018 the Moyale NG-CDF committee brought major changes to the way project are implemented by ensuring that quality materials are used for the construction of classrooms.

Many needy students were able to report back to school since bursaries were efficiently and effectively allocated.

With improved allocations from NG-CDF Board, members will continue prioritising the important community proposal thus leading to major changes in Moyale Constituency.

The major implementation challenges are vastness of the constituency and frequent tribal clashes i.e Insecurity.



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DENG TULU
CHAIRMAN NGCDF COMMITTEE



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES

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

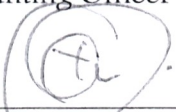
The Accounting Officer in charge of the NGCDF-MOYALE Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MOYALE Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NGCDF* financial statements give a true and fair view of the state of NGCDF'S transactions during the financial year ended June 30, 2018, and of the NG-CDF financial position as at that date. The Accounting Officer charge of the NGCDF-MOYALE Constituency further confirms the completeness of the accounting records maintained for the *NGCDF*, which have been relied upon in the preparation of the NGCDF financial statements as well as the adequacy of the systems of internal financial control.

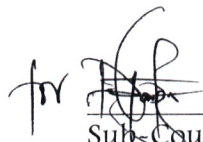
The Accounting Officer in charge of the NGCDF-MOYALE Constituency confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF funds received during the year under audit were used for the eligible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

Approval of the financial statements

The NGCDF-MOYALE Constituency financial statements were approved and signed by the Accounting Officer on 28th September 2018.



Fund Account Manager
Name: Yusuf Dika Wako



Sub-County Accountant
Name: Nicholus Nyaga



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MOYALE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Moyale Constituency set out on pages 7 to 26, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Moyale Constituency 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 do not comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Adverse Opinion

1.0 Inaccuracy of the Financial Statements

The statement of assets reflects a fund balance of Kshs.3,086,150 while the respective note 13 reflects a balance of Kshs.17,443,408 resulting to an un-explained variance of Kshs.14,357,258. Further, the statement of receipts and payments reflects Kshs.84,353,447 and Kshs.81,255,201 for receipts and payments respectively resulting to a surplus of Kshs.3,098,201. However, a manual computation revealed a surplus of Kshs.3,098,246 resulting to un-explained variance of Kshs.45.

In the circumstances, the accuracy of the financial statements balances for the year ended 30 June 2018 could not be confirmed.

2.0 Project Management Committee (PMC) Account Balances

Note 6 and 7 to the financial statements reflects Kshs.28,694,500 and Kshs.45,920,500 in respect of transfers to other government entities and other grants and other payments respectively both totaling Kshs.74,615,000 for the year ended 30 June, 2018 which was

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

disbursed to PMCs bank accounts during the year under review to undertake various projects. However, included in this amount is Kshs.15,729,757 reflected at note 15.1 to the financial statements as the PMCs bank account balances that had not been utilized as at 30 June, 2018 and which had not been returned to Constituency account contrary to Section 12 (8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds in the PMCs accounts shall be returned to the constituency account. Further, bank balance confirmation certificates, bank reconciliation statements, and cash books for these PMCs accounts have not been availed for audit review.

In the circumstances, the validity, existence and accuracy of Kshs.15,729,757 PMCs bank accounts balances as at 30 June, 2018 could not be confirmed.

3.0 Bursaries

Note 7 to the financial statements for the year under review reflects other grants and other payments balance of Kshs.45,920,500 out of which Kshs.20,098,000 and Kshs.15,630,000 were disbursed as bursaries to secondary schools and tertiary institutions respectively all totaling to Kshs.35,728,000. However, records made available for audit review revealed that out of the Kshs.35,728,000 bursaries disbursed during the year, only bursaries totaling to Kshs.4,304,980 were acknowledged by the recipient institutions while bursaries totaling to Kshs.31,423,020 remained unacknowledged as at 30 June 2018.

Further, the Fund gave out equal amounts to all bursary beneficiaries without considering individual cases of the applicants. A physical inspection carried out in the month of January 2019 on four (4) schools which had received bursaries totaling to Kshs.2,270,000 revealed that updated cash books and fees registers reflecting the receipt of the bursaries were not maintained.

In the circumstances, the accuracy and propriety of the Kshs.35,728,000 bursaries disbursed during the year ended 30 June 2018 could not be confirmed.

4.0 Committee Meetings

Note 5 to the financial statements reflects Kshs.4,194,245 in respect to use of goods and services for the year ended 30 June, 2018 which includes Kshs.2,359,000 for committee expenses. However, review of the expenditure revealed that the Constituency Development Fund Committee (CDFC) held thirty-two (32) meetings contrary to Section 43(11) of the National Government Constituencies Development Fund Act, 2015 which requires the constituency committee to meet at least six times in a year but not to hold more than twenty-four meetings in the same financial year. The Kshs.2,359,000 expenditure therefore includes Kshs.391,000 payments in respect to eight (8) excess meetings held during the year under review.

In the circumstances, the propriety, validity and legality of the Kshs.391,000 expenditure for the year ended 30 June, 2018 could not be confirmed including whether it is a proper charge to public funds.

5.0 Transfer to Other Government Entities

5.1 Stalled Project - Moyale Technical Training College

Note 6 to the financial statements for the year under review reflects transfer to other government entities balance of Kshs.28,694,500 which includes Kshs.10,262,500 in respect to transfers to tertiary institutions which further includes Kshs.10,000,000 spent on the construction of Moyale Technical Training College. According to the project file availed for audit review, the contract was awarded in the financial year 2016/2017 through partnership between the Fund and Meru university in which the former was to offer financial support while the latter was to offer technical support in terms of consultancy and supervision.

However, no bill of quantities including expenditure returns were availed for audit review. It was therefore not possible to ascertain the nature of works that was to be undertaken and how much has been spent so far. Further, the project has no project management committee in place contrary to Section 36(1) of the National Government Constituencies Development Fund Act, 2015 which states that "Projects under this Act shall be implemented by the project management committee".

A physical inspection carried out in the month of January 2019 revealed that the project has not been completed as windows and doors had not been fitted, the floor and roofing was not done and walls were not plastered and the contractor was not on site. It was further noted that one pillar of the building had been marked for demolition by the National Construction Authority but details on the reason and remedy were not availed for audit review.

In the circumstances, the validity and value for money for the Kshs.10,000,000 expenditure for the year ended 30 June 2018 could not be confirmed.

5.2 Construction of a Classroom at Odda Secondary School

Note 6 to the financial statements for the year under review reflects transfer to other government entities balance of Kshs.28,694,500 which includes Kshs.6,095,000 transfer to secondary schools which further includes Kshs.1,760,000 for the construction of a classroom at Odda Secondary school. A physical inspection carried out during the month of January 2019 revealed that the classroom had been completed and was in use. However, it was noted that the floor and the walls had developed visible cracks which is an indicator of poor workmanship. Further, management did not avail the bill of quantities and other accounting records for audit review.

In the circumstances, the validity and value for money for the Kshs.1,760,000 expenditure for the year ended 30 June 2018 could not be confirmed.

5.3 Renovations at Hellu Mixed Secondary School

Note 6 to the financial statements for the year under review reflects transfer to other government entities balance of Kshs.28,694,500 which includes Kshs.6,095,000 transfer to secondary schools which further includes Kshs.1,445,000 for renovation of a classroom and

procuring desks and chairs for Hellu mixed secondary school. However, no bill of quantities was availed for audit review. A physical inspection carried out during the month of January 2019 revealed that the project was not labelled, painting works were partially done and the finishing works for the windows was incomplete. In addition, desks worth Kshs.500,000 said to have been supplied were not confirmed and the contractor was not on site.

In the circumstances, the validity and value for money for the Kshs.1,445,000 expenditure for the year ended 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Moyale NGCDF in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse 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. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

1.1 Receipts Analysis

The summary statement of appropriation: recurrent and development combined reflects a receipt budget of Kshs.142,224,080 and an actual amount receipt from the board of Kshs.87,439,597 resulting to a variance of Kshs.54,784,483.

Overall, the fund failed to actualize its budget by Kshs.54,784,483 or 39% an indication that most of the programmes and activities that had been planned were not implemented. There is need therefore for Constituency Development Fund management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery to the citizens of Moyale Constituency.

1.2 Payments Analysis

The summary statement of appropriation: recurrent and development combined reflects budgeted expenditure of Kshs.142,224,080 and actual expenditure of Kshs.81,255,201 resulting to under expenditure of Kshs.60,968,879 or 43% as follows;

BUDGET ABSORPTION				
Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	Under Absorption (Kshs)	Under Absorption(%)
Compensation of employees	2,774,340	1,416,059	1,358,281	49
Use of Goods and Services	10,648,878	4,194,245	6,454,633	61
Transfer to other Government units	59,886,448	28,694,500	31,191,948	52
Other Grants and Transfers	66,715,261	45,920,500	20,794,761	31
Other Payments	2,199,153	1,029,897	1,169,256	53
Totals	142,224,080	81,255,201	60,968,879	43

In overall, the Fund under spent by Kshs.60,968,879 of the total budget allocation. The funds could have been allocated to other deserving areas that would have improved delivery of goods and services to the residents of Moyale Constituency. There is need therefore for the management to re-look at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the citizens of Moyale.

2.0 Project Implementation Status

The project implementation status report availed for audit review shows that the Fund had planned to implement 54 projects during the financial year under review at a total cost of Kshs.85,183,330. However, 41 projects worth Kshs.35,706,948 had not started while 10 projects with a cost of Kshs.47,531,382 were ongoing and only 3 projects worth Kshs.1,945,000 had been completed as analyzed below:

Project Status	Sector	Amount Allocated (Kshs)	Amount Disbursed (Kshs)	No of Projects
Completed	Education	1,445,000	1,445,000	2
	Solar Installation	500,000	500,000	1
	Sub Total	1,945,000	1,945,000	3
On going	Education	5,280,000	4,020,000	3
	Security	4,522,500	-	4
	Emergency Reserve	5,137,931	3,250,000	1
	Bursary	30,854,744	30,854,744	1
	Constituency Sports Tournaments	1,736,207	0	1
	Sub Total	47,531,382	38,124,744	10

Project Status	Sector	Amount Allocated (Kshs)	Amount Disbursed (Kshs)	No of Projects
Not Started	Education	29,931,948	-	35
	Security	5,250,000	-	5
	Environmental Activities	525,000	0	1
	Sub Total	35,706,948	-	41
Grand Total		85,183,330	40,069,744	54

In view of the foregoing, the constituents did not get the expected services equivalent to the ten (10) ongoing and forty-one (41) not started projects costing Kshs.38,124,744 and Kshs.35,706,948 respectively all totaling to Kshs.73,831,692 for the year ended 30 June 2018. This is an indication of inappropriate project implementation mechanism. Therefore, there is need for the Constituency Development Fund management to review its planning mechanism with a view to prioritizing those projects which will be in a position to be implemented during the financial year resulting to higher impact in improving service delivery to the citizens of Moyale Constituency.

3.0 Progress on Follow Up of Auditor Recommendations

The financial statements for the year under review includes, at page 24, a progress on follow up of auditor recommendations as prescribed by the International Public Sector Accounting Standards and the Public Sector Accounting Standards Board (PSASB). However, this progress report indicates that all issues raised by the auditor in previous year were resolved but no evidence has been availed for verification to show how the issues were resolved.

In the circumstances, the accuracy and completeness of the information could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error 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 Moyale NGCDF ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government either intends to liquidate the Moyale NGCDF or to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

In addition to the audit of the financial statements, a compliance 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 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 Moyale NGCDF policies and procedures may deteriorate.

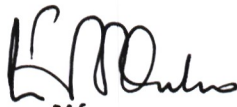
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Moyale NGCDF 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 Moyale NGCDF to cease to continue as a going concern or 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 Moyale NGCDF to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

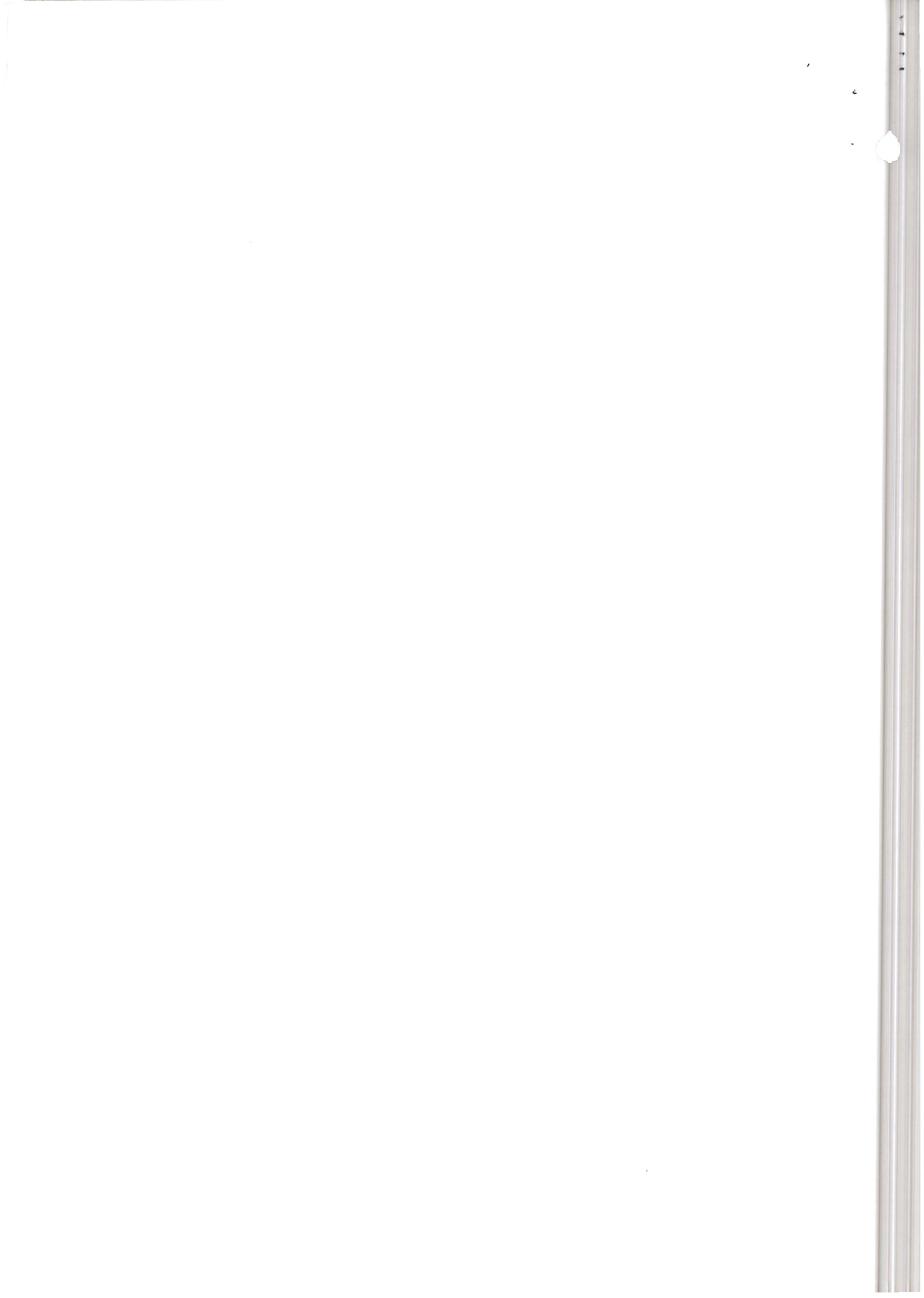
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

16 April 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

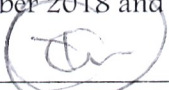
Reports and Financial Statements

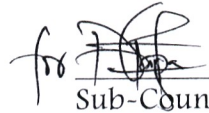
For the year ended June 30, 2018

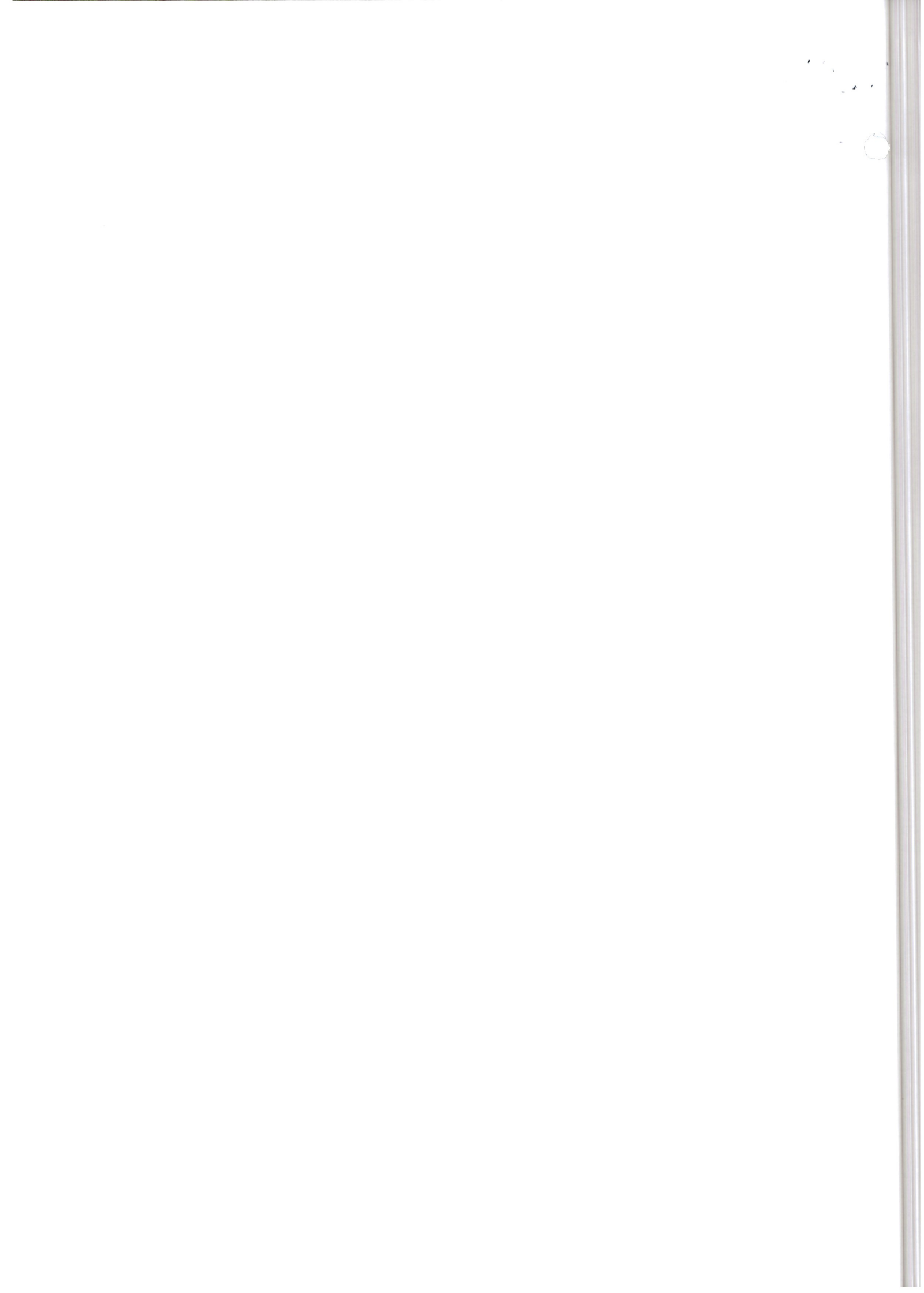
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	NOTE	2017-2018 kshs	2016-2017 kshs
RECEIPTS			
Transfers from CDF board-AIES' Received	1	84,353,447	103,457,049
Proceeds from sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		84,353,447	103,457,049
PAYMENTS			
Compensation of employees	4	1,416,059	3,025,920
Use of goods and services	5	4,194,245	9,475,825
Transfers to other government units	6	28,694,500	44,187,792
Other grants and transfers	7	45,920,500	71,565,160
Acquisition of assets	8	-	-
Other payments	9	1,029,897	-
TOTAL PAYMENTS		81,255,201	128,254,697
SURPLUS/DEFICIT		3,098,201	(24,797,648)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MOYALE Constituency financial statements were approved on 2 September 2018 and signed by:


Fund Account Manager
Name: Yusuf Dika Wako

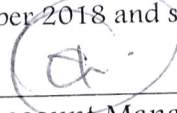

Sub-County Accountant
Name: Nicholus Nyaga



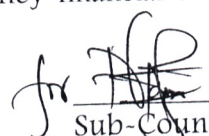
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MOYALE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

- V. STATEMENT OF ASSETS	Note	2017-2018 Kshs	2016-2017 kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank balances (as per the cash book)	10A	6,184,396	3,086,150
Cash balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		6,184,396	3,086,150
Current receivables-outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,184,396	3,086,150
FINANCIAL LIABILITIES			
Accounts payable- Retention	12	-	-
NET FINANCIAL ASSETS REPRESENTED BY		6,184,396	3,086,150
Fund balance b/fwd 1 st July...2017	13	3,086,150	27,883,798
Surplus/Deficit for the year		3,098,246	(24,797,648)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		6,184,396	3,086,150

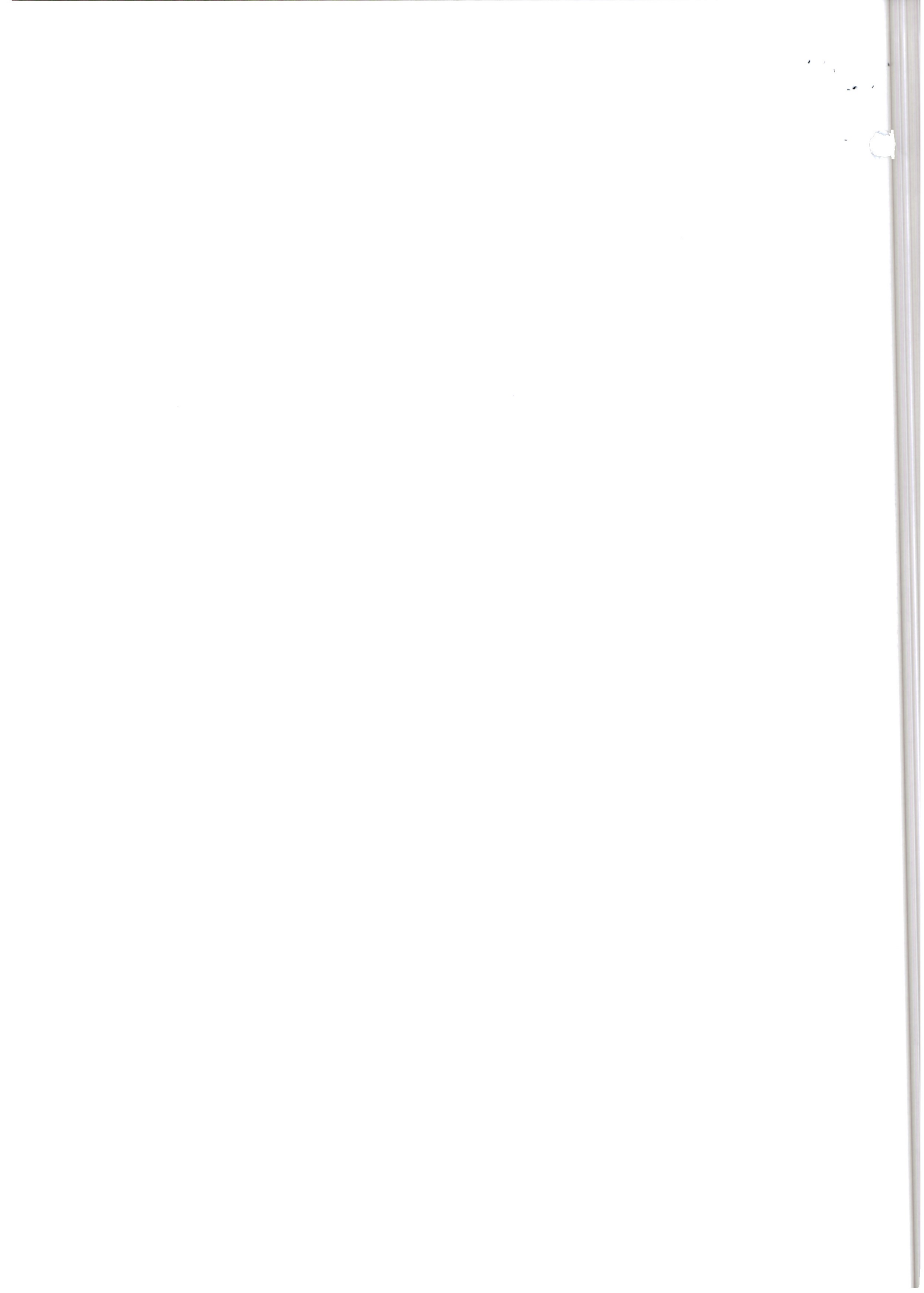
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MOYALE Constituency financial statements were approved on 28th September 2018 and signed by:



 Fund Account Manager
 Name: Yusuf Dika Wako



 Sub-County Accountant
 Name: Nicholus Nyaga



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

Reports and Financial Statements

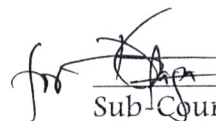
For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

VII. Receipts for operating income		2017-2018	2016-2017
Transfers from CDF Board	1	84,353,447	103,457,049
Other Receipts	3	-	-
		84,353,447	103,457,049
Payments for operating expenses			
Compensation of Employees	4	1,416,059	3,025,920
Use of goods and services	5	4,194,245	9,475,825
Transfers to other Government Units	6	28,694,500	44,187,792
Other grants and transfers	7	45,920,500	71,565,160
Other payments	9	1,029,897	
		81,255,201	128,254,697
Adjusted for:			
Adjustments during the year	14	-	
Net cash flow operating activities		3,098,246	(24,797,648)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Assets	2	-	
Acquisition of Assets	9	-	
Net cash flows from Investing Activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		3,098,246	(24,797,648)
Cash and cash equivalent at BEGINNING of the year	13	3,086,150	27,883,798
Cash and cash equivalent at END of the year		6,184,396	3,086,150

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MOYALE Constituency financial statements were approved on 28th September 2018 and signed by:

Fund Account Manager
Name: Yusuf Dika Wako



Sub-County Accountant
Name: Nicholas Nyaga



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

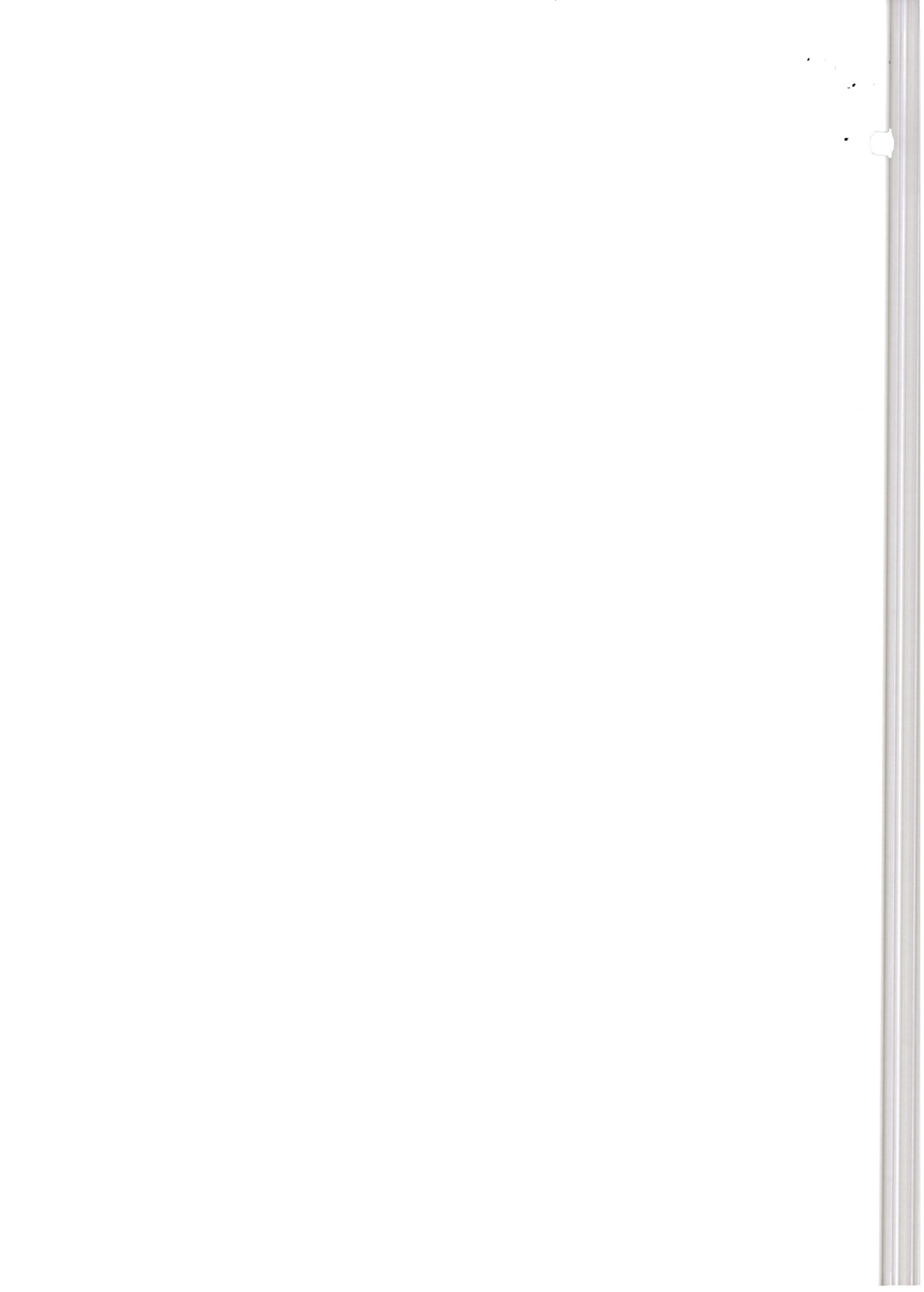
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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	86,810,345	55,413,735.00	142,224,080.00	87,439,597.00	54,784,483.00	61
Proceeds from sale of assets				-	-	
Other Receipts	-			-	-	
TOTAL	86,810,345	55,413,735	142,224,080	87,439,597	54,784,483	61
PAYMENTS						
Compensation of Employees	2,749,080	25260	2,774,340.00	1,416,059.00	1,358,281.00	51
Use of goods and services	7,063,850	3585028	10,648,878.00	4,194,245.00	6,454,633.00	39
Transfers to other Government Units	32,353,500.00	27,532,948.00	59,886,448.00	28,694,500.00	31,191,948.00	48
Other grants and transfers	43,474,658.00	23,240,603.00	66,715,261.00	45,920,500.00	20,794,761.00	69
Other payments	1,169,257.00	1,029,896.00	2,199,153.00	1,029,897.00	1,169,256.00	47
TOTAL	86,810,345	55,413,735	142,224,080	81,255,201	60,968,879	57

a) All the Revenue Items in the Schedule above are the AIEs received from the National Government Constituencies Development Fund Board.

b) Comments on the Significant Under-utilization (Below 90%) and Over-utilization (above 100%):

- *Compensation of Employees: The underutilisation of the fund stands at 51% for the fiscal year. The payment of Ng-cdf staff started from February 2018 and in the original budget there is an amount related to staff gratuity which will be paid after the expiry of staff contract.*
- *Use of Goods and Services: The underutilisation of the fund stands at 39% due to non receipt of fund from the Board as at 30th June 2018.*
- *Transfers to Other Government Units: The underutilization of the budget stands at 48% for the Fiscal year. This is due to the non-receipt of the funds for the supplementary budget*



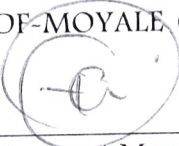
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MOYALE CONSTITUENCY**

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

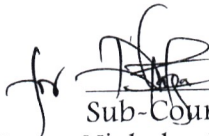
which were not disbursed from the Board. By the year end 30th June 2018, only 50% of the funds for these Votes were received and hence the variance indicated.

- *Other Grants and Transfers: The Underutilization of the year's budget stood at 69%. Similarly this also arises from the fact that a significant 31% of these funds were not received from the NGCDF Board by the year ended 30th June 2018.*
- *Other Payments: The Underutilization of the year's budget stood at 47%. This arose from non receipt of fund from the Board as at 30th June 2018.*

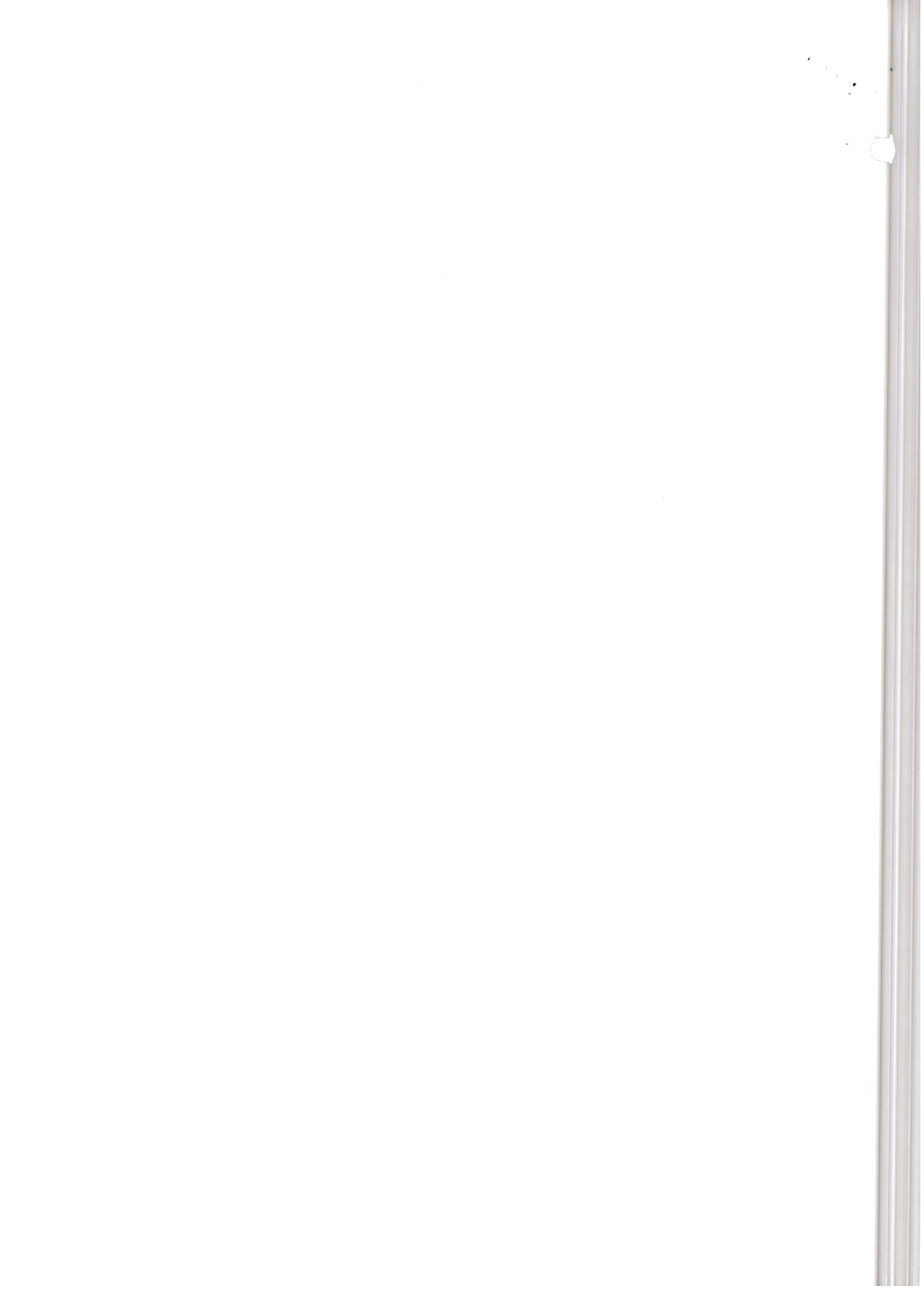
The NGCDF-MOYALE Constituency financial statements were approved on 28th September 2018 and signed by:



Fund Account Manager
Name: Yusuf Dika Wako



Sub-County Accountant
Name: Nickolus Nyaga



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

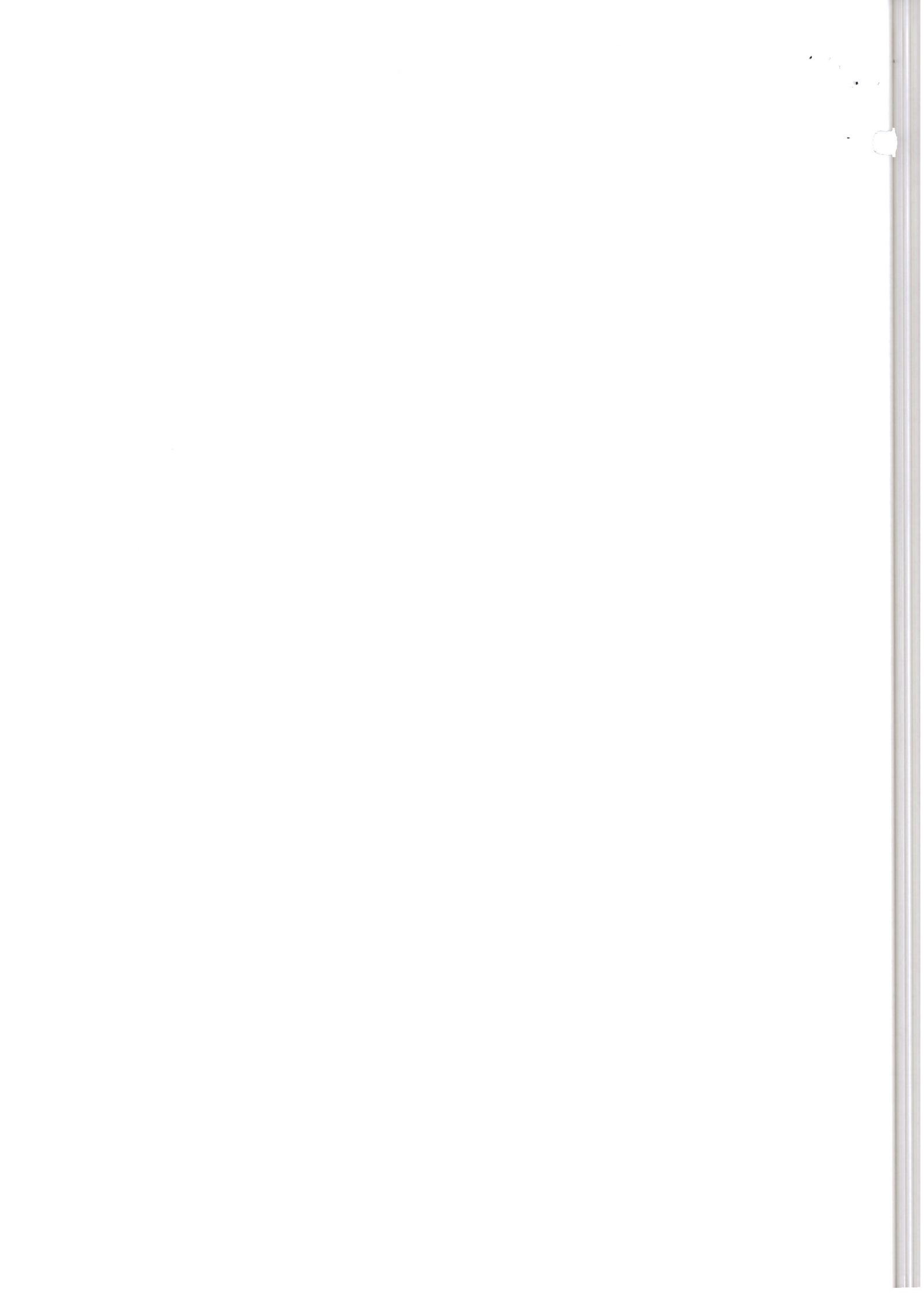
Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

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

External Assistance

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

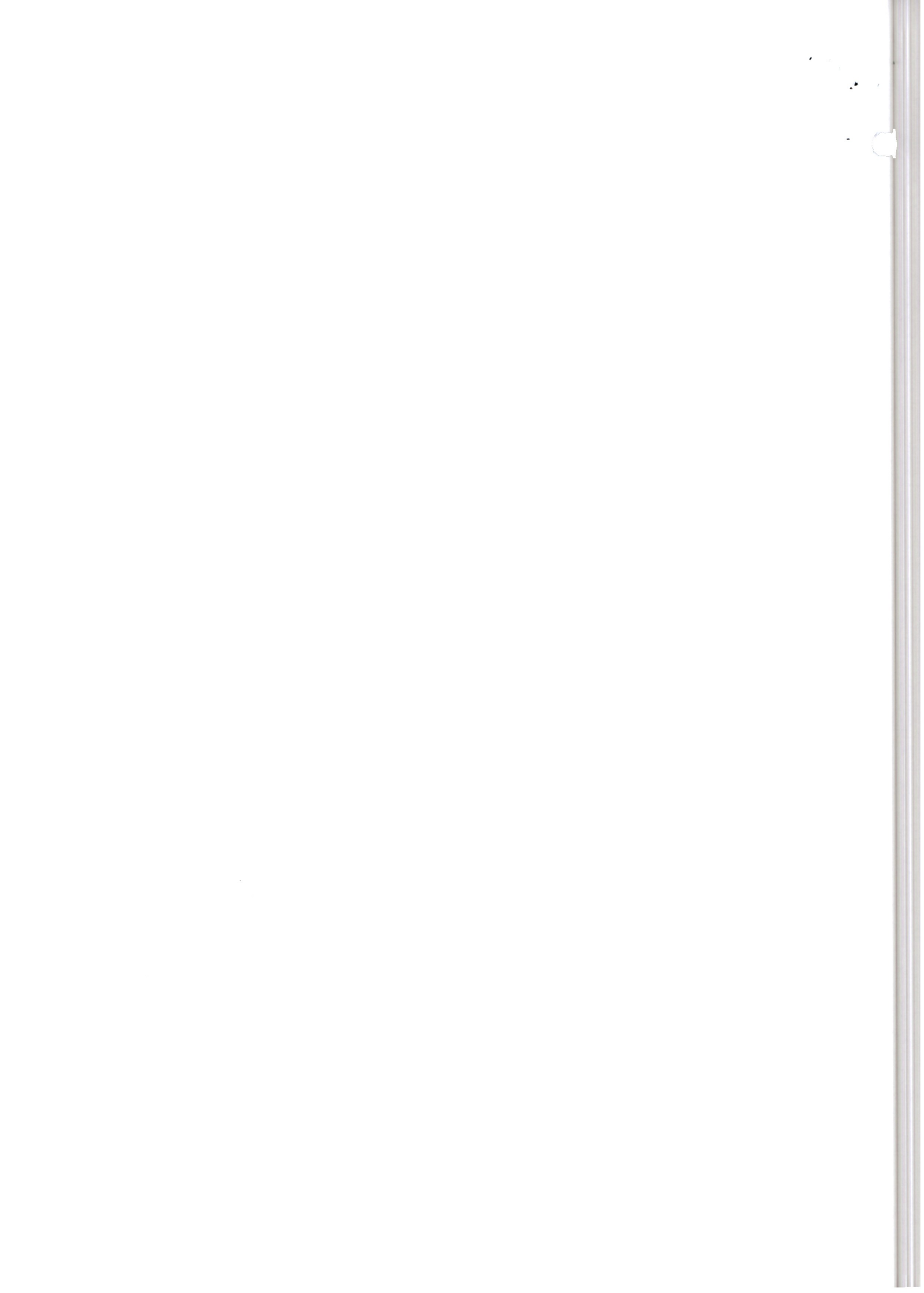
Acquisition of Fixed Assets

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

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

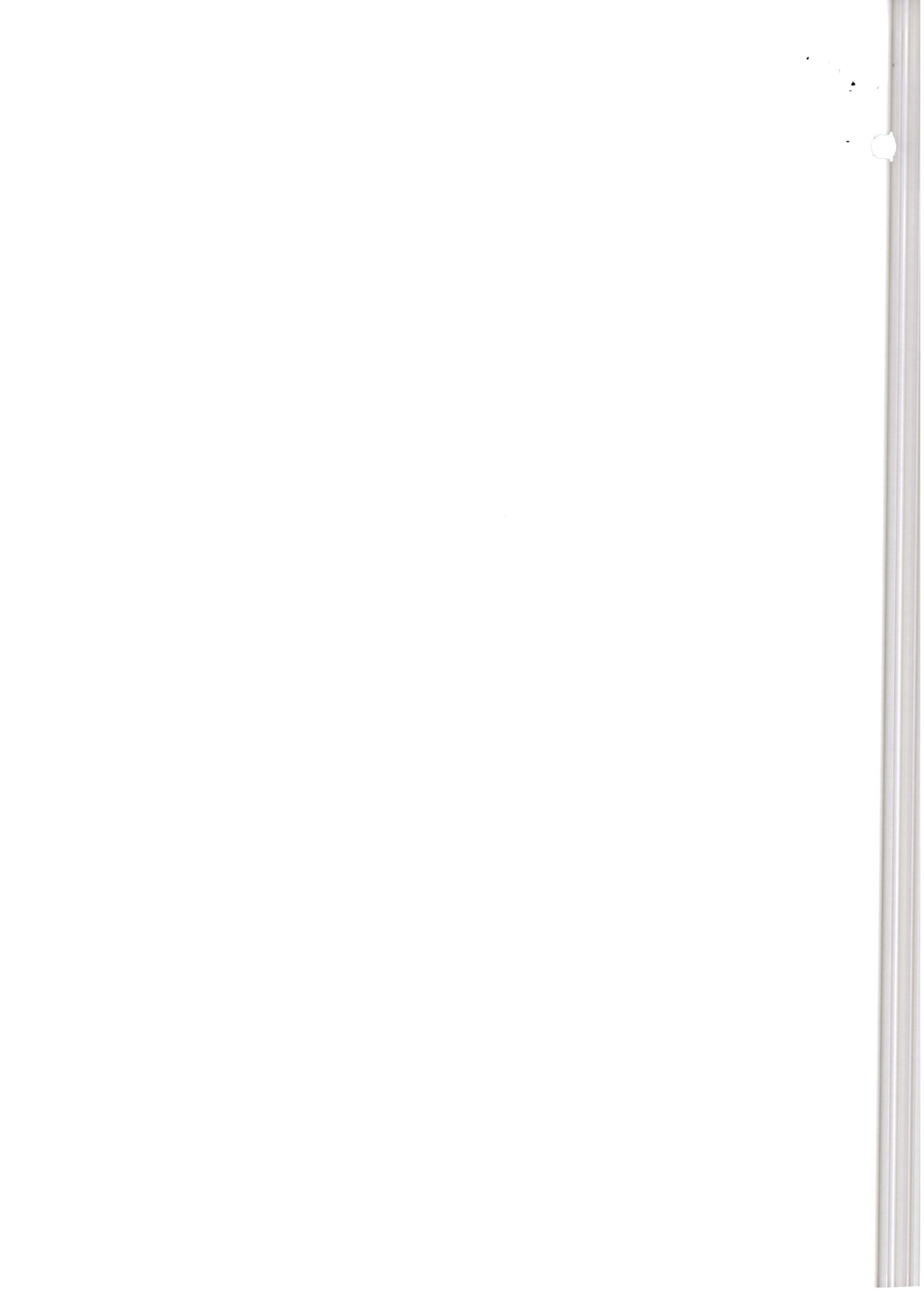
Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense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

10. Unutilized Funds

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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.

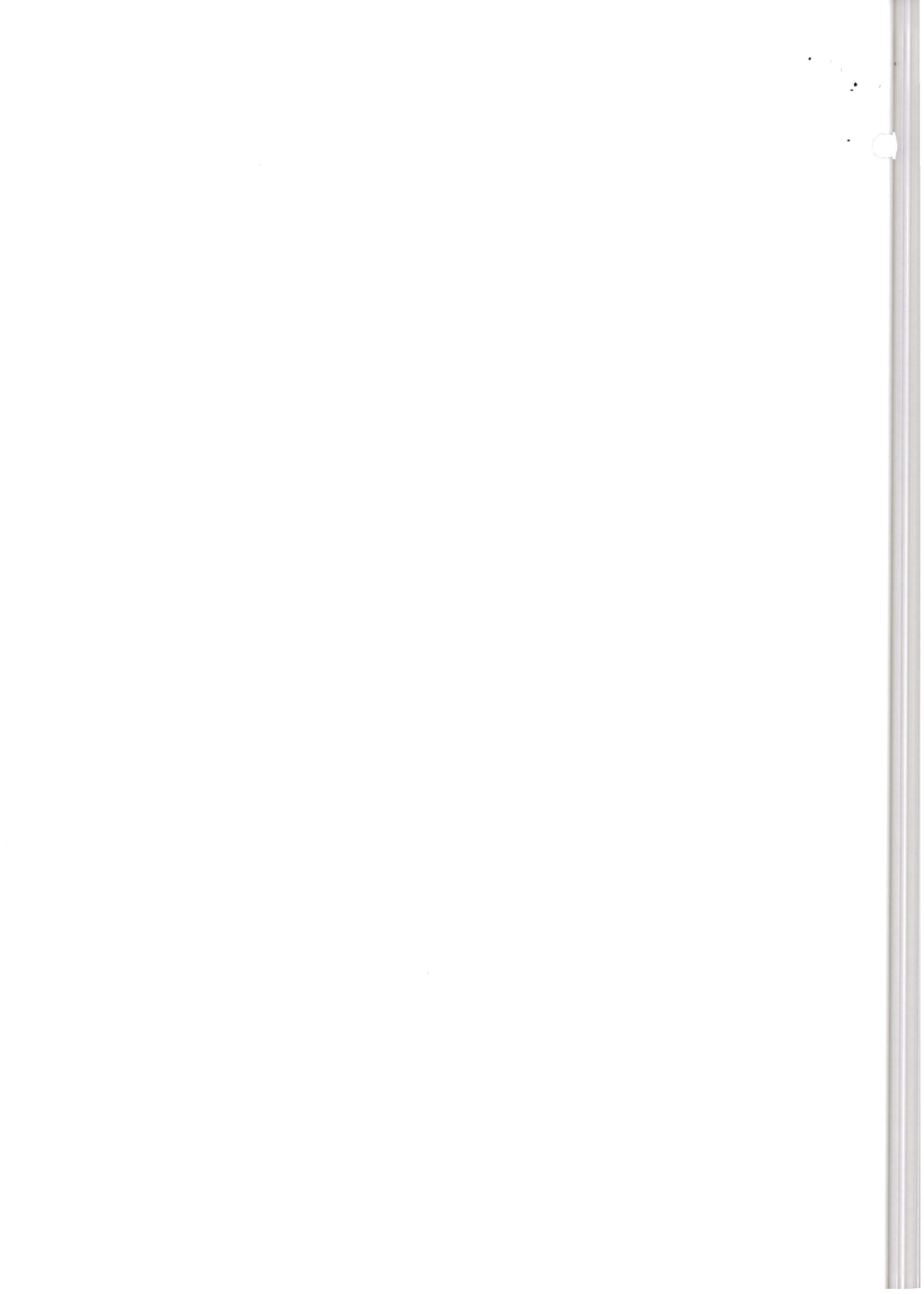
14. Errors

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.

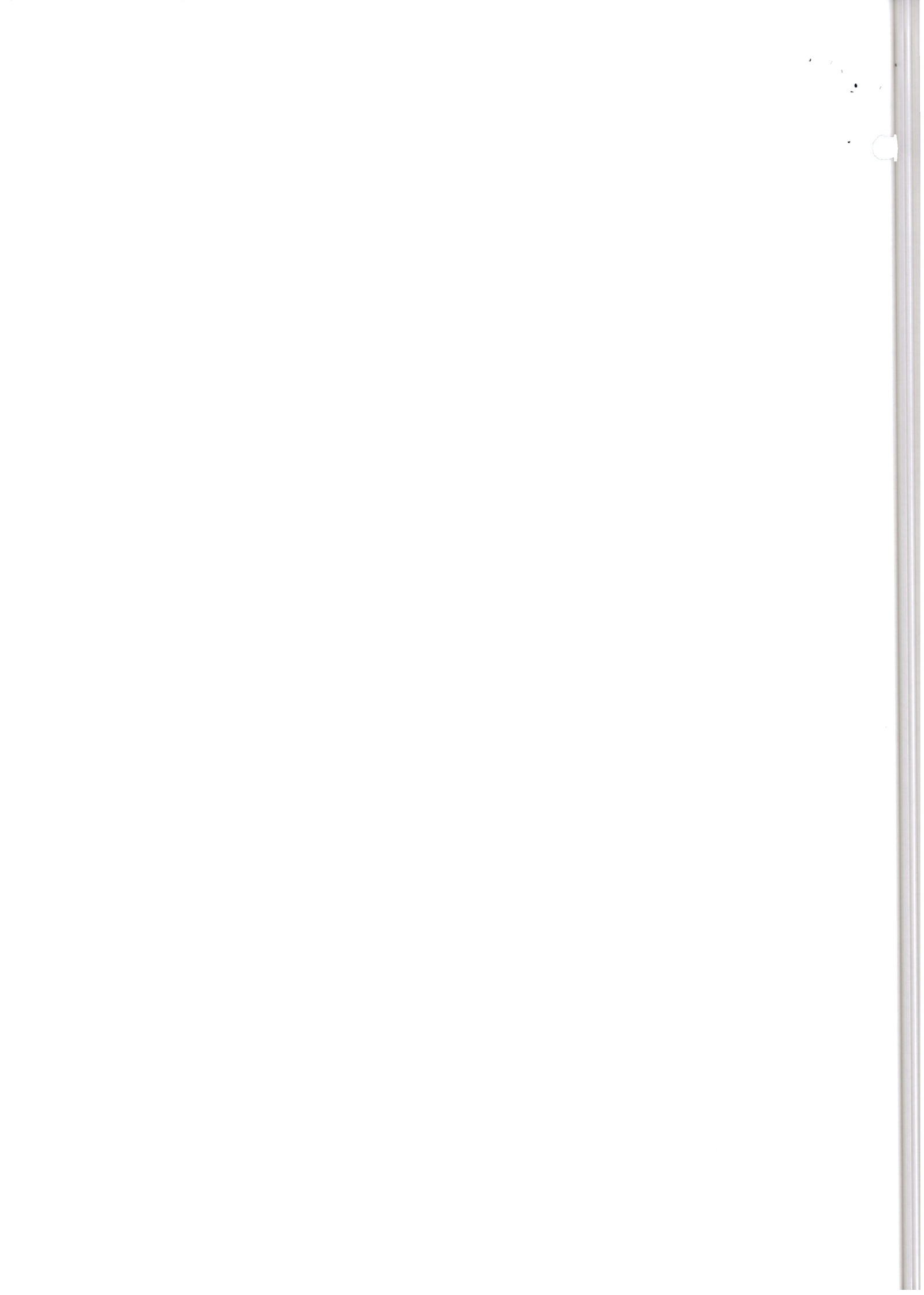


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements
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IX. NOTES TO THE FINANCIAL STATEMENT

I TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2017-2018	2016-2017
			Kshs	Kshs
1330407	Normal Allocation			
		DEP07/2017/2018/187	5,500,000.00	
		DEP07/2016/2017/517	40,948,275.10	
		DEP07/2017/2018/526	37,905,172.00	
		AIE NO...2015/2016/1051		62,508,772.00
		AIE NO...2016/2017/188		4,094,827.60
		AIE NO...2016/2017/354		36,853,449.00
1330408	Conditional grants			-
		AIE NO...	-	
1330409	Receipt from other Constituency	AIE NO...	-	
	TOTAL		84,353,447	103,457,049

4 COMPENSATION OF EMPLOYEES				
	Description		2017-2018	2016-2017
			Kshs	kshs
2110201	Basic wages of contractual employees		1,380,999.45	2,113,050.00
2110202	Basic wages of casual labour			
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110326	Other personnel payments		35,060.00	21,600.00
2120101	Employer contribution to NSSF			



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MOYALE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

2710120	Gratuity			891,270.00
	Total		1,416,059	3,025,920

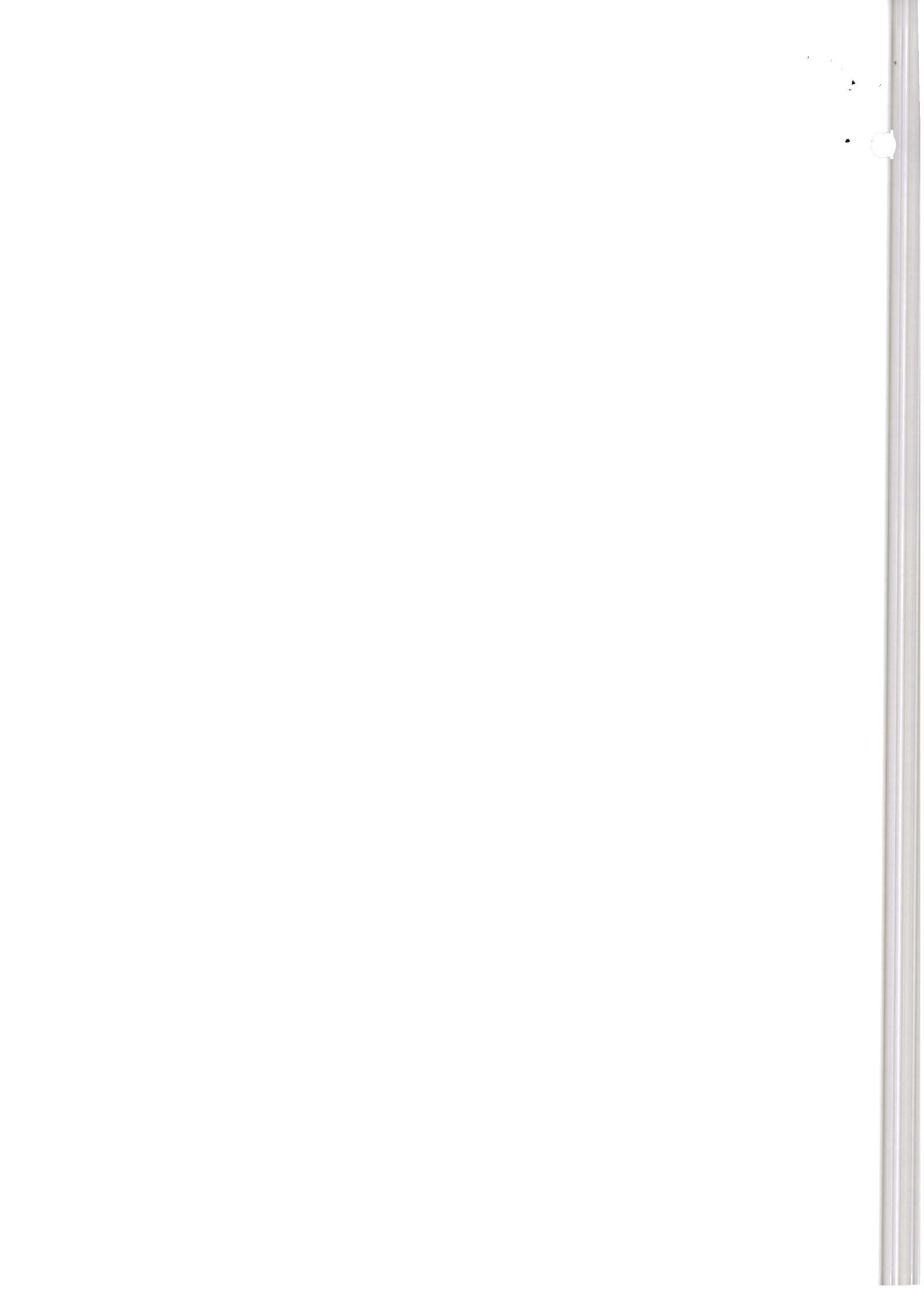
2200000	5 USE OF GOODS AND SERVICES		2017-2018	2016-2017
	Description		kshs	kshs
				120,000.00
2210100	Utilities, supplies and services			-
2210104	Office rent			
2210200	Communication, supplies and services			
2210300	Domestic travel and subsistence			
2210500	Printing, advertising and information supplies & services			
2210600	Rentals of produced assets			
2210700	Training expenses		1,190,000.00	1,396,000.00
2210800	Hospitality supplies and services			
2210802	Other committee expenses			
2210809	Committee allowance		2,359,000.00	5,512,000.00
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services			
2211200	Fuel, oil & lubricants		400,000.00	1,203,090.00
2211300	Other operating expenses		43,945.00	75,085.00
2220100	Routine maintenance- vehicles and other transport equipment		201,300.00	1,169,650.00
2220200	Routine maintenance – other assets			
	Total		4,194,245	9,475,825



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

2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2017-2018	2016-2017
			Kshs	Kshs
2630204	Transfers to primary schools		12,337,000.00	28,317,792.00
2630205	Transfers to secondary schools		6,095,000.00	15,870,000.00
2630206	Transfers to tertiary institutions		10,262,500.00	-
2630207	Transfers to health institutions			
	Total		28,694,500	44,187,792

2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description		2017-2018	2016-2017
			Kshs	Kshs
2640101	Bursary – Secondary		20,098,000.00	4,381,060.00
2640102	Bursary- tertiary		15,630,000.00	10,748,749.00
2640104	Bursary – Special schools			
2640105	Mocks & CAT			
2640504	Water			
2640505	Agriculture (food security)			
2640506	Electricity projects			
2640507	Security		6,352,500.00	3,260,000.00
2640508	Roads			44,985,000.00
2640509	Sports		600,000.00	1,000,175.00
2640510	Other capital grant and transfer			1,000,176.00
2640200	Emergency projects(specify)		3,240,000.00	6,190,000.00
	Total		45,920,500	71,565,160



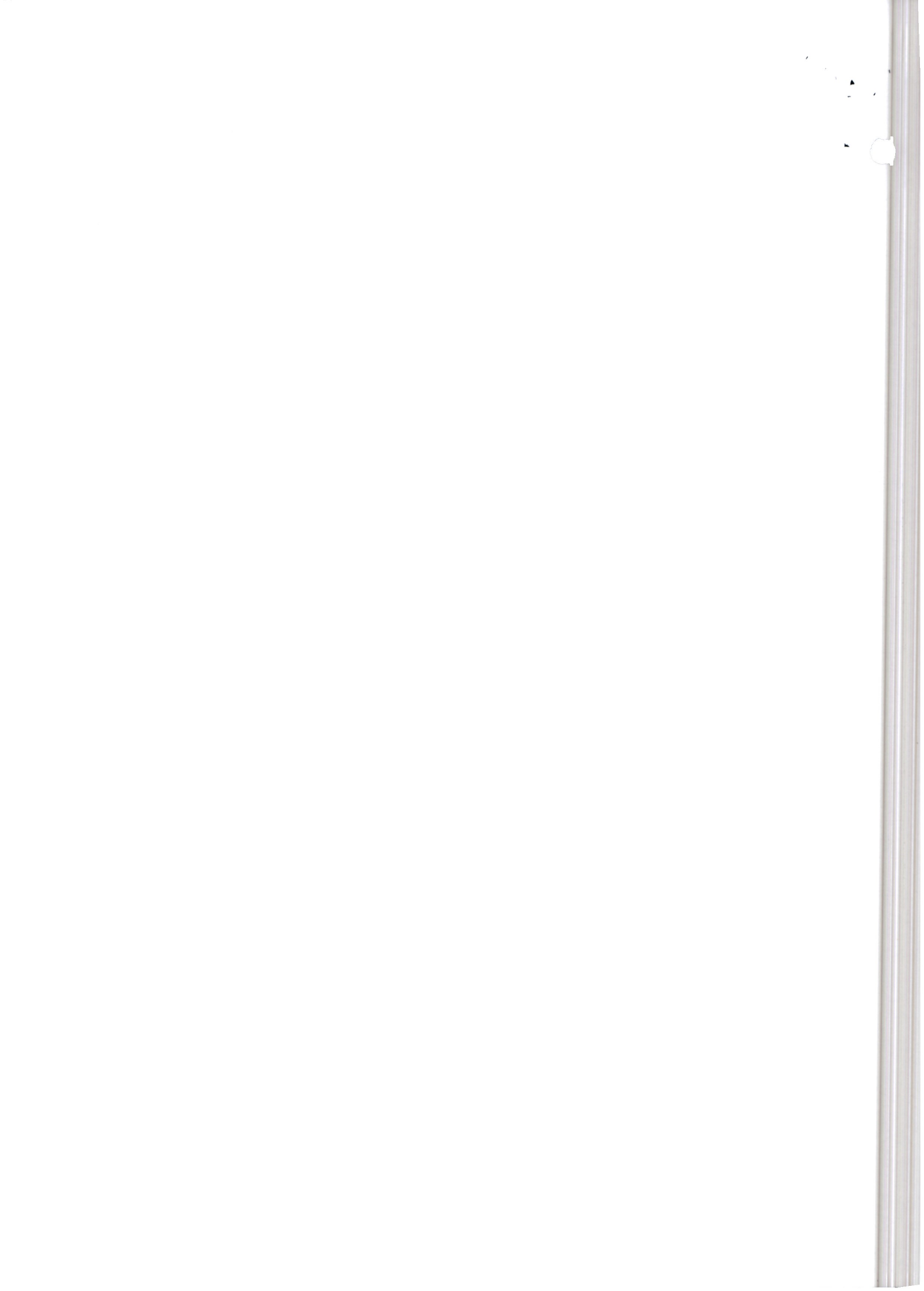
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9.other payments-security		2017-2018	2016-2017
Moyale Ng-cdf office renovation		529,896.58	
Moyale Ng-cdf-installation of solar panel & air conditioner		500,000.00	
Total		1,029,897	-

10A:Bank Balances(cash book balance)		2017-2018	2016-2017
Name of Bank, Account No. & currency	Account number	Kshs(30/6/2018)	Kshs(1/7/2017)
Equity bank Moyale branch	1020298992601	6,184,396	3,086,150
		-	-
		-	-
Total		6,184,396	3,086,150

13 BALANCES BROUGHT FORWARD		2017-2018	2016-2017
	Account number	Kshs(30/6/2018)	Kshs(1/7/2017)
Bank accounts	1020298992601	17,443,408	27,883,798
Cash in hand		-	-
Imprest			-
Total		17,443,408	27,883,798



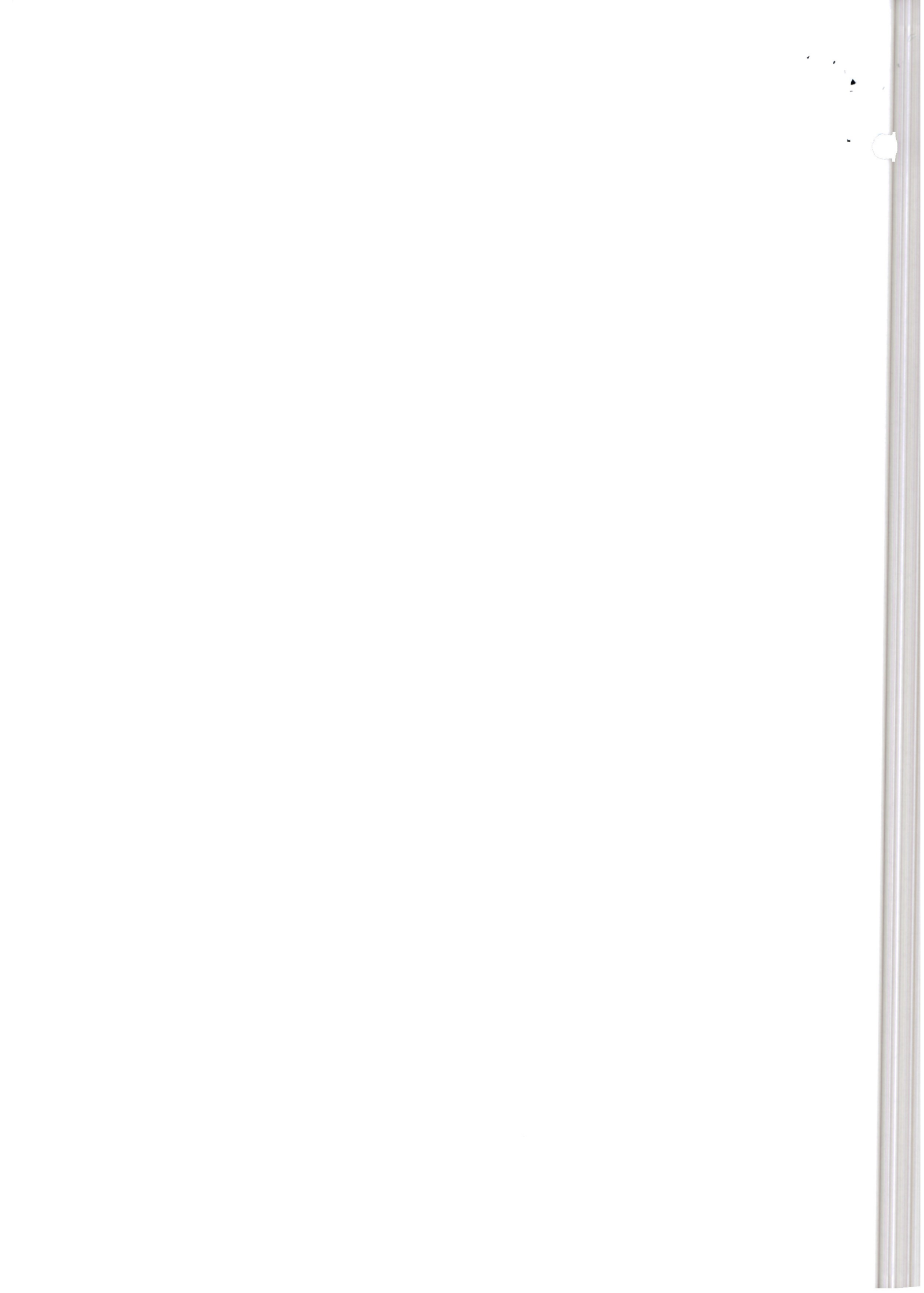
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15. OTHER IMPORTANT DISCLOSURES

15.1 PMC ACCOUNT BALANCES(see annex 2)			
		2017-2018	2016-2017
		kshs	kshs
Pmc account balances		15,729,757	5,931,558
Cash in hand		-	-
imprest			-
Total		15,729,757	5,931,558

15.2 AMOUNT DUE FROM THE BOARD			
		2017-2018	2016-2017
		ksh	ksh
Amount due from the board		54,784,483	40,948,275
Cash in hand		-	-
imprest			-
Total		54,784,483	40,948,275

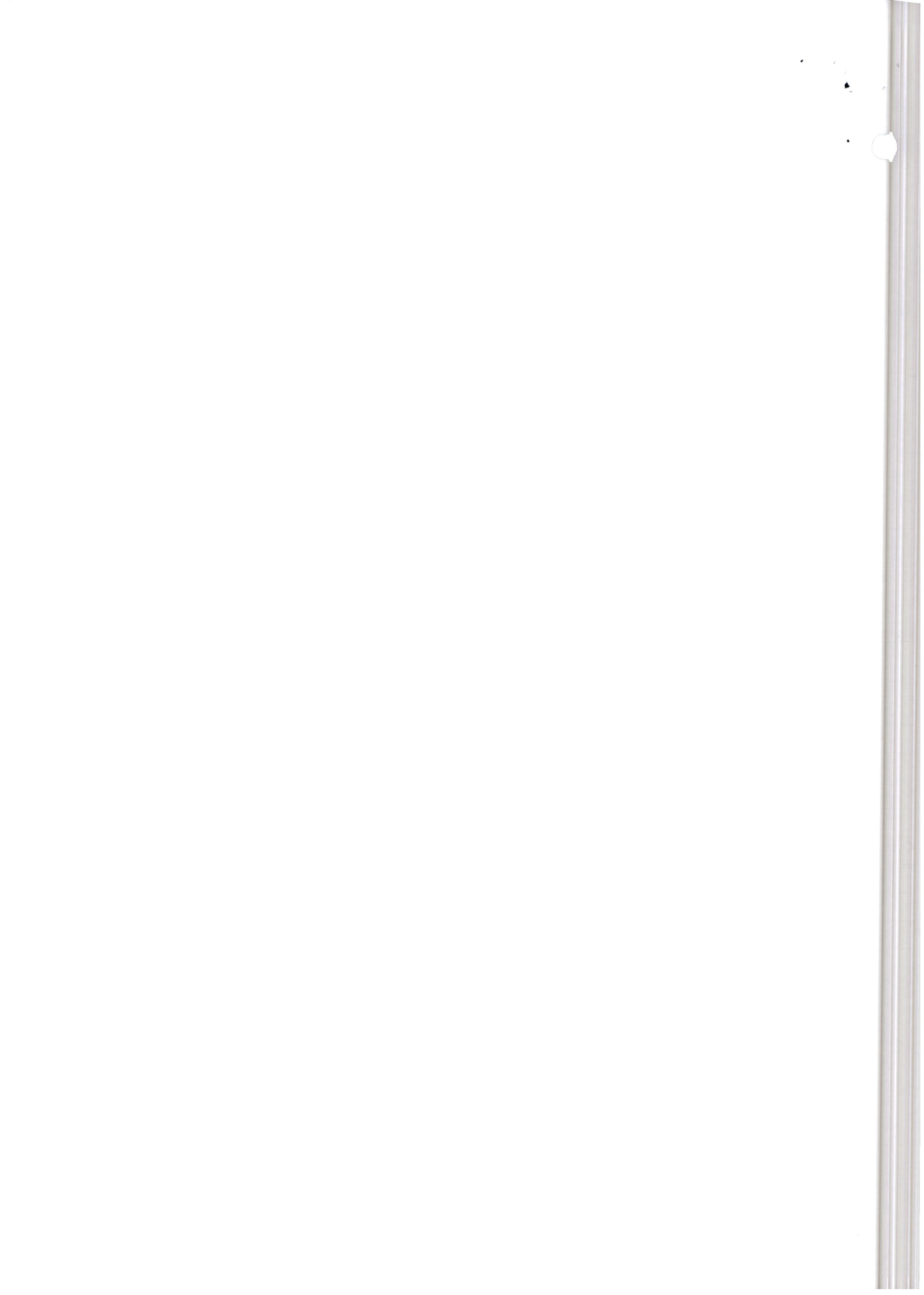
15.3 UNUTILIZED FUND(see annex 3)			
		2017-2018	2016-2017
		ksh	ksh
Compensation of employees		1,358,280.55	
Use of goods and services		6,454,633.21	-
Transfer to other government units		31,191,948.00	-
Other grants and other transfers		20,794,760.75	
Other payments		1,169,256.80	
Total		60,968,879	-



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ANNEX 2-PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	BANK	ACCOUNT NUMBER	BANK BALANCE AS AT 30 TH JUNE 2018	BANK BALANCES AS AT 30 TH JUNE 2017
Odha Mixed Day Secondary School	Equity	1020269350511	1,260,790	0
Town Mixed Day	Equity	1020272310135	1,261,220	0
Moyale Technical Training College Cdf Account	Equity	1020276314106	10,000,000	0
Mukh Gurra Primary School Cdf Account	Equity	1020299708673	1,025,640	0
Qicha primary school Cdf Account	Equity	1020161500380	1,130,707	0
Golla Primary School Cdf Account	Equity	1020264293984	1,051,400	
Total			15,729,757	0



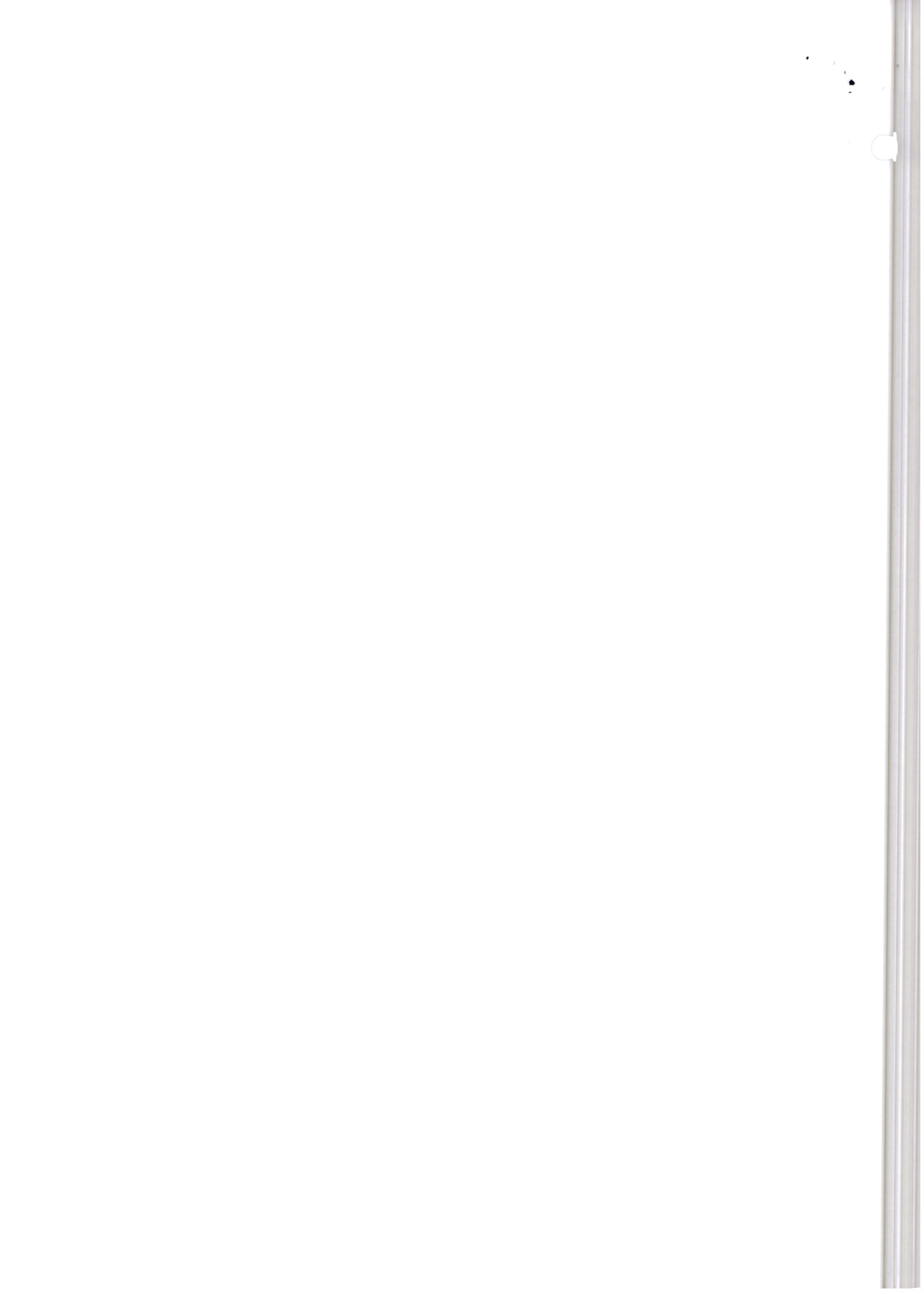
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ANNEX 3 - ANALYSIS OF UNUTILIZED FUND		
NAME	Brief Transaction Description	Original Amount Kshs
Amounts due to other Government entities		
1. Primary School Project		23,391,147.8
2. Secondary School Project		7,170,000
3. Tertiary School Project		630,800
Sub Total		31,191,948
Amounts due to other grants and other transfers		
1. Emergency		1,897,931
2. Bursaries		6,863,124
3. Environment		525,000
4. Sports		1,736,207
5. Security		9,772,500
Sub - Total		20,794,761
Compensation of Employees		
9. Employee Salaries		1,358,281
Sub-total		1,358,281
Use of Goods and Services		
10. Admin- Committee Expenses		717,017
11. M & E - Committee Expenses		517,379
12. Admin - Good & Services		1,481,907
13. M & E Good & Services		184,310
14. Strategic Plan		3,500,000
Sub-total		6,454,633
Others		
15. Constituency innovation Hub		1,169,257
Sub-Total		1,169,257
		60,968,879



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ANNEX 4-SUMMARY OF FIXED ASSET REGISTER		
Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2017/2018	2016/2017
Land		
Building and structures	7,976,000	7,976,000
Transport Equipment	4,550,000	4,550,000
Office equipment, Furniture and fittings	1,328,750	1,328,750
ICT Equipment's and Other ICT Assets	133,500	133,500
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	13,988,250.00	13,988,250.00



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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Unaccounted for Bursaries-Lack of acknowledgement for the Bursaries issued to Schools	Bursary cheques are always accompanied by letters addressed to institutions requesting them to acknowledge the receipt of cheque for audit purpose. Our staff will in future personally deliver the cheques to institutions	Yusuf Dika-Fund Account Manager	In progress	30.09.2018
4.2	Accuracy of Financial statements	The management corrected the table of content and properly numbered the financial statement.	Yusuf Dika-Fund Account Manager	Resolved	30.06.2018
4.12	Unaccounted for Fuel	The Fuel register was updated in another page from the previous one	Yusuf Dika-Fund Account Manager	Resolved	30.06.2018



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YUSUF DIKA WAKO
FUND ACCOUNT MANAGER,
MOYALE-NGCDF

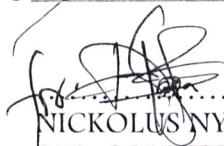


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NICKOLUS NYAGA,
SUB-COUNTY ACCOUNTANT,
MOYALE-NGCDF



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