

REPUBLIC OF KENYA



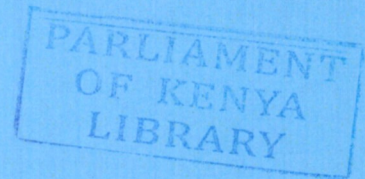
OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2022	DAY: Wed.
TABLED BY:	The Majority Whip Hon. E. Wangwe, MP
CLERK-AT THE TABLE:	Benon Inzigu.

**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
GARSEN CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
GARSEN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 30<sup>th</sup> June 2019 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 NGCDF Committee	Daud Dube
4.	Member NGCDF Committee	Warda Mbwana

**(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. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) NGCDF Garsen Constituency Offices**

P.O. Box 48-80201

Garsen

Minjila town along Malindi Garsen road

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**(f) NGCDF Garsen Constituency Contacts**

Telephone: (254) 723520869  
E-mail: [cdfgarsen@ngcdf.go.ke](mailto:cdfgarsen@ngcdf.go.ke)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) KCB Bank**

Garsen Branch  
A/C NO 1107969735  
P.O. Box 48-80201  
Garsen, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

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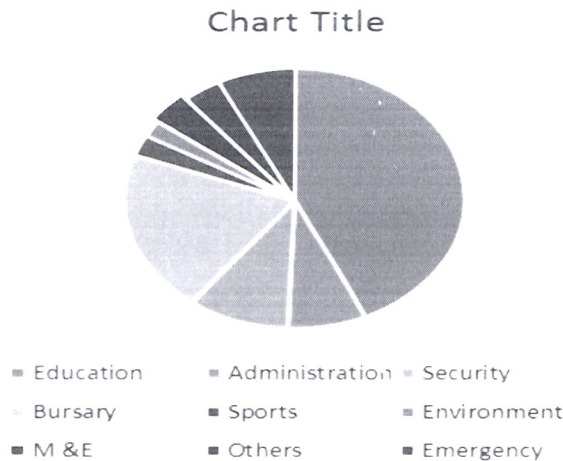
For the year ended June 30, 2020

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am pleased to forward the Financial Statements and Reports for NGCDF Garsen Constituency for the period ended 30<sup>th</sup> June 2020 as the expended Budget for the Financial Year 2019/2020. The actual receipts from the NGCDF Board for the referred period was Kshs. 137,367,724.10 which represents the total annual Project Proposal Budget for the FY 2019/2020. The actual final budget for the referred period was Kshs. 170,079,603 backed up by an Adjustment (cashbook opening balances) of Kshs 32,711,879.00

Total expenditure for the period was Kshs 118,473,884 which is equivalent to 69.2% of the actual final budget closing with a cashbook balance of Kshs. 51,605,719 representing a 31.8% of the final actual budget for the referred period

Budget allocations for the period have been summarized in a pie-chart as captured below



As depicted in the pie-chart, education has remained a major priority as it takes a lion's share of the entire budget totalling Kshs 118,473,884 comprised of 43.1% being for education infrastructure projects such as construction of classrooms, dormitories, libraries, laboratories, administration blocks, ablution blocks among others and 20.4% being bursaries for needy and bright students both in secondary and tertiary institutions of learning.

Coming in second as a major beneficiary of the funds allocation is security which is understandable due to the perennial threats posed by Al Shahab in the open porous sea at Kipini Delta and witu area which borders Boni forest.

Environment allocation has gone a long way to conserve the environment through implementation of projects such as construction of VIP toilets to improve waste disposal.

Sports allocation has awoken talents harnessing for the youths as they engage in various sporting activities and competitions.

Emergency allocation has come in hand to arrest life threatening calamities mostly caused by mother nature that may not have been prior planned for as they are unforeseen in nature

Administration allocation capacitates the committee to manage the fund efficiently and effectively

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2. PROJECTS OUT PUT AND LEVEL OF FUND UTILIZATION

The low level of project implementation was due to delays occasioned by late disbursement of funds by the Board as the final receipt of funds for the FY 2019-2020 budget was received in the closing days of June 2020, a whopping Kshs. 69,367,724.10 vide AIE No B096749 referenced as DEP 07/2019/2020/1322.

Coupled with the bureaucracies in the procurement laws, it was virtually unviable to expend the budget within the required time frame

PERENIAL ISSUES

Garsen Constituency suffers from pre-independence challenges of;

- i) Diseases, illiteracy and poverty
- ii) Transport in most parts of the constituency is hampered by lack of good roads. The only exception is the Malindi Garissa and Minjila Lamu highways.
- iii) Insecurity caused by Al Shahab terrorist activities.

As a result, the fund has continuously endeavoured to lead in the fight against illiteracy by supporting education 100% through infrastructure development and students' sponsorship to various institutions of learning, construction of security facilities notable chief's offices and police posts in every village of the constituency and more so insecurity hot spots.

EMERGING ISSUES

- i. Economic collapse caused by covid-19 pandemic
- ii. Climatic changes causing droughts, unpredictable rainfall and unusual rough seas
- iii. Ban on dawn to dusk fishing
- iv. Ban on mangrove harvesting

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



Chairman - NGCDF Garsen Constituency

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES**

**Introduction**

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

Garsen Constituency is one of the three constituencies found in Tana river county. It is located along the river banks of River Tana. The main economic activity in the non-arable land is pastoralism. The pastoral and agro pastoral communities face numerous livelihood risk including recurrent drought, conflicts over resources, flooding along the river Tana. Garsen constituency acts as a dry season grazing area that attracts pastoralists from other neighbouring constituencies thus putting pressure on the resources.

Majority of the population is poor and records high illiteracy rate and perennial food deficit. This is one of the biggest challenges that faces the population of Garsen Constituency. In terms of infrastructural development, the constituency lags behind in poor road network, inadequate safe drinking water, schools, security infrastructure and health facilities.

It receives erratic rainfall and acute water shortage, with high temperatures averaging 30C and due to the flat terrain experience floods making the Constituency vulnerable to food insecurity hence the local people to rely on relief food.

The constituency is facing high illiteracy levels due to some traditions that make the boy child leave school to look after the animals and the girl child being led to early marriages.

Lack of sufficient and reliable sources of potable water supply and sanitation services in Garsen Constituency have greatly contributed to the high poverty levels inherent of the area. Provision of readily available potable water supply and improved sanitation will impact positively on the livelihoods of the communities by availing adequate time for engagement in farming and other economic activities, eradication of water borne related diseases, improved food security and better health care services.

The constituency has endeavoured to come up with strategic objectives and related programmes and projects that have been formulated to better the livelihoods of the constituents as envisaged in the five-year strategic plan (2018-2022). This is a commitment by the Garsen NGCDF Committee to initiate projects for a period of five years that is expected to transform the livelihoods of the constituents for the better.

The vision statement is "To be an exemplary constituency for transformative socio-economic Development"

**The strategic objectives include:**

- I. To improve the quality of the socio-economic well-being of the marginalized and vulnerable local communities.
- II. To contribute in enhancing infrastructure improvement.
- III. To enhance education at all levels of learning in Garsen Constituency
- IV. To promote conservation and management of the environment.

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- V. To promote sporting activities in the constituency
- VI. To contribute in reducing unemployment among the youth in the constituency
- VII. To Promote social welfare programs in Garsen Constituency
- VIII. To improve security in Garsen Constituency
- IX. To develop and sustain institutional capacity of Garsen Constituency NG-CDF Committee

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The key development objectives of NGCDF Garsen Constituency's 2018-2022 plan are to:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and 100% transition to secondary schools and tertiary institutions by awarding bursaries to needy students	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 19/20 we increased number of classrooms, dormitories. In particular, we built a dormitory at Furah primary school in order to cater for the nomadic children and 4,300 Bursary beneficiaries at all levels were as per attached schedules
Security	To improve security in the sub county	Increased number of police posts and chiefs' offices and VIP toilets	Number of chiefs' offices, police stations and DCCs residence built.	In FY 19/20 we built Tana Delta Deputy sub county commissioners' residence, Assa Kon police and Kone Mansa chief's office
Environment	To improve environmental conservation	Increased number of VIP toilets	Number of VIP toilets built.	to improve waste disposal
Sports	To harness youth talents and potential in the constituency.	Reduced crime rate, number of youth participating in sports activities.	Number of tournaments held,	<b>One tournament held in the constituency.</b>

#### IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

##### 1. SUSTAINABILITY STRATEGY AND PROFILE -

Garsen NGCDF Committee endeavored to work within the existing policy guidelines that help in focusing on the service delivery and drive to better performance with the involvement of both internal and external stakeholders on matters of development. The relevance of this is attributed to our vision, mission and core values as provided for in our strategic plan.

##### Constituency Vision

To be an exemplary constituency for transformative socio-economic development

##### Constituency Mission

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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To improve the quality of life through efficient and effective resource utilisation in Garsen Constituency

#### Goal

The goal of Garsen Constituency Development Fund Committee is to improve the socio-economic wellbeing of the marginalized and underprivileged communities.

#### Core Values

The core values are integral part of an organization's culture and create a sense of identity belonging and purpose. Garsen NGCDF Committee has therefore agreed to uphold the following principles as its core values:-

**Team work** – We are deliberately nurturing team spirit, collaboration and consultation and we shall maximize our synergies in working together.

**Customer Satisfaction** – We are committed to satisfying both our internal and external customers.

**Integrity** – We aim to be accountable, transparent, ethical and honesty and at the same time adopt a zero tolerance to corruption.

**Gender Equity** – We shall embrace the principles of gender equity, fairness and balance across gender.

**Creativity and Innovativeness** – We shall remain open and pro-active in seeking better methods of delivery of service.

**Commitment** – We will be committed to our set objectives.

**Respect to diverse culture** – We will accommodate every stakeholder regardless of cultural background.

## 2. ENVIRONMENTAL PERFORMANCE

### Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Garsen NGCDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

### Our Environmental Policy

In this policy statement Garsen NGCDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of
- I. practice
  - II. Protecting the environment by striving to prevent and minimize our contribution to
  - III. pollution of land, air, and water
  - IV. Seeking to keep wastage to a minimum and maximize the efficient use of materials and
  - V. resources
  - VI. Managing and disposing of all wastage in a responsible manner;
  - VII. Providing training for our CDFC and staff so that we all work in accordance with this
  - VIII. and within an environmentally aware culture
  - IX. Regularly communicating our environmental performance to our employees and other
  - X. significant stakeholders
  - XI. Developing our management processes to ensure that environmental factors are
  - XII. considered during planning and implementation
  - XIII. Monitoring and continuously improving our environmental performance.
  - XIV. Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

**Our Environmental Action Plan**

Garsen NGCDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> <li>• Promote environmental awareness by sensitizing the Garsen NG-CDFC, NG-CDFC staff and PMCs on good conservation practices</li> <li>• To encourage, through regular communication to Garsen NG-CDFC, staff, and other stakeholders changes in individual behavior to reduce usage</li> </ul>
Conservation of Energy and Resources	<ul style="list-style-type: none"> <li>• To maximize use of available technologies to remove the need to use paper</li> <li>• To encourage our clients to engage with us using electronic means where possible</li> <li>• To maximize on rain water harvesting</li> <li>• To make energy efficiency a key factor in the selection of any new energy device being purchased</li> <li>• To invest in available energy saving technologies and devices within our existing premises</li> </ul>
Environmental Protection and Conservation	<ul style="list-style-type: none"> <li>• To promote use of volt guards to control power surges</li> <li>• We have constructed culverts and gabions to prevent soil erosion</li> <li>• To encourage tree planting in the constituency to improve the forest cover.</li> <li>• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires</li> </ul>
Pollution Control and Waste Management	<ul style="list-style-type: none"> <li>• To ensure that all paper waste is recycled</li> <li>• To ensure segregation of waste</li> <li>• To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks</li> </ul>

**3. EMPLOYEE WELFARE.**

Employee welfare is a specialty within the broader field of management that focuses on managing employees. It is the efficient and effective process of acquisition, development, motivation and maintenance of labour at optimum levels. It is strategic; and it matches people to the strategic and operational needs of the organization, and ensures that the human resources are fully utilized.

It is also holistic in nature, and is concerned with the overall people requirements of an organization. It ensures that an organization's people as the most important resource are taken in consideration, as well as, its financial and technological resources.

**Categories of Employment**

Garsen NGCDF offers two categories of employment, namely - Contractual employment which engages employees for 3 years on a renewable contract subject to satisfactory performance and Temporary employment that offers a 1-year open contract also renewable subject to satisfactory performance and assignments availability. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## GARSEN CONSTITUENCY

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#### **Recruitment Procedure**

Available job vacancies are advertised by the NGCDF Office - Garsen constituency with the blessings of the NGCDF Committee Garsen constituency

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job. Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

#### **Appointment of a selection and Interview subcommittee**

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

#### **Interviews**

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

#### **Offer of Appointment**

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

#### **Letters of Appointment**

A written contract of service that is signed by the NGCDF Committee Chairman is then issued, which stipulates specifications of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

#### **Health, Safety and Well Being**

This provides guidelines on the health, safety and well-being of the office staff

#### **Guidelines to General Safety**

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

### **Fire precautions**

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

### **Reporting of an Accident**

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

### **Guidance and Counselling**

The current challenges in the workplace and family environment affects the performance and well-being of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

### **Health Care Services**

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

### **HIV/AIDS**

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offense for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NGCDF Committee to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## GARSEN CONSTITUENCY

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#### **Drug and Substance Abuse**

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NGCDF Committee.

#### **Persons Living with Disability**

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with

Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

#### **Sexual harassment and other Forms of Harassment**

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

**Bullying** – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

#### **Reporting Harassment Cases**

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

## **4. MARKET PLACE PRACTICES**

The National Government Constituencies Development Fund NGCDF was designed to support constituencies at the grassroots fight inequalities of the marginalized and alleviate poverty. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NGCDF Act 2015 (as amended in 2016)

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## GARSEN CONSTITUENCY

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The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government Development Agenda at the constituency level.

*a) Responsible competition practice.*

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organization ensures responsible competition practices with issues like anti- corruption, responsible political involvement, fair competition and respect for competitors

*b) Responsible Supply chain and supplier relations*

Payments to suppliers are done promptly upon presentation of requisite supporting documents

*c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices*

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

*d) Product stewardship*

In order to safeguard consumer rights and interests, Garsen NGCDF came up with a service charter and the complaints handling policy, principles and procedures brochure.

The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

## 5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification, Implementation and Monitoring and Evaluation is a core indicator of transparency and accountability in the management of public resources. The NGCDF Act 2015 (as amended in 2016) stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NGCDF Committee shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NGCDF Committee shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NGCDF Committee to the NGCDF Board.

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

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs.

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GARSEN CONSTITUENCY**

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**For the year ended June 30, 2020**

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When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders' participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensure their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

**Public Awareness**

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

Public Awareness and Sensitization Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NGCDF projects.
- Ensuring implementation of NGCDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NGCDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NGCDF
- Identify control and report any irregularities witnessed during NGCDF project implementation cycle
- Measure the impact of the projects funded by NGCDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non-state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

**Covid-19 Mitigation Measures**

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Through Kenya Ports Authority distributed 2,000 bottles of 500mls alcoholic sanitizers to the community free of charge.

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For the year ended June 30, 2020

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- The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency
- Through The National Youth Service, the office distributed 4,000 facial masks
- Printing of brochures disseminating information regarding Corona Virus protection measures

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**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF 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, 2020. 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.

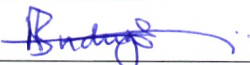
The Accounting Officer in charge of the NGCDF Garsen Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that NGCDF Garsen Constituency financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF Garsen Constituency further confirms the completeness of the accounting records maintained for NGCDF Garsen Constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Garsen 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

30:09:2020



Fund Account Manager

Name: CPA Kumbatha Josef

ICPAK Member Number: 24271

Sub-County Accountant

Name: CPA Ramadhan Katana

ICPAK Member Number: 23209

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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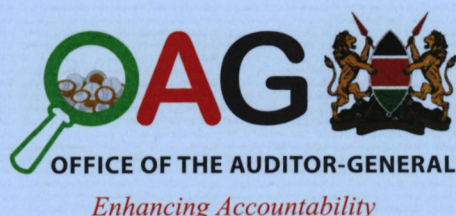
For the year ended June 30, 2020

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VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF GARSEN CONSTITUENCY

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
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**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, 2020**

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### **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 21 to 58, which comprise the statement of assets and liabilities as at 30 June, 2020 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, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **1.0 Use of Goods and Services**

As disclosed under Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services balance of Kshs.11,870,379. The following observations were made: -

##### **1.1 Unsupported Committee Expenses**

During the year under review, the Fund spent Kshs.6,923,131 on committee allowances for conducting monitoring and evaluation of the Fund's projects within the Constituency. However, examination of payment records and other supporting documents provided revealed expenditure totalling Kshs.3,650,000 was not supported with work tickets of the vehicles used for the exercises, payment schedules and the lists of the projects visited.

## **1.2 Unsupported Training Expenses**

Included in the use of good and services amount of Kshs.11,870,379 is an expenditure on training amounting to Kshs.2,100,000. However, examination of payment records and other supporting documents revealed that all the payments were not supported with invitation letters, request and approvals for the training expenditure, imprest warrants, transport documents and certificates of participation/attendance.

In the circumstances, the accuracy, completeness and validity of the goods and services balance of Kshs.11,870,379 reflected in the statement of receipts and payments for the year ended 30 June, 2020 could not be ascertained.

## **2.0 Accuracy of the Financial Statements**

The statement of assets and liabilities shows a comparative balance for the financial year 2018/2019 of nil for outstanding imprests. However, the audited financial statements for the year ended 30 June, 2019 reflect a balance of Kshs.2,323,131 under the same item. Further, the total financial assets balance of Kshs.29,988,748, for the year, has been understated by a similar amount. This omission has not been explained by the Fund Management.

In addition, the summary statement of appropriation - recurrent and development combined shows an actual receipts amount of Kshs.170,079,603 for the year ended 30 June, 2020. This amount includes an amount of Kshs.2,323,131 which relates to outstanding imprests which were reported in the previous year's financial statements. The re-computed amount of actual receipts is Kshs.167,756,472 which is made up of Kshs.137,767,724 being transfers from the NGCDF Board and Kshs.29,988,748 being the previous year's audited cash and cash equivalents balance. The Fund Management has not explained the reason for including the outstanding imprests amount in the computation of actual receipts for the year.

In the circumstances, the accuracy of the financial statements 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 key audit matters to report in the year under review.

## Other Matter

### 1.0 Budget Performance and Control

The summary statement of appropriation - recurrent and development combined shows that the Fund has total budgeted expenditure of Kshs.170,079,603 against an actual expenditure of Kshs.118,473,884 which results in an under expenditure of Kshs.51,605,719 or 30% of the budgeted.

The under expenditure by the Fund implies that some planned projects or activities were not undertaken during the year under review which may have impacted negatively on service delivery to the constituents of Garsen Constituency.

### 2.0 Projects Implementation Management

Review of the project implementation status of the Fund revealed that the Fund spent a total of Kshs.50,549,615 against the budget figure of Kshs.85,106,388 allocated for project implementation of sixty-five (65) projects during the year as detailed below: -

Project Category	Budget (Kshs.)	No of Projects	Actual Expenditure (Kshs.)	Difference Between Budget and Actual (Kshs.)	No of Projects Completed	No of Projects not Implemented
Primary Schools	44,500,000	42	29,260,000	15,240,000	31	11
Secondary Schools	29,700,000	16	11,300,000	18,400,000	11	5
Environment	2,700,000	3	2,100,000	600,000	3	0
Security	8,206,388	4	7,889,615	316,773	4	0
<b>Total</b>	<b>85,106,388</b>	<b>65</b>	<b>50,549,615</b>	<b>34,556,773</b>	<b>49</b>	<b>16</b>

From the foregoing, the Fund was able to complete forty-nine (49) projects and was unable to implement sixteen (16) projects. This may be attributed to the failure by the NGCDF Board to release the amount of Kshs.34,556,773 which had been budgeted for the completion of the projects.

Further, the failure to implement or delay in completion of the planned projects or activities within the stipulated period denied the constituents of Garsen Constituency the desired services.

## 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

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

## **Basis for Conclusion**

### **1.0 Transfers to Other Government Entities**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other government entities amount of Kshs.40,560,000. The following observations were made:

#### **1.1 Unsupported Expenditure on Transfers to Primary Schools**

Included in the figure for transfers to other government entities is an amount of Kshs.29,760,000 transferred to Project Management Committees (PMCs) for implementation of projects for various primary schools within the constituency. However, examination of payment vouchers and other supporting documents provided revealed that an expenditure totaling to Kshs.10,200,000 had not been properly supported with signed inspection and acceptance committee reports as required by Section 48(3) and (4) of the Public Procurement and Asset Disposal Act, 2015. Further, the approved project work plans and project handing and taking over reports from the project management committees for this procurements were not provided.

In addition, a physical verification of the projects carried on 26 February, 2021, revealed that two (2) projects worth Kshs.5,000,000 were not labeled as required by Section 11(1) (cc) of the National Constituencies Development Fund Regulations, 2016.

It was therefore difficult to ascertain whether the projects were implemented by Fund.

#### **1.2 Unsupported Expenditure on Transfers to Secondary Schools**

Included in the figure for transfers to other government entities is an amount of Kshs.10,800,000 transferred to Project Management Committees (PMCs) for implementation of projects for various secondary schools within the constituency. Examination of payment records and other supporting documents revealed that project files for two projects totalling Kshs.4,800,000 had no tender documents including minutes of the evaluation committee and tender evaluation report, notification letter to unsuccessful bidders, letter of acceptance by the winning bidder, and professional opinion from the head of supplies chain management.

Consequently, the propriety of the expenditure of Kshs.10,800,000 on transfers to secondary schools as at 30 June, 2020 could not be ascertained.

### **2.0 Other Grants and Transfers**

As disclosed under Note 7 to the financial statement, the statement of receipts and payments shows other grants and transfers amount of Kshs.49,885,003. However, audit review of the expenditure revealed the following observations:

## **2.1 Unsupported Bursary Disbursements**

Included in the amount for other grants and transfers of Kshs.49,885,003 is bursary disbursements totalling to Kshs.26,991,870. The Fund spent Kshs.15,000,000 for secondary schools, Kshs.9,158,870 for tertiary institutions, and Kshs.2,833,000 to support education for the needy students through social security program. However, examination of payment vouchers and other supporting documents revealed that payments totalling Kshs.14,137,270 paid to various tertiary institutions, secondary schools and bursary issued through social security programs were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, it was not possible to ascertain whether the amount of Kshs.14,137,270 paid out to the various institutions or programs as bursaries was indeed received and utilized for the intended purpose.

## **2.2 Incomplete Environment Project**

Further, included in the environment projects amount of Kshs.2,100,000 is amount of Kshs.1,500,000 which the Fund spent on the construction of a sanitation block at Garsani Secondary School. Examination of the expenditure revealed that full payment was made to the contractor. However, a physical verification carried on 25 February, 2021 established that the project was not completed, since three doors for the toilets and two doors for the washrooms were not fitted, yet the contractor had been paid in full.

In the circumstance, the probity of expenditure amounting to Kshs.1,500,000 on under environment projects could not be confirmed.

## **3.0 Purchase of Motor Vehicle – Non-Availability of Procurement and Ownership Records**

As disclosed in Note 8 to the financial statement, the statement of receipt and payments reflects an amount of Kshs.9,900,000 on purchase of motor vehicle. However, important procurement and ownership records in support of the expenditure, including the letter of notification of award, letter of acceptance of award, letter to unsuccessful bidders, contract agreement, tender evaluation report, copy of tender advertisement, tender opening minutes, professional opinion, logbook of the vehicle and the Fund's Committee minutes approving the payment, were not provided for the audit.

Consequently, the authenticity of the expenditure of Kshs.9,900,000 on purchase of motor vehicle as at 30 June, 2020 could not be ascertained.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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 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 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 abolish the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund 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.

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

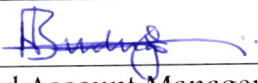
**02 February, 2022**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	137,767,724	165,825,358
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
<b>TOTAL RECEIPTS</b>		<b>137,767,724</b>	<b>165,825,358</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,431,475	2,003,869
Use of goods and services	5	11,870,379	12,082,482
Transfers to Other Government Units	6	40,560,000	59,398,000
Other grants and transfers	7	49,885,003	60,028,010
Acquisition of Assets	8	9,900,000	1,492,068
Other Payments	9	3,827,027	850,000
<b>TOTAL PAYMENTS</b>		<b>118,473,884</b>	<b>135,854,429</b>
<b>SURPLUS/(DEFICIT)</b>		<b>19,293,840</b>	<b>29,970,929</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Garsen Constituency financial statements were approved on 30:09:2020 and signed by:

  
 Fund Account Manager  
 Name: CPA Kumbatha Josef  
 ICPAK Member Number: 24271

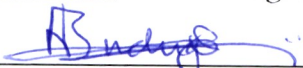
\_\_\_\_\_  
 National Sub-County Accountant  
 Name: CPA Ramadhan Katana  
 ICPAK Member Number: 23209

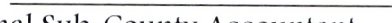
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020 Kshs	2018-2019 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	51,605,719	29,988,748
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		51,605,719	29,988,748
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>51,605,719</b>	<b>29,988,748</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A		
Deposits (Gratuity)	12B		
<b>TOTAL FINANCIAL LIABILITIES</b>			
<b>NET FINANCIAL ASSETS</b>		<b>51,605,719</b>	<b>29,988,748</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	32,311,879	2,340,900
Prior year adjustments	14		
Surplus/(Deficit) for the year		19,293,840	29,970,999
<b>NET FINANCIAL POSITION</b>		<b>51,605,719</b>	<b>32,311,879</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Garsen Constituency financial statements were approved on 30.09.2020 and signed by:

  
 Fund Account Manager  
 Name: CPA Kumbatha Josef  
 ICPAK Member Number: 24271

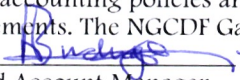
  
 National Sub-County Accountant  
 Name: CPA Ramadhan Katana  
 ICPAK Member Number: 23209

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	137,367,724	165,825,358
Other Receipts	3	0	0
<b>Total receipts</b>		<b>137,367,724</b>	<b>165,825,358</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,431,475	2,003,869
Use of goods and services	5	11,870,379	12,082,482
Transfers to Other Government Units	6	40,560,000	59,398,000
Other grants and transfers	7	49,885,003	60,028,010
Other Payments	9	3,827,027	850,000
<b>Total payments</b>		<b>108,573,884</b>	<b>134,362,361</b>
]			
<b>Adjusted for:</b>			
Prior year adjustments	14	0	0
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0	0
<b>Net cash flow from operating activities</b>		<b>29,193,840</b>	<b>31,462,997</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	9,900,000	1,492,068
Net cash flows from Investing Activities		(9,900,000)	(1,492,068)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>		<b>19,293,840</b>	<b>29,970,929</b>
Cash and cash equivalent at BEGINNING of the year	13	32,311,879	2,340,950
Cash and cash equivalent at END of the year		<b>51,605,719</b>	<b>32,311,879</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Garsen Constituency financial statements were approved on 30:09 2020 and signed by:

  
 Fund Account Manager  
 Name: **CPA Kumbatha Josef**  
 ICPAK Member Number: **24271**

\_\_\_\_\_  
 National Sub-County Accountant  
 Name: **CPA Ramadhan Katana**  
 ICPAK Member Number: **23209**


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARSEN CONSTITUENCY  
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 For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	137,367,724	32,711,879	170,079,603	170,079,603	0	100%
Proceeds from Sale of Assets	0	0	0	0	0	0%
Other Receipts	0	0	0	0	0	0%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>32,711,879</b>	<b>170,079,603</b>	<b>170,079,603</b>	<b>0</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,100,000	703,792	3,803,792	2,431,475	1,372,317	63.9%
Use of goods and services	9,263,095	3,023,221	12,286,316	11,870,379	415,937	96.6%
Transfers to Other Government Units	74,200,000	9,002,487	83,202,487	40,560,000	42,642,487	48.7%
Other grants and transfers	50,804,629	6,247,420	57,052,049	49,885,003	7,167,046	87.4%
Acquisition of Assets	0	9,907,932	9,907,932	9,900,000	7,932	99.9%
Other Payments	0	3,827,027	3,827,027	3,827,027	-	100.0%
<b>TOTALS</b>	<b>137,367,724</b>	<b>32,711,879</b>	<b>170,079,603</b>	<b>118,473,884</b>	<b>51,605,719</b>	<b>69.7%</b>

The actual receipts from the NGCDF Board for the referred period was kshs. 137,767,724.10 which represents the total Annual Project Proposal Budget for the FY 2019/2020. The actual final budget for the referred period was kshs. 170,079,603 backed up by an Adjustment (cashbook opening balances) of kshs. 32,711,879 Total expenditures for the period was kshs. 118,473,884 which is equivalent to 69.7% of the actual final budget closing with a cash book balance of Kshs. 51,605,719 representing a 30.8% of the final actual budget for the referred period. The under-utilization significantly below the 100% desired performance was due to delays occasioned by late disbursement of funds by the NG-CDF Board as the final receipt of funds for the FY 2019-2020 budget was received in the closing days of June 2020, a whooping Kshs. 69,367,724.10 vide AIE NO B096749 referenced as DEP 07/2019/2020/1322 coupled with the bureaucracies in the procurement laws.

The NGCDF Garsen Constituency financial statements were approved on 30.09.2020 and signed by:

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 Fund Account Manager  
 Name: CPA Kumbatha Josef  
 ICPAK Member Number: 24271

CPA Ramadhan Katana  
 Sub-County Accountant  
 Name: CPA Ramadhan Katana  
 ICPAK Member Number: 23209

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For the year ended June 30, 2020

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget 2019/2020		Adjustments		Final Budget 2019/2020		Actual on comparable basis 30/06/2020		Budget utilization difference	
	Kshs		Kshs		Kshs		Kshs		Kshs	
	A(2019/2020)		BAL(B/F)		C(A+B)		D		E(C-D)	
<b>1.0 Compensation of Employees</b>										
1.1 Employee Salaries	3,000,000		703,792		3,703,792	2,332,415	1,371,377			
1.2 NSSF	100,000		-		100,000	99,060	940			
<b>Sub-total</b>	<b>3,100,000</b>		<b>703,792</b>		<b>3,803,792</b>	<b>2,431,475</b>	<b>1,372,317</b>			
<b>2.0 Use of Goods and Services</b>										
<b>Administration and Recurrent</b>										
2.1 Committee Expenses	2,000,000		600,000		2,600,000	2,600,000	0			
2.2 Use of goods and services	3,142,063		2,422,534		5,564,597	5,170,379	394,218			
<b>Monitoring and evaluation</b>										
2.3 Capacity building	2,121,032		0		2,121,032	2,100,000	21,031.72			
2.4 Committee Expenses	2,000,000		687		2,000,687	2,000,000	686.87			
<b>Sub-total</b>	<b>9,263,095</b>		<b>3,023,221</b>		<b>12,286,316</b>	<b>11,870,379</b>	<b>415,937</b>			
<b>3.0 Transfers to Other Government Units</b>										
<b>3.1 Primary Schools</b>										
Kipao Primary School	0		2,212		2,212	0	2,212			
Kikomo Primary School	0		2,000,000		2,000,000	2,000,000	0			
Ramadha Primary School	0		138		138	0	138			
Lailoni Primary School	2,400,000		0		2,400,000	0	2,400,000			
Lailoni Primary School	400,000				400,000	0	400,000			
Lailoni Primary School	60,000				60,000	60,000	0			
Marafa Primary School	2,400,000				2,400,000	0	2,400,000			
Marafa Primary School	400,000				400,000	0	400,000			
Marafa Primary School	60,000				60,000	60,000	0			
Shirikisho Primary School	2,000,000				2,000,000	0	2,000,000			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARSEN CONSTITUENCY  
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Onkolde Primary School	1,000,000	0	1,000,000	1,000,000	0
Kibokoni Primary School	1,500,000		1,500,000	0	1,500,000
Mara Primary School	1,000,000		1,000,000	1,000,000	0
Assa Primary School	1,000,000		1,000,000	1,000,000	0
Assa Primary School	40,000	0	40,000	0	40,000
Galili Primary School	1,000,000	2,200,000	3,200,000	3,200,000	0
Galili Primary School	500,000	0	500,000	0	500,000
Riketa Primary School	80,000	0	80,000	80,000	0
Idd Primary School	1,000,000	0	1,000,000	1,000,000	0
Idd Primary School	40,000	0	40,000	40,000	0
Odoganda Primary School	1,000,000	150,000	1,150,000	150,000	1,000,000
Imani Primary School	3,500,000		3,500,000	3,500,000	0
Imani Primary School	2,000,000		2,000,000	2,000,000	0
Imani Primary School	500,000		500,000	0	500,000
Imani Primary School	80,000		80,000	80,000	0
Nduru Primary School	500,000	1,000,000	1,500,000	1,500,000	0
Garsen Primary School	1,600,000	0	1,600,000	1,600,000	0
Garsen Primary School	3,000,000		3,000,000	3,000,000	0
Shaurimoyo Primary School	80,000		80,000	80,000	0
Onwardei Primary School	2,000,000.00	150,000	2,150,000	2,150,000	0
Ngumu Primary School	2,000,000.00		2,000,000	2,000,000	0
Tarasaa Primary School	900,000.00		900,000		900,000
Bura Kofira Primary School	1,000,000.00		1,000,000	1,000,000	0
Kilembwani Primary School	2,000,000.00		2,000,000		2,000,000
Tulu Primary School	2,400,000.00		2,400,000		2,400,000
Tulu Primary School	400,000.00		400,000		400,000
Tulu Primary School	80,000.00		80,000	80,000	0

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Sheli Primary School	60,000.00	0	60,000	60,000	0
Furaha Primary School	3,200,000.00		3,200,000		3,200,000
Furaha Primary School	1,000,000.00		1,000,000		1,000,000
Meticharaka Primary School	2,400,000.00		2,400,000	2,400,000	0
Miticharacharaka Primary School	80,000		80,000	80,000	0
Katsangani Primary School	40,000.00	138	40,138	40,000	138
Ongonyo Primary School	40,000.00		40,000	40,000	0
Maderte Primary School	60,000.00	0	60,000	60,000	0
<b>Sub-Total</b>	<b>44,800,000</b>	<b>5,502,487.46</b>	<b>50,302,487</b>	<b>29,260,000</b>	<b>21,042,487</b>
<b>3.2 Secondary Schools</b>					
Gerarsa Secondary School	0	1,500,000	1,500,000	500,000	1,000,000
Kipao Secondary School	500,000	2,000,000	2,500,000	2,500,000	0
Kipao Secondary School	1,200,000	0	1,200,000	1,200,000	0
Kipao Secondary School	360,000	0	360,000	360,000	0
Gadeni Secondary School	5,700,000	0	5,700,000	0	5,700,000
Hashaka Secondary School	2,400,000	0	2,400,000	2,400,000	0
Hashaka Secondary School	500,000.00	0	500,000	500,000	0
Hashaka Secondary School	540,000.00	0	540,000	540,000	0
Mapunga Secondary School	2,000,000.00	0	2,000,000	0	2,000,000
Dalu Secondary School	2,400,000.00	0	2,400,000	0	2,400,000
Oda Secondary School	5,700,000.00	0	5,700,000	0	5,700,000
Kipini Girls Secondary School	2,400,000.00	0	2,400,000	0	2,400,000
Kipini Girls Secondary School	400,000.00	0	400,000	0	400,000
Marifano Secondary School	2,000,000.00	0	2,000,000	0	2,000,000
Hurara Secondary School	2,000,000.00	0	2,000,000	2,000,000	0
Hurara Secondary School	300,000.00	0	300,000	300,000	0
Tarasaa High School	1,000,000.00	0	1,000,000	1,000,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARSEN CONSTITUENCY  
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
<b>Sub-Total</b>	29,400,000	3,500,000	32,900,000	11,300,000	21,600,000
<b>Total</b>	74,200,000	9,002,487	83,202,487	40,560,000	42,642,487
<b>4.0 Other Grants and Transfers</b>					
Bursary Secondary Schools	15,000,000	680	15,000,680	15,000,000	680
Bursary Tertiary Schools	15,000,000	400,000	15,400,000	9,158,870	6,241,130
Social Security Programs	0	2,833,000	2,833,000	2,833,000	0
<b>Sub-Total</b>	30,000,000	3,233,680	33,233,680	26,991,870	6,241,810
<b>Emergency</b>	7,198,241	708,287	7,906,529		
Dockwise Construction - (Danisa Chief's Office)				350,000	
Dockwise Construction - (Danisa Chief's Office)				350,000	
Fund Account Manager				900,000	
Golbanti Primary School				1,500,000	
Saman Suppliers - (Tarasaa High School)				4,789,615	
<b>Sub-Total</b>	7,198,241	708,287	7,906,529	7,889,615	16,914
<b>Sports</b>					
Garsen Sports Committee	2,700,000	2,086.20	2,702,086	2,700,000	2,086.2
<b>Sub-Total</b>	2,700,000	2,086.20	2,702,086	2,700,000	2,086.2
<b>Environment</b>					
Imani Primary School	0	862.2	862.2	0	862.2
Dalu Primary School	0	862.2	862.2	0	862.2
Kipini Primary School	0	862.2	862.2	0	862.2
Buyani Secondary School	0	300,000.00	300,000	300,000	0
Shaurimoyo Primary School	300,000.00	0	300,000	300,000	0
Garsen Police Station	900,000.00	0	900,000	0	900,000
Gadani Secondary School	1,500,000.00	0	1,500,000	1,500,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GARSIN CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
<b>Sub-Total</b>	2,700,000	302,586.6	3,002,587	2,100,000	902,587
<b>Security Projects</b>		790	790	0	790
Tana Delta Sub-county Head Quarters			3,200,000	3,197,130	2,870
Tana Delta Sub-county DCC Residence	3,200,000	0	2,000,000	2,000,000	0
Kone Mansa Chief's Office	0	2,000,000	2,006,388	2,006,388	0
Kone AP Post	2,006,388		3,000,000	3,000,000	0
Kone AP Post	3,000,000		10,207,178	10,203,518	790
<b>Sub-Total</b>	8,206,388	2,000,790	57,052,049	49,885,003	7,167,046
<b>Total</b>	50,804,629	6,247,420			
<b>5.0 Acquisitions of Assets</b>					
Refurbishment of NGCDF Office Building	0	4,932.00	4,932	0	4,932
Purchase of Office Computers	0	3,000.00	3,000		3,000
Purchase of Office Motor vehicle	0	9,900,000	9,900,000	9,900,000	0
<b>Sub-Total</b>	0	9,907,932	9,907,932	9,900,000	7,932
<b>6.0 Other Payments</b>					
<b>Constituency Innovation Hub (CIH)</b>					
<b>Reallocated</b>					
Onkolde Primary School	0	1,500,000	1,500,000	1,500,000	
Galili Primary School	0	200,000	200,000	200,000	
Garsen Primary School	0.00	1,000,000	1,000,000	1,000,000	
Ramatha Primary School	0	400,000	400,000	400,000	
Konkona Primary School	0	350,000	350,000	350,000	
Sheli Primary School	0.00	377,027	377,027.2	377,027	
<b>Sub-Total</b>	0	3,827,027	3,827,027	3,827,027	0
<b>GRAND TOTAL</b>	137,367,724	32,711,879	170,079,603	118,473,884	51,605,719

(NB: This statement is a disclosure statement indicating the utilization in the same format at the Entity's budgets which are programme based. This document is completed to enable consolidation by the National Treasury)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GARSEN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. TRIAL BALANCE AS AT 30 JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Shs
<b>CASH AND CASH EQUIVALENTS</b>			
	Bank Balances ( as per the cash book)	51,605,719	
	Cash Balances (cash at hand)	0	
	Outstanding Imprests	0	
<b>PAYMENTS</b>			
	Compensation of Employees	2,431,475	
	Use of Goods and Services	11,870,379	
	Transfers to Other Government Units	40,560,000	
	Other Grants and Transfers	49,885,003	
	Acquisition of Assets	9,900,000	
	Other Payments	3,827,027	
<b>RECEIPTS</b>			
	Transfers from the NGCDF Board		137,767,74
	Proceeds from sale of Assets		0
	Other Receipts		0
	Prior year adjustments		0
	Fund Balance b/f		32711,89
<b>TOTAL</b>		<b>170,079,603</b>	<b>170,079,603</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Garsen Constituency financial statements were approved on 30.09.2020 and signed by:



Fund Account Manager

Name: CPA Kumbatha Josef

ICPAK Member Number: 24271

National Sub-County Accountant

Name: CPA Ramadhan Katana

ICPAK Member Number: 23209

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
GARSEN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020

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**XII. 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 Imprest and salary advances and b) payable that include deposits and retention.

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
GARSEN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

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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. Some similar recognition criteria are applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, 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 recognizes all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
GARSEN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorized 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 retention held on behalf of third parties have been recognized on an accrual basis (as accounts payable). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment 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. UN-utilized Fund

UN-utilized 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.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
GARSEN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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SIGNIFICANT ACCOUNTING POLICIES

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for Imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the UN-utilized 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 30<sup>th</sup> June 2020.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
FY 2019/2020	AIE NO	Kshs	Kshs
Receipts from NGCDF Board			
	B 047129	400,000.00	
	B 047411	4,000,000.00	
	B 047692	5,000,000.00	
	B 041273	18,000,000.00	
	B 047882	7,000,000.00	
	B 049261	14,000,000.00	
	B 104283	20,000,000.00	
	B 096749	69,367,724.10	
			41,403,751.00
			11,379,310.00
			2,001,421.00
			500,000.00
			10,000,000.00
			15,000,000.00
			6,000,000.00
			12,000,000.00
			11,000,000.00
			1,500,000
			55,040,876
<b>TOTAL</b>		<b>137,767,724</b>	<b>165,825,358</b>

2. PROCEEDS FROM SALE OF ASSETS

Description	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
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
<b>Total</b>	<b>0</b>	<b>0</b>

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3. OTHER RECEIPTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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4. COMPENSATION OF EMPLOYEES

Description	Notes	2019-2020	2018-2019
		Kshs	Kshs
Basic wages of temporary employees		2,332,415	1,510,911
Basic wages of Casual Labour			
Personal allowances paid as part of salary			
Pension and other social security contributions (Gratuity)			
Employer Contributions Compulsory - NSSF		99,060	492,958
<b>Total</b>		<b>2,431,475</b>	<b>2,003,869</b>

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5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	-	293,020
Electricity	-	
Water and sewerage charges	123,290	16,000
Office rent		0
Communication, supplies and services	9,450	134,350
Domestic travel and subsistence		351,900
Printing, advertising and information supplies & services		480,445
Rentals of produced assets		
Training expenses	2,100,000	1,997,000
Hospitality supplies and services	-	154,910
Other committee expenses	4,323,131	
Committee expenses	2,600,000	6,593,081
Insurance cost	392,800	
Specialised materials and services	-	0
Office and general supplies and services	800,000	839,910
Fuel, oil & lubricants	1,200,000	1,093,500
Other operating expenses		0
Bank service commission and charges	46,566	36,549
Security operations		
Routine maintenance-vehicles and other transport equipment	275,142	91,817
Routine maintenance- other assets		0
<b>Total</b>	<b>11,870,379</b>	<b>12,082,482</b>

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools	29,760,000	41,498,000
Transfers to secondary schools	10,800,000	14,900,000
Transfers to tertiary institutions	0	3,000,000
<b>TOTAL</b>	<b>40,560,000</b>	<b>59,398,000</b>

7. OTHER GRANTS AND TRANSFERS

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	15,000,000	20,465,500
Bursary – tertiary institutions	9,158,870	14,000,000
Bursary – Social security programs	2,833,000	3,167,000
Mock & CAT		
Water		
Food security		
Electricity		
Security projects	10,203,518	6,999,210
Roads and Bridges		
Sports projects	2,700,000	2,975,500
Environment projects	2,100,000	2,925,000
Cultural projects		
Agriculture		
Other capital grant and transfer		
Emergency projects	7,889,615	6,795,800
Preparations of 5 year strategic plan		2,700,000
<b>Total</b>	<b>49,885,003</b>	<b>60,028,010</b>

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8. ACQUISITION OF ASSETS

Description	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings		745,068
Purchase of Vehicles	9,900,000	0
Overhaul of bicycles & motorcycles		
Purchase of Office Furniture and fittings		
Purchase of computers, printers and other IT equipment		747,000
Purchase of photocopier		
Purchase of other office equipment		
Purchase of software		
Acquisition of Land		
<b>Total</b>	<b>9,900,000</b>	<b>1,492,068</b>

9. OTHER PAYMENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Constituency Innovation hubs	3,827,027	850,000
<b>Total</b>	<b>3,827,027</b>	<b>850,000</b>

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>KCB Bank, Garsen Branch, Garsen NGCDF Account No. A/C NO 1107969735</i>	51,605,719	29,988,748
<b>Total</b>	<b>51,605,719</b>	<b>29,988,748</b>
10B: CASH IN HAND	2019-2020	2018-2019
	Kshs	Kshs
Location 1	0	0
Location 2	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<b>Total</b>				<b>0</b>

12A. RETENTION

<i>Description</i>	<i>2019 - 2020</i>	<i>2018-2019</i>
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

12B. GRATUITY DEPOSITS

	<i>2019 - 2020</i>	<i>2018-2019</i>
	<i>Kshs</i>	<i>Kshs</i>
Name 1	0	0
Name 2	0	0
Name 3	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

13. BALANCES BROUGHT FORWARD

	<i>2019-2020</i>	<i>2018-2019</i>
	<i>Kshs (1/7/2019)</i>	<i>Kshs (1/7/2018)</i>
Bank accounts	29,988,748	17,819
Cash in hand		
Imprest	2,323,131	
<b>Total</b>	<b>32,311,879</b>	<b>17,819</b>

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14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0		0
Accounts Payables	0	0	0
Receivables(imprest)	0	2,323,131	2,323,131
Others ( <i>specify</i> )	0	0	0
Total	0	2,323,131	2,323,131

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST\*

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	2,323,131	0
Imprest issued during the year (B)	0	2,323,131
Imprest surrendered during the Year (C)	(2,323,131)	0
Net changes in account receivables D= A+B-C	0	2,323,131

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

17.2: PENDING STAFF PAYABLES (See Annex 2)

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

17.3: UNUTILIZED FUND (See Annex 3)

Description	2019-2020	2018-2019
	Kshs	Kshs
1. Compensation of Employees	1,372,317	1,289,853
2. Use of Goods and Services	415,937	115,759
3. Transfer to Other Government Units	42,642,487	9,002,488
4. Other Grants and Transfers	7,167,046	6,247,430
5. Acquisition of Assets	7,932	9,907,933
6. Other Payments	0	3,827,027
<b>Total</b>	<b>51,605,719</b>	<b>29,988,748</b>

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17.4: SUMMARY OF ASSET REGISTER (See Annex 4)

Asset Class	Historical Cost B/fwd 2018-2019 Kshs	Additions during the Year Kshs	Disposals during the Year Kshs	Historical Cost C/fwd 2019-2020 Kshs
Land	0	0	0	0
Buildings and structures	7,848,624	0	0	7,848,624
Transport equipment	3,809,430	9,900,000	0	13,709,430
Office equipment, furniture and fittings	1,057,655	0	0	1,057,655
Information Equipment, Software and Other ICT Assets	797,160	0	0	797,160
Other Machinery and Equipment	62,686	0	0	62,686
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
<b>Total</b>	<b>13,575,555</b>	<b>9,900,000</b>	<b>0</b>	<b>21,531,943</b>

17.5: PMC account balances (See Annex 5)

Description	2019-2020 Kshs	2018-2019 Kshs
PMC account Balances	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

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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 2020 d=a-c	Comments
<b>Construction of buildings</b>					
1.	0	0	0	0	
2.	0	0	0	0	
3.	0	0	0	0	
<b>Sub-Total</b>	<b>0</b>			<b>0</b>	
<b>Construction of civil works</b>					
4.	0	0	0	0	
5.	0	0	0	0	
6.	0	0	0	0	
<b>Sub-Total</b>	<b>0</b>			<b>0</b>	
<b>Supply of goods</b>					
7.	0	0	0	0	
8.	0	0	0	0	
9.	0	0	0	0	
<b>Sub-Total</b>	<b>0</b>			<b>0</b>	
<b>Supply of services</b>					
10.	0	0	0	0	
11.	0	0	0	0	
12.	0	0	0	0	
<b>Sub-Total</b>	<b>0</b>			<b>0</b>	
<b>Grand Total</b>	<b>0</b>			<b>0</b>	

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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 2020 d=a-c	Comments
<b>Senior Management</b>						
1.		0	0	0	0	
2.		0	0	0	0	
3.		0	0	0	0	
	Sub-Total	0	0	0	0	
<b>Middle Management</b>						
4.		0	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
	Sub-Total	0	0	0	0	
<b>Unionisable Employees</b>						
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
	Sub-Total	0	0	0	0	
<b>Others (specify)</b>						
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 FUNDS

Name	Brief Transaction Description	Outstanding Balances		Comments
		2019/2020	2018/2019	
		Kshs	Kshs	
<b>1.0 Compensation of Employees</b>				
Basic wages of contractual employees		1,371,377	703,522	
NHIF		0		
NSSF		940		
<b>Sub-total</b>		<b>1,372,317</b>	<b>703,522</b>	
<b>2.0 Use of Goods and Services</b>				
<b>Administration and Recurrent</b>				
Committee Expenses		0	600,000	
Use of goods and services		394,218	99,661	
<b>Monitoring and evaluation</b>				
Capacity building		687	687	
Committee Expenses		0	0	
Use of goods and services		21,032	0	
<b>Sub-total</b>		<b>415,937</b>	<b>700,348</b>	
<b>3.0 Transfers to Other Government Units</b>				
<b>3.1 Primary Schools</b>				
Kipao Primary School		2,212	2,212.00	
Kikomo Primary School		0	2,000,000.00	
Ramatha Primary School		138	138.00	
Lailoni Primary School		2,400,000		
Lailoni Primary School		400,000		

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Name	Brief Transaction Description	Outstanding Balances	Outstanding Balances	Comments
		2019/2020	2018/2019	
Lailoni Primary School		0		
Marafa Primary School		2,400,000		
Marafa Primary School		400,000		
Marafa Primary School		0		
Marafa Primary School		2,000,000		
Shirikisho Primary School				
Onkolde Primary School		1,500,000		
Kibokoni Primary School		0		
Maua Primary School		0		
Assa Primary School		40,000		
Assa Primary School		0	2,200,000	
Galili Primary School		500,000		
Galili Primary School		0		
Riketa Primary School		0		
Idd Primary School		0		
Idd Primary School		1,000,000	150,000	
Odoganda Primary School				
Imani Primary School				
Imani Primary School		500,000		
Imani Primary School				
Imani Primary School			1,000,000	
Nduru Primary School				
Garsen Primary School				
Garsen Primary School				
Shaurimoyo Primary School				
Onwardei Primary School			150,000	

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Name	Brief Transaction Description	Outstanding Balances		Comments
		2019/2020	2018/2019	
Ngumu Primary School				
Tarasaa Primary School		900,000		
Bura Kofira Primary School				
Kilembwani Primary School		2,000,000		
Tulu Primary School		2,400,000		
Tulu Primary School		400,000		
Tulu Primary School				
Sheli Primary School				
Furaha Primary School		3,200,000		
Furaha Primary School		1,000,000		
Miticharaka Primary School				
Mitichararaka Primary School				
Katsangani Primary School		138	138	
Ongonyo Primary School				
Maderte Primary School				
<b>Sub-Total</b>		<b>21,042,487</b>	<b>5,502,488</b>	
<b>3.2 Secondary Schools</b>				
Gerarsa Secondary School		1,000,000	1,500,000	
Kipao Secondary School		0	2,000,000	
Kipao Secondary School		0		
Kipao Secondary School		0		
Gadeni Secondary School		5,700,000		
Hashaka Secondary School		0		
Hashaka Secondary School		0		
Hashaka Secondary School		0		

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Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
Mapunga Secondary School		2,000,000		
Dalu Secondary School		2,400,000		
Oda Secondary School		5,700,000		
Kipini Girls Secondary School		2,400,000		
Kipini Girls Secondary School		400,000		
Marifano Secondary School		2,000,000		
Hurara Secondary School		0		
Hurara Secondary School		0		
Hurara Secondary School		0		
Tarasaa High School		11,300,000	3,500,000	
<b>Sub-Total</b>		<b>42,642,487</b>	<b>9,002,488</b>	
<b>Total</b>				
<b>4.0 Other Grants and Transfers</b>				
<b>4.1 Emergency</b>		<b>16,914</b>	<b>708,287.48</b>	
<b>Sub-Total</b>			<b>70,925</b>	
<b>4.2 Bursary and Social Security</b>				
Bursary Secondary Schools		680	680	
Bursary Tertiary Schools		6,241,130	400,000	
Social Security Programs		0	2,833,000	
<b>Sub-Total</b>		<b>6,241,810</b>	<b>3,233,680</b>	
<b>4.3 Sports</b>				
Garsen Sports Committee		2,086	2086	
<b>Sub-Total</b>		<b>2,086</b>	<b>2086</b>	
<b>4.4 Environment</b>				
Imani Primary School		862.2	862.2	
Dalu Primary School		862.2	862.2	

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Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
Kipini Primary School		862.2	862.2	
Buyani Secondary School		0	300,000	
Shaurimoyo Primary School		0		
Garsen Police Station		900,000		
Gadeni Secondary School		0		
<b>Sub-Total</b>		<b>902,587</b>	<b>302,586.6</b>	
<b>4.5 Security Projects</b>				
Tana Delta Sub County Head Quarters		790	790	
Tana Delta sub County Dec Residence		2870		
Kone Mansa Chiefs Office		0	2,000,000	
Kone AP Post		0		
Kone AP Post		0		
<b>Sub-Total</b>		<b>3660</b>	<b>2,000,790</b>	
<b>Total</b>		<b>7,167,046</b>	<b>6,247,430.08</b>	
<b>5.0 Acquisition of Assets</b>				
Refurbishment of NGCDF Office Building		4,932	4,932	
Purchase of Office Computers		3,000	3,000	
Purchase of Office Motor vehicle		0	9,900,000	
<b>Sub-Total</b>		<b>7,932</b>	<b>9,907,932</b>	
<b>6.0 Other Payments</b>				
<b>Constituency Innovation Hub (CIH)</b>				
Onkolde Primary School			1,500,000.00	
Galili Primary School			200,000.00	
Garsen Primary School			1,000,000.00	
Ramadhya Primary School			400,000.00	

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Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
Konkona Primary School			350,000.00	
Sheli Primary School		4,677,027	377,027.20	
<b>Sub-Total</b>		<b>51,605,719</b>	<b>3,827,027.20</b>	
<b>GRAND TOTAL</b>			<b>59,731,738.28</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
<b>Total</b>				

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No on the External Audit Report	Issue/ Observations from Auditor	Management Comments	Focal point person to resolve the issue (Name and designation)	Status: Resolved/ Not Resolved	Time frame: (Date when the issue is expected to be resolved)
1.0	<b>Basis for Qualified Opinion</b> REPORT ON THE FINANCIAL STATEMENTS				
1.1	<b>Other Grants and Other Payments</b> Included in the other grants and other payments balance of Kshs. 38,308,214 under note 7 to the financial statements is an amount of Kshs. 25,540,214 for bursaries paid to secondary schools and tertiary institutions at Kshs. 19,082,714 and Kshs. 6,457,500 respectively. However, a review of the expenditure and other supporting documents revealed that there were no minutes of	Minutes of the Garsen Constituency Bursary Fund Committee availed to the Auditors for verification of vetting of bursary applicants and subsequent approval of beneficiaries. Cheques had been dispatched to respective learning institutions through Postal Corporation - Garsenoffice and receipts had not	Fund Account Manager	Resolved Copies of respective referenced documents attached	June 2020

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	<p>the bursary committee meetings to confirm details of how the bursaries were awarded. Further, a review of the expenditure revealed that an amount of Kshs. 15,517,213 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.</p> <p>Consequently, the probity of the expenditure of Kshs.25,540,214 as at 30 June 2019 on bursaries could not be confirmed.</p>	<p>yet been surrendered to the office. Respective acknowledgments now available for verification</p>		
<p>2.0</p>	<p><b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b></p> <p><b>Conclusion</b> 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 the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.</p>			
<p><b>Basis for Conclusion</b> <b>Budgetary Control and Performance</b> During the year under review, the Fund had an approved budget of Kshs. 128,542,059 comprising of Kshs.</p>	<p>The delay in utilization of funds was caused by late receipts from the NGCDF Board coupled with bureaucratic tendering procedures that slowed down funds utilization and projects implementation</p>	<p>Fund Account Manager, NGCDF Committee and Technical Offices</p>	<p>Resolved Funds expected to be received on time and relevant technical government departments ready to cooperate with the Project Management Committee in timely implementation of projects</p>	<p>June 2020</p>

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2.1	<p>109,040,876 for financial year 2018/2019 and Kshs. 19,501,184 being funds brought forward from financial year 2017/2018. The actual expenditure by the Fund in the year under review was Kshs. 68,810,319 representing an absorption rate of 54% of the total approved budget. The analysis reflects a budget of Kshs. 128,542,059 and actual expenditure of Kshs. 68,810,319 resulting to an under expenditure of Kshs. 59,731,740. In the circumstances, failure to utilize the budget fully may have hampered service delivery to the constituents of Garsen.</p>				
2.2	<p><b>Project Implementation</b> The project implementation status report made available for audit review indicated that a total of Kshs. 99,227,198 was allocated to twenty-four (24) projects, out of which eight (8) projects amounting to Kshs. 21,114,760 were complete, five (5) were ongoing with a cost of Kshs. 42,064,438 while eleven (11) amounting to Kshs. 36,048,000 were not started as analyzed In view of the foregoing, the constituents did not get the expected services from a total of twelve (12) projects worth Kshs. 78,112,438 which were either incomplete or not started as at 30 June 2019.</p>	<p>The delay in project implementation was caused by late receipts from the NGCDF Board coupled with bureaucratic tendering procedures that slowed down funds disbursement and utilization</p>	<p>Fund Account Manager, NGCDF Committee and Technical government departments</p>	<p>Resolved Funds expected to be received on time and relevant technical government departments ready to cooperate with the Project Management Committee in timely implementation of projects</p>	<p>June 2020</p>
3.0	<p><b>REPORT ON EFFECTIVENESS OF</b></p>				

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	INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE			
	<p><b>Conclusion</b> As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.</p>	<p>Appointment of membership into Constituency Oversight Committee in the process as the relevant appointing authority is at an advanced stage vetting proposed candidates for the office</p>	<p>Area Member of National Assembly Representing Garsen Constituency</p>	<p>June 2020</p>
3.1	<p><b>Basis for Conclusion</b> <b>Constituency Oversight Committee</b> During the year under review the Fund had no Constituency Oversight Committee in place, contrary to Section 54(1) of the National Government Constituencies Development Fund Act, 2015 which requires that constituency oversight committees to be appointed for every National Government Constituency Development Fund. In the circumstances, the Fund was in breach of law.</p>			
3.2	<p><b>Bank Balances</b> A review of the effectiveness of the internal controls for cash and bank established that stale cheques were not immediately written back and the cashbook were not updated at the time</p>	<p>Stale cheques have since been cancelled and cashbook updated. Bank reconciliation also prepared to reconcile bank balances with cashbook balances</p>	<p>Garsen Sub-county Treasury Accountant</p>	<p>Resolved  June 2020</p>

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	of preparation of bank reconciliations as required by Section 90(3) of the Public Finance Management (National Government) Regulations, 2015.				
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