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# REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 14 AUG 2024 DAY OF WEDNESDAY

TABLED BY: HON. OGWEN BAYA MP  
DEPUTY CHIEF OF THE MAJORITY PARTY

CLERK AT THE TABLE: WALTER NGINYO

**THE AUDITOR-GENERAL**

ON

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

**FOR THE YEAR ENDED  
30 JUNE, 2023**



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**BALAMBALA CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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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. Acronyms and Abbreviations**

NGCDF-National Government Constituency Development Fund  
PFM-Public Finance Management  
IPSAS-International Public Sector Accounting Standards.  
PMC- Project Management Committee  
FY-Financial Year

## II. Key Constituency Information and Management

### (a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

### Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

#### **Vision**

Equitable Socio-economic development countrywide

#### **Mission**

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

#### **Core Values**

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

#### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

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

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

#### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Ahmed I.Mohamed
2.	Sub-County Accountant	Dickson Chuaga
3.	Chairman NGCDFC	Bishar Abdi

#### **(c) Fiduciary Oversight Arrangements**

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

#### **(d) Balambala Constituency NGCDF Headquarters**

P.O. Box 418-7010  
Garissa, Kenya

#### **(e) Balambala Constituency NGCDF Contacts**

Telephone: (254) 712242384  
E-mail: [cdfbalambala@ngcdf.go.ke](mailto:cdfbalambala@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) Balambala Constituency NGCDF Bankers**

Equity Bank Ltd,  
Garissa Branch  
P.O. Box 63-70100  
Garissa, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

### III. NG-CDFC Chairman's Report



**MR BISHAR ABDI HUSSEIN  
CHAIRMAN NG-CDF BALAMBALA**

Balambala national government constituency development funds as mandated by NG-CDF act, prioritized on projects for funding during the financial year 2022/2023.

The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval. Balambala NG-CDF had an allocation of Kshs. 145,087,603 in the financial year 2022/2023. We were able to implement most of the projects. The constituency has so far received Kshs. 88,000,000 from the NG-CDF Board and disbursed the same to the beneficiaries.

The Balambala NG-CDF committee has worked tirelessly to ensure projects are completed in good time and that there is prudent use of the available funds.

During the financial year, 2022/2023. The challenge faced during the year was funds disbursement from the NGCDF Board delayed.

There is also a challenge in the education funds set for bursary. The number of needy students are many compared to the available funds for the same. However, we have been able to seek for help from other government organizations on the same and enable most of the needy students get scholarships.

The range of Staff Salaries amount paid to the employees at the constituency level doesn't attract those who are capable of delivering as per the requirements set by the Board. However, we have always been able to do continuous capacity Building and Training where necessary for our staff to enable them deliver.

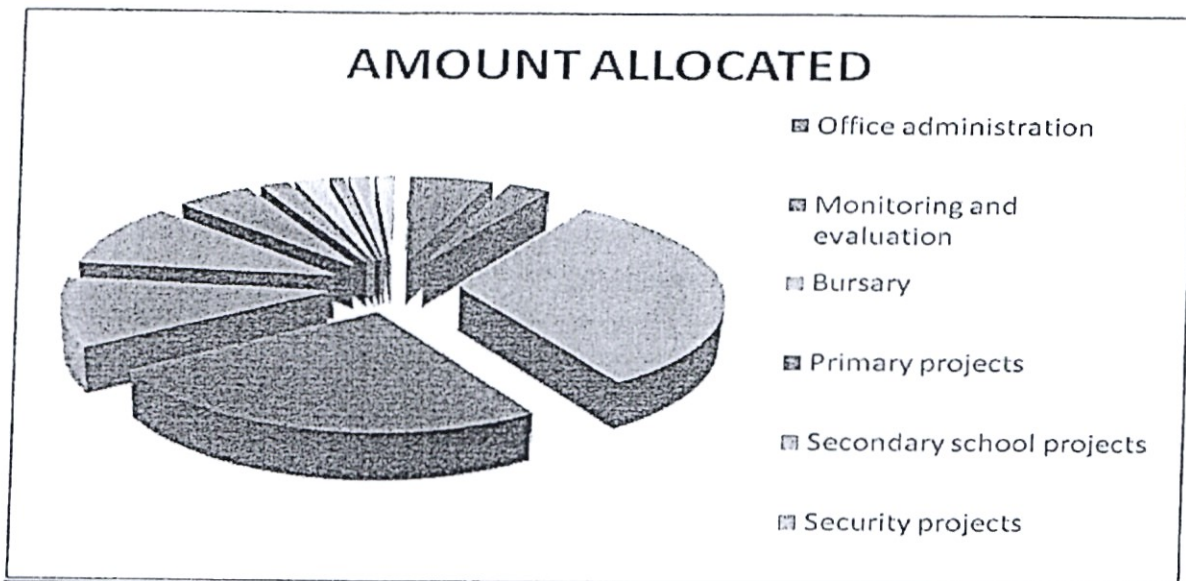
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The following is the summary breakdown of proposed projects for funding during the financial year 2022/2023.

**Table of funds allocation.**

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
1.	Office administration	8,705,256	6
2.	Monitoring and evaluation	4,352,628	3
3.	Bursary	46,526,281	41
4.	Primary projects	36,070,000	14
5.	Secondary school projects	15,542,866	11
6.	Security projects	14,800,000	2
7.	Emergency reserve	7,636,190	6
8.	Sports activities	2,901,752	2
9.	Environmental projects	2,901,752	2
10.	COC	1,450,878	1
11.	Others- strategic plan	2,200,000	4
12.	NGCDF Office	2,000,000	3
13.	Tertiary projects	0	5
	<b>TOTAL</b>	<b>145,087,603</b>	<b>100</b>

Percentage of sector allocation

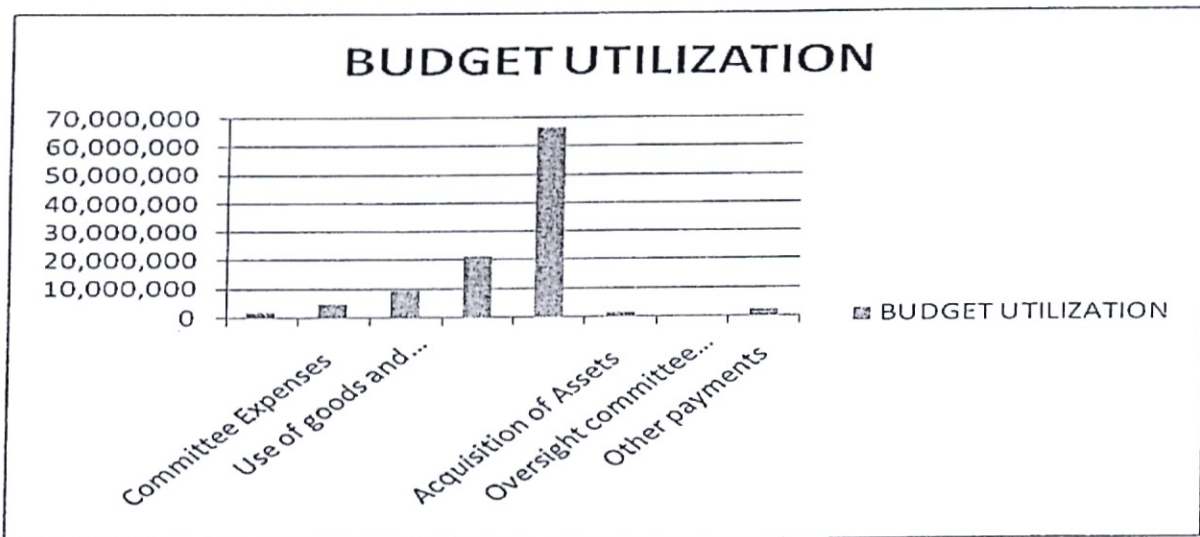


**GRAPH 1: ALLOCATION.**

During the financial year the committee received amount of Kshs.88, 000,000 from the board .The committee further managed to disburse funds and the expenditure as follows:

**Table of funds utilization**

ITEM	AMOUNT SPENT
Compensation of employees	1,581,226
Committee Expenses	4,422,711
Use of goods and services	9,118,809
Transfers to Other Government Units	21,052,704
Other grants and transfers	66,642,870
Acquisition of Assets	1,200,000
Oversight committee expenses	0
Other payments	2,200,000
<b>TOTAL PAYMENTS</b>	<b>106,218,320</b>



**GRAPH 1: ALLOCATION.**

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

**Achievements during the financial year**

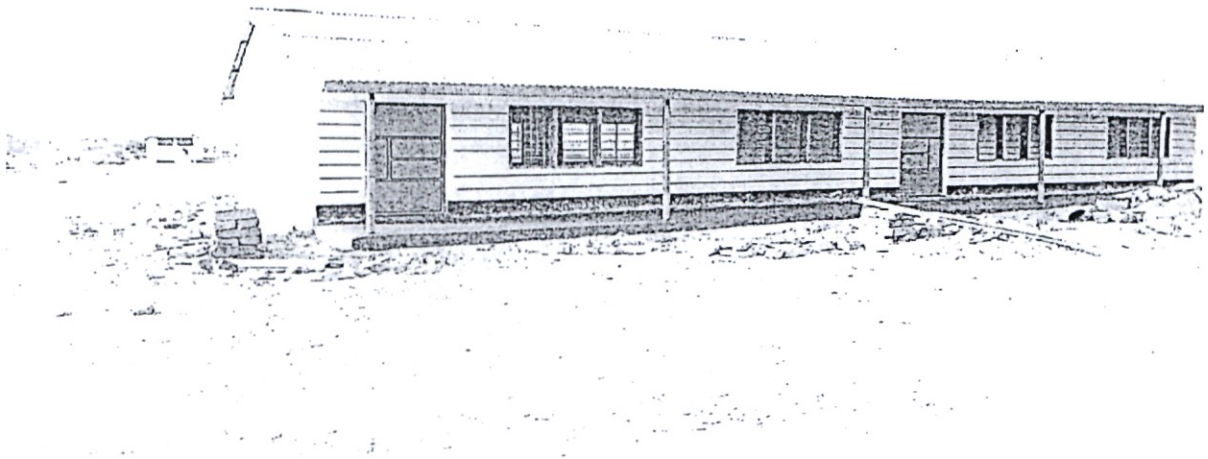
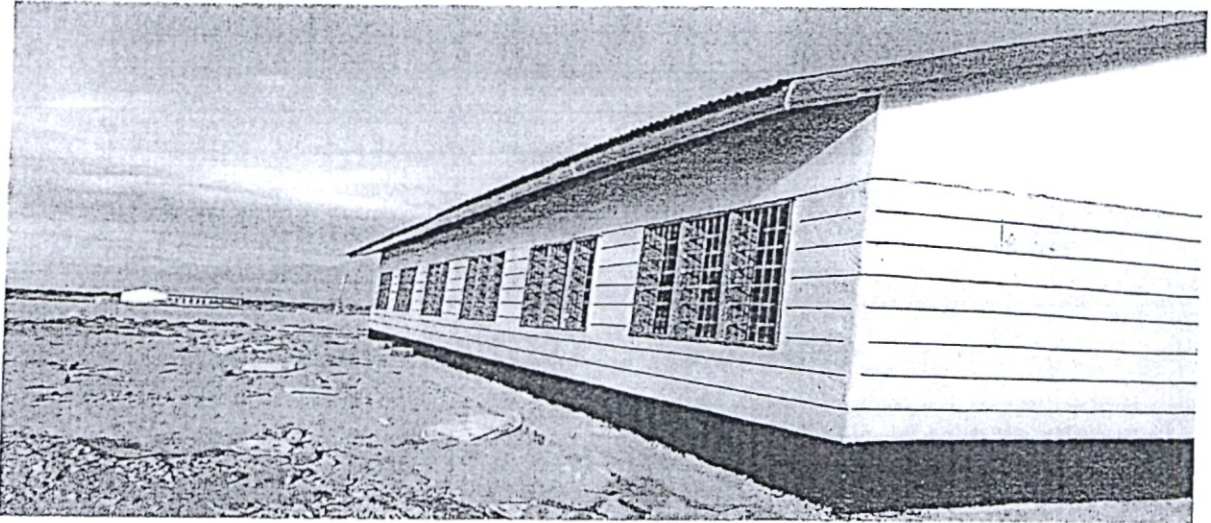
NGCDFC Balambala managed to curb drought through distribution of food and non-food items.

There was also noted an achievement of issue of bursaries to the needy students who had applied.

**KEY ACHIEVEMENTS**

NG-CDF Balambala has issued bursary to 3800 students in secondary school and 1200 students in tertiary in FY 2022/2023 as compared to previous financial year 2021/2022 where NG CDF-Balambala had issued bursaries to 2500 students in secondary schools and 1000 students in tertiary institution

**MARATHU PRIMARY SCHOOL**



Marathu primary school is located in saka ward. It is a 2 doors classroom with around 90% completion. project that is expected to accommodate around 80 students upon completion. This project depicts the commitment of balambala constituency in increasing structural development within education institution.

**EMERGING ISSUES**

High cost of living – due to increased cost of living there is a lot of demand for bursary from the needy community. The high cost of living affected constructions of project that led to increase the project cost through variation and not meeting the stipulated time of completion.

**Challenges during the Financial Year**

- **Late release of funds:**

The committee experienced difficulties in project implementation due to late release of funds to the constituencies.

- **Staff concerns**

The line ministry officials ie works officer are few hence timely response to technical issues takes time

**Recommendations**

- The board should try to release funds in time for ease of implementation.
- More technical staff to be employed so that the work may be done within the set deadlines

During 2022/2023 financial year, few projects were implemented (administration, monitoring and bursary) due to late release of funds from the board.



.....  
Bishar Abdi  
CHAIRMAN NG-CDF COMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

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

The key development objectives of Balambala Constituency 2023-2027 plan are to:

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access to quality education through improvement to 100%	Increased enrolment in primary schools and improved transition to secondary schools and	- number of usable physical infrastructure build in primary, secondary,	In FY 22/23 -we increased the number of classrooms from 30 to 40 in primary schools

	transition, affordability and availability of quality education	tertiary institutions	and tertiary institutions - number of bursary beneficiaries at all levels	We bought 300 white magnetic board in primary schools.  - 3800 students in secondary schools and 1200 in tertiary institutions benefited from bursarie.
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	Number of usable physical infrastructures built in NG-CDF offices, police stations, ACC offices and chiefs' offices	-construction and furnishing of chiefs office in jarjara chiefs office, modika chiefs office, raya police station and balich chiefs office
Environment	To promote environmental sustainability	Increase in the number of trees and proper collection of garbage and disposal of sewerage waste	Allocation of funds for environment projects and construction of structures	Constructed to completion 3 twin pit latrine in raya police station
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among the youth and increase in the number of forums held. Ease	We create awareness among the 100 youth on the establishment of youth groups and allow ease of

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			of access on devolved funds	access to devolved funds
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	Bought 6 water tanks for 6 police stations
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We planned capacity building programmes for 11 NGCDFC'S and 50 PMC's -we organise regular projects monitoring field visits for every month
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipments Employee satisfaction and availability of reports	We purchase working tools and equipments to make work easy and of quality

## V. Statement of Governance

### Introduction

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettment of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Balambala, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettment.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

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Further the NGCDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off .This caused the NGCDF office to carry out an appointment of the new committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of October.

In Balambala constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee.

**Appointment of NGCDFC Members**

**The selection Panel**

The selection panel was appointed in the month of October. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Mr Cornelius M Mbithi	Chair
2	Ahmed I Mohamed	Secretay
3	Amina Yussuf Hassan	Member
4	Abubakar Issack Omar	Member

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by balambala Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Bishar Hussein Abdi	Man Nominee Adult	Saka
2.	Abdiaziz Mohamed Omar	Man Nominee Youth	Sankuri
3.	Ubah Hassan Yunis	Woman Nominee Youth	Jarajara
4.	Habiba Mohamed Daud	Woman Nominee	Sankuri
5.	Ismail Said Maalim	Person with Disability	Balambala

**Nominee of the body representing persons with disability**

S/N	Name	Nature of physical Impairment	Ward
1.	Ismail Said Maalim	Person with Disability	Balambala

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Nominee of the constituency Office

S/N	Name	Category	Ward
1	Hassan Abdullahi Golicha	Nominee of the Constituency office	Saka
2	Sahara Diis Ahmed	Nominee of the Constituency office	Jarjara

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Abdi Shale	Male	Balambala

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Bishar Abdi Hussein
2. Secretary position – Shale Abdi Bule

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number 276 16-12-22 on 16/12/2022

The new committee held its first meeting on 05/01/2023.

Sno.	Name	Position
1	Bishar Abdi Hussein	Chair person
2	Shale Abdi Bul	Secretary
3	Abdiaziz Mohamed Omar	Member
4	Ubah Hassan Yunis	Member
5	Habiba Mohamed Daud	Member
6	Ismail Said Maalin	Member
7	Hassan Abdullahi Golicha	Member
8	Sahara Diis Ahmed	Member
9	Ahmed Ibrahim Mohamed	Member
10	Brian Kipruto	Member

#### **Removal of NGCDFC Members**

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In balambala the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

#### **Roles and functions of NG-CDFC**

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

**Training of NG-CDFC Members**

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in the Month of March 2023 in government guest house garissa. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Balambala

**Number of meetings held**

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NGCDFC balambala held 12 meetings through the year for the current committee as illustrated as follows;

## Schedule of meetings held during the FY 2022/2023

S.No	NG-CDFC COMMITTEE MEMBERS	05/ 01/ 23	20/ 01/ 23	01/ 02/ 23	16/ 02/ 23	02/ 03/ 23	22/ 03/ 23	4/0 4/2 3	20/ 04/ 23	05/ 05/ 23	25/ 05/ 23	07/ 06/ 23	21/ 06/ 23
1	Chairperson Bishar Abdi Hussein	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Secretary Shale Abdi Bule	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Abdiaziz Mohamed Omar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Ubah Hassan Yunis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Habiba Mohamed Daud	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Sahara Diis Ahmed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Ismail Said Maalim	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Hassan Abdullahi Golicha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Ahmed Ibrahim Mohamed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Brian Kipruto	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

#### **Ethics & conduct**

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Westlands adhered to the above ethical issues.

#### **Members' remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7000 per meeting and all other members an allowance of ksh.5000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

#### **Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC balambala contravened conflict of interest policy.

#### **Risk management**

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC balambala has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control

system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

## VI. Environmental and Sustainability Reporting

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

### 1. Sustainability strategy and profile -

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

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

- d. Sports: The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

## **3. Employee welfare**

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

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

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

## **4. Market place practices-**

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

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from

the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

#### **Public Awareness**

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

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

*Balambala Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2023*

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Ahmed I Mohamed

Fund Account Manager.

## VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Balambala 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, 2023. 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-Balambala Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Balambala Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Balambala Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted


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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Balambala Constituency financial statements were approved and signed by the Accounting Officer on 22/Sept/2023.

.....  
  
Bishar Abdi  
Chairman – NGCDF Committee

.....  
  
Ahmed I Mohamed  
Fund Account Manager

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BALAMBALA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Balambala Constituency set out on pages 1 to 47, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the

statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 - Balambala Constituency as at 30 June, 2023 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The financial statements submitted for audit had the following anomalies and inaccuracies: -

- i. Approval date of the financial statements by National Government Constituencies Development Fund Committee was not indicated.
- ii. The statement of assets and liabilities reflects comparative bank balance of Kshs.110,046,790 whereas the prior year audited financial statements reflects Kshs.111,080,721 resulting to unreconciled variance of Kshs.1,033,931.
- iii. The statement of assets and liabilities and statement of cash-flows reflects Nil comparative retention/accounts payable balance whereas the prior year audited financial statements reflects Kshs.1,033,830 resulting to unreconciled variance of Kshs.1,033,830.
- iv. Note 12 to the financial statements reflects comparative equity account bank balance of Kshs.106,339,704 whereas the audited prior year financial statements reflect Kshs.107,373,634 resulting to unreconciled variance of Kshs.1,033,930.
- v. Annex 3 of the financial statements reflects opening unutilized funds balance of Kshs.111,046,790. However, casting of the balances revealed a total of Kshs.15,665,113 resulting to unreconciled variance of Kshs.95,381,667. The incorrect amount affected the accuracy of the opening balance in the summary statement of appropriation.
- vi. Annex 4 of the financial statements reflects summary of fixed asset register balance (historical cost) of Kshs.10,531,899 whereas the audited prior year financial statement reflects a balance of Kshs.24,331,899 resulting to unreconciled variance of Kshs.13,800,000.

- vii. Annex 5 of the financial statements reflects comparative Projects Management Committee balance of Kshs.9,118 whereas the audited prior year financial statements reflects Kshs.3,891,710 resulting to unreconciled variance of Kshs.3,882,592.

In the circumstances, the accuracy of the financial statements could not be confirmed.

## **2. Unsupported Prior Year Adjustments**

The statement of assets and liabilities and statement of cash flows reflect prior year adjustments of Kshs.761,174 as reflected in Note 16 to the financial statements. However, Management did not provide journals to support the adjustments.

In the circumstances, the accuracy of balances reflected in the statement of assets and liabilities and statement of cash flows could not be confirmed.

## **3. Unsupported Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.92,589,645 as at 30 June, 2023 as disclosed in Note 12 to the financial statements. Included in this balance is an amount of Kshs.4,468,260 in an account at Chase Bank (under receivership). However, Management did not provide the bank balance certificate, reconciliation statements and cashbooks for the Chase Bank account.

In the circumstances, the accuracy and existence of bank balance of Kshs.4,468,260 could not be confirmed.

## **4. Unsupported Bursary Payments**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.66,642,870 as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.23,160,085 and Kshs.23,873,190 all totalling Kshs.47,033,275 in respect of bursary disbursed to various secondary schools and tertiary institutions respectively. However, bursary payments amounting to Kshs.8,480,000 were not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.

Further, cheque register to record dispatch of cheques to beneficiaries was not maintained. In addition, bursary application register and records in support of establishment of vetting committees were not provided.

In the circumstances, the accuracy and validity of bursary disbursements of Kshs.47,033,275 could not be confirmed. In addition, it was not possible to confirm whether the bursary payments were made to the intended beneficiaries.

## **5. Lack of Ownership Documents and Incomplete Disclosure of Assets**

Annex 4 of the financial statements reflects summary of fixed asset register with historical cost balance of Kshs.10,531,899 as at 30 June, 2022. However, asset balances as at 30 June, 2023 were not disclosed in the summary of fixed asset register. In addition, the summary of fixed asset register and the fixed asset register maintained did not include building and structures constructed at a cost of Kshs.13,800,000 out of which

Kshs.1,200,000 was paid during the year under review. Further, the Management did not provide ownership documents for the land on which the offices sit.

In the circumstances, the accuracy and completeness of fixed assets balance of Kshs.10,531,889 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 - Balambala 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.256,134,394 and Kshs.198,046,790 respectively, resulting to under-funding of Kshs.58,087,604 or 23% of the approved budget. However, the Fund spent Kshs.106,218,319 against actual receipts of Kshs.198,046,790 resulting to an under-utilization of Kshs.91,828,471 or 46% of the receipts.

The under-funding and under expenditure affected the implementation of the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters which, 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. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or provided explanation for failure to implement the recommendations.

## **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. Emergency Projects**

The statement of receipts and payments reflects other grants and transfers of Kshs.66,642,870 as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.8,837,241 paid from the emergency reserve. However, utilization of the emergency reserve was not reported to the National Government Constituencies Development Board as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, Management was in breach of the law.

### **2. Unutilized Project**

The statement of receipts and payments reflects transfers to other Government units of Kshs.21,052,704 which includes payments of Kshs.17,857,704 in respect of transfers to primary schools as disclosed in Note 7 to the financial statements. Included in this expenditure is an amount of Kshs.5,000,000 disbursed to Neyd Primary School for construction of eighty (80) bed capacity dormitory to completion. Audit inspection conducted in February, 2023 confirmed that the project was completed. However, the project had not been put into use.

In the circumstances, it was not possible to confirm whether the public got value for money spent in the project.

### **3. Failure to Open Deposit Holding Account**

The Fund did not open a deposit holding account as required by Section 7(1)(A) of the National Government Constituencies Development Fund (Amendment) Act, 2022 which provides that each Constituency shall open one deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the Constituency for which it is opened.

In the circumstances, Management was in breach of the law.

### **4. Lack of Constituency Oversight Committee**

During the year under review, the Constituency did not have a Constituency Oversight Committee. This was contrary to Section 53(1) of the National Government Constituencies Development Fund Act, 2015 which states that there is established a Constituency Oversight Committee for projects undertaken under this Act.

In the circumstances, Management was in breach of the law.

## **5. Project Implementation Status**

Review of the Project Implementation Status (PIS) report indicated that the Fund planned to implement seventy-four (74) projects during the year under review at a cost of Kshs.73,514,618. Analysis of the PIS revealed that only one (1) project costing Kshs.2,200,000 was complete, while seventy-three (73) projects with a budget of Kshs.71,314,618 had not started. Further, one (1) project budgeted for in the previous year with an allocation of Kshs.315,310 had not started.

Delay in implementation of projects denied the public the expected services.

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 which 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 May, 2024

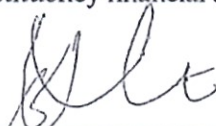
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**IX. Statement of Receipts and Payments for the Year Ended 30th June 2023**

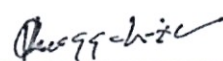
	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	88,000,000	183,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>88,000,000</b>	<b>183,177,758</b>
<b>Payments</b>			
Compensation Of Employees	4	1,581,226	2,530,205
Committee expenses	5	4,422,711	7,853,795
Use Of Goods and Services	6	9,118,809	6,078,610
Transfers To Other Government Units	7	21,052,704	120,641,896
Other Grants and Transfers	8	66,642,870	79,537,845
Acquisition Of Assets	9	1,200,000	13,800,000
Oversight Committee Expenses	10	-	-
Other Payments	11	2,200,000	-
<b>Total Payments</b>		<b>106,218,320</b>	<b>230,442,351</b>
<b>Surplus/(Deficit)</b>		<b>(18,218,320)</b>	<b>(47,264,593)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

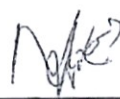
The Constituency financial statements were approved by the NGCDFC on \_\_\_\_\_ 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

Ahmed I Mohamed

  
\_\_\_\_\_  
National Sub-County  
Accountant

Dickson Chuaga Kinyanjui  
ICPAK M/No: 13823

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee

Bishar Abdi


*Balambala Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

X. Statement of Assets and Liabilities as At 30th June, 2023

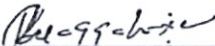
	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances ( as per the cash book)	12A	92,589,645	110,046,790
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		92,589,645	110,046,790
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		92,589,645	110,046,790
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		92,589,645	110,046,790
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	110,046,790	157,311,383
Prior year adjustments	16	761,174	-
Surplus/Deficit for the year		(18,218,319)	(47,264,593)
NET FINANCIAL POSITION		92,589,645	110,046,790

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

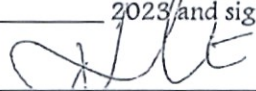
The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_ 2023 and signed by:

  
 Fund Account Manager

Ahmed I Mohamed

  
 National Sub-County  
 Accountant

Dickson Chuaga Kinyanjui  
 ICPAK M/No: 13823

  
 Chairman NG-CDF  
 Committee

Bishar Abdi

*Balambala Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XI. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers from NGCDF Board	1	88,000,000	183,177,758
Other Receipts	3	-	-
		88,000,000	183,177,758
Payments for operating activities			
Compensation of Employees	4	1,581,226	2,530,205
Committee expenses	5	4,422,711	7,853,795
Use of goods and services	6	9,118,809	6,078,610
Transfers to Other Government Units	7	21,052,704	120,641,896
Other grants and transfers	8	66,642,870	79,537,845
Oversight Committee Expenses	10	-	-
Other Payments	11	2,200,000	-
		105,018,319	216,642,351
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	761,174	-
Net Adjustments		761,174	-
Net cash flow from operating activities		(16,257,145)	(33,464,593)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,200,000)	(13,800,000)
Net cash flows from Investing Activities		(1,200,000)	(13,800,000)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(17,457,145)	(47,264,593)
Cash and cash equivalent at BEGINNING of the year	12	110,046,790	157,311,383
Cash and cash equivalent at END of the year	12	92,589,645	110,046,790

*Balambala Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2023*

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_ 2023 and signed by:



---

Fund Account Manager

Ahmed I Mohamed



---

National Sub-County  
Accountant

Dickson Chuaga Kinyanjui  
ICPAK M/No:13823



---

Chairman NG-CDF  
Committee

Bishar Abdi

*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*


XII. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2023

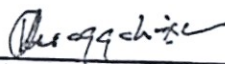
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c%
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	110,046,791	1,000,000	256,134,394	198,046,790	58,087,604	77%
Proceeds From Sale of Assets				-	-	-	#DIV/0!
Other Receipts				-	-	-	#DIV/0!
Totals	145,087,603	110,046,791	1,000,000	256,134,394	198,046,790	58,087,604	77%
Payments							
Compensation Of Employees	3,738,332	2,240,284		5,978,616	1,581,226	4,397,390	26%
Committee Expenses	1,928,000	4,000,000		5,928,000	4,422,711	1,505,289	75%
Use Of Goods and Services	7,391,552	2,829,769		10,221,321	9,118,809	1,102,512	89%
Transfers To Other Government Units	51,612,866	43,652,704		95,265,570	21,052,704	74,212,866	22%
Other Grants and Transfers	74,765,975	55,808,724	1,000,000	131,574,699	66,642,870	64,931,829	51%
Acquisition of Assets	2,000,000	1,515,310		3,515,310	1,200,000	2,315,310	34%
Oversight Committee Expenses	1,450,878	-		1,450,878	-	1,450,878	0%
Other Payments	2,200,000			2,200,000	2,200,000	-	100%
Funds Pending Approval**							
Totals	145,087,603	110,046,791	1,000,000	256,134,394	106,218,319	149,916,074	41%


*Batambala Constituency  
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	149,916,074
Less undisbursed funds receivable from the Board as at 30th June 2023	58,087,604
Add Accounts payable	91,828,470
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2022/2023	761,174
	92,589,644

The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_ 2023 and signed by:

  
Fund Account Manager  
Ahmed I Mohamed

  
National Sub-County Accountant  
Dickson Chuaga Kinyanjui  
ICPAK M/No:13823

  
Chairman NG-CDF Committee  
Bishar Abdi

*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,738,332	2,240,284		5,978,616	1,581,226	4,397,390
1.2 Committee allowances	1,128,000	2,809,178		3,937,178	3,933,806	3,372
1.3 Use of goods and services	3,538,924	918,585		4,457,509	4,455,138	2,371
Sub-total	8,405,256	5,968,047	-	14,373,303	9,970,170	4,403,133
2.0 Monitoring and evaluation						
2.1 Capacity building	1,790,000	883,798		2,673,798	2,409,581	264,217
2.2 Committee allowances	800,000	1,190,822		1,990,822	488,905	1,501,917
2.3 Use of goods and services	2,062,628	1,027,386		3,090,014	2,254,090	835,924
Sub-total	4,652,628	3,102,006	-	7,754,634	5,152,576	2,602,058
3.0 Emergency						
3.1 Primary Schools	-	-		-		-
3.2 Secondary schools	-	-		-		-
3.3 Tertiary institutions	-	-		-		-
3.4 Security projects	2,475,035	5,892,206	-	8,367,241	8,367,241	-
Unutilized funds	5,161,155	274		5,161,429	-	5,161,429
Sub-total	7,636,190	5,892,480		13,528,670	8,367,241	5,161,429

*Balambala Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security						
4.1 Special Needs						
4.2 Secondary Schools	24,000,000	18,910,185		42,910,185	23,160,085	19,750,100
4.3 Tertiary Institutions	22,526,281	18,163,190		40,689,471	23,873,190	16,816,281
4.4 Universities						
4.5 Social Security						
<b>Sub-total</b>	<b>46,526,281</b>	<b>37,073,375</b>	<b>-</b>	<b>83,599,656</b>	<b>47,033,275</b>	<b>36,566,381</b>
5.0 Sports						
5.1 constituency sports	2,901,752	100,515		3,002,267	-	3,002,267
5.2						
5.3						
<b>Sub-total</b>	<b>2,901,752</b>	<b>100,515</b>		<b>3,002,267</b>	<b>-</b>	<b>3,002,267</b>
6.0 Environment						
Balambala Police Station	967,251	-	-	967,251	-	967,251
Balambala Secondary School	967,252	-	-	967,252	-	967,252
Raya Police Station	967,249	-	-	967,249	-	967,249
Dololo Weyn primary school	-	700,000	-	700,000	700,000	-
Shebtaad Community Borehole	-	1,000,000	-	1,000,000	1,000,000	-
Abdisamad Community Borehole	-	800,000	-	800,000	-	800,000
Saka Girls Secondary School	-	340,000	-	340,000	-	340,000
Balambala Secondary School	-	340,000	340,000	680,000	-	680,000

*National Government Constituencies Development Funda (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sankuri Secondary School	-	20,000	320,000	340,000	-	340,000
Sankuri Girls Secondary School	-	-	340,000	340,000	-	340,000
<b>Sub-total</b>	<b>2,901,752</b>	<b>3,200,000</b>	<b>1,000,000</b>	<b>7,101,752</b>	<b>1,700,000</b>	<b>5,401,752</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
Kasha Primary School	10,000,000	-	-	10,000,000	-	10,000,000
Bula Haji Primary School	2,500,000	-	-	2,500,000	-	2,500,000
Ture primary school	2,500,000	-	-	2,500,000	-	2,500,000
Ture primary school	1,100,000	-	-	1,100,000	-	1,100,000
Saka Junction pry school	2,500,000	-	-	2,500,000	-	2,500,000
Saka Junction pry school	1,000,000	-	-	1,000,000	-	1,000,000
Hagar Jarer Primary school	1,000,000	-	-	1,000,000	-	1,000,000
Atheley primary School	3,200,000	-	-	3,200,000	-	3,200,000
Atheley primary School	500,000	-	-	500,000	-	500,000
Hifow primary School	150,000	-	-	150,000	-	150,000
Ture primary school	400,000	-	-	400,000	-	400,000
Dogob primary school	150,000	-	-	150,000	-	150,000
Raya primary school	250,000	-	-	250,000	-	250,000
Danyere primary school	200,000	-	-	200,000	-	200,000
Shabah primary school	250,000	-	-	250,000	-	250,000
Dololo Midi primary school	150,000	-	-	150,000	-	150,000
Dololo Weyn primary school	150,000	-	-	150,000	-	150,000

*Bulambala Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kuno primary school	400,000	-	-	400,000	-	400,000
Sikley primary school	250,000	-	-	250,000	-	250,000
Junction primary school	250,000	-	-	250,000	-	250,000
Kuno primary school	400,000	-	-	400,000	-	400,000
Sikley primary school	250,000	-	-	250,000	-	250,000
Junction primary school	250,000	-	-	250,000	-	250,000
Jarjara primary school	150,000	-	-	150,000	-	150,000
Mudey primary school	150,000	-	-	150,000	-	150,000
Balich Primary School	350,000	-	-	350,000	-	350,000
Danyere primary school	180,000	-	-	180,000	-	180,000
Jarjara primary school	180,000	-	-	180,000	-	180,000
Balambala primary school	240,000	-	-	240,000	-	240,000
Kuno primary school	300,000	-	-	300,000	-	300,000
Kasha Primary School	240,000	-	-	240,000	-	240,000
Sankuri Primary School	240,000	-	-	240,000	-	240,000
Shabah primary school	200,000	-	-	200,000	-	200,000
Modika Primary School	160,000	-	-	160,000	-	160,000
Abdisamad Primary School	160,000	-	-	160,000	-	160,000
Raya primary school	160,000	-	-	160,000	-	160,000
Dololo Midi primary school	160,000	-	-	160,000	-	160,000
Dololo Weyn primary school	160,000	-	-	160,000	-	160,000

*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Raya Neyd	240,000	-	-	240,000	-	240,000
Nuno Primary School	160,000	-	-	160,000	-	160,000
Balich Primary School	160,000	-	-	160,000	-	160,000
Ture primary school	120,000	-	-	120,000	-	120,000
Saka Junction pry school	100,000	-	-	100,000	-	100,000
Danyere primary school	1,000,000	-	-	1,000,000	-	1,000,000
Bula Mobile primary School	150,000	-	-	150,000	-	150,000
Kuno primary school	3,000,000	-	-	3,000,000	-	3,000,000
Auliya Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Shimbir Primaray School	-	1,500,000	-	1,500,000	-	1,500,000
Hagar Jarer Primary school	-	1,800,000	-	1,800,000	-	1,800,000
Qabobey Primary School	-	1,700,000	-	1,700,000	-	1,700,000
Debi Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Balambala DEO Office	-	537,704	-	537,704	537,704	-
Balambala primary school	-	4,500,000	-	4,500,000	-	4,500,000
Abaq Alol Primary School	-	2,000,000	-	2,000,000	-	2,000,000
Hadley Primary School	-	2,500,000	-	2,500,000	2,500,000	-
Mathalibah Primary School	-	2,000,000	-	2,000,000	2,000,000	-
Bulla Kurow Primary School	-	2,500,000	-	2,500,000	2,500,000	-
Raya NEYD Primary School	-	5,000,000	-	5,000,000	5,000,000	-
Raya NEYD Primary School	-	1,320,000	-	1,320,000	1,320,000	-

*Duunwala Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kasha Primary School	-	2,000,000	-	2,000,000	2,000,000	-
Damaja Primary School	-	2,600,000	-	2,600,000	-	2,600,000
Golich primary school	150,000	-	-	150,000	-	150,000
Abdisamat Primary School	-	2,000,000	-	2,000,000	2,000,000	-
<b>Sub-total</b>	<b>36,070,000</b>	<b>34,957,704</b>	<b>-</b>	<b>71,027,704</b>	<b>17,857,704</b>	<b>53,170,000</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
Danyere Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Sankuri Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Balambala Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Danyere Secondary School	480,000	-	-	480,000	-	480,000
Rahole Girls Secondary School	5,000,000	-	-	5,000,000	-	5,000,000
Rahole Girls Secondary School	1,202,866	-	-	1,202,866	-	1,202,866
Rahole Girls Secondary School	1,200,000	-	-	1,200,000	-	1,200,000
Danyere Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
Rahole Girls Secondary School	100,000	-	-	100,000	-	100,000
Danyere Secondary School	100,000	-	-	100,000	-	100,000
Sankuri Secondary School	240,000	-	-	240,000	-	240,000
Sankuri girls Secondary School	100,000	-	-	100,000	-	100,000
Balambala Secondary School	120,000	-	-	120,000	-	120,000
Balambala Secondary School	-	5,500,000	-	5,500,000	-	5,500,000
Sankuri girls Secondary School	-	500,000	-	500,000	500,000	-

*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
Sankuri Secondary School	-	1,000,000	-	1,000,000	1,000,000	-
Rahole Girls Secondary School	-	375,000	-	375,000	375,000	-
Rahole Girls Secondary School	-	1,320,000	-	1,320,000	1,320,000	-
<b>Sub-total</b>	<b>15,542,866</b>	<b>8,695,000</b>	<b>-</b>	<b>24,237,866</b>	<b>3,195,000</b>	<b>21,042,866</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1						
9.2						
9.3						
<b>Sub-total</b>						
<b>10.0 Security Projects</b>						
Balich Chief Office	3,200,000	-	-	3,200,000	-	3,200,000
Balich Chief Office	500,000	-	-	500,000	-	500,000
Modika Chief Office	3,200,000	-	-	3,200,000	-	3,200,000
Modika Chief Office	500,000	-	-	500,000	-	500,000
Jarjara Chief Office	3,200,000	-	-	3,200,000	-	3,200,000
Jarjara Chief Office	500,000	-	-	500,000	-	500,000
Raya police office	3,200,000	-	-	3,200,000	-	3,200,000
Raya police office	500,000	-	-	500,000	-	500,000
Saka Police Post	-	3,300,000	-	3,300,000	3,300,000	-
Modika RDU	-	6,242,354	-	6,242,354	6,242,354	0
<b>Sub-total</b>	<b>14,800,000</b>	<b>9,542,354</b>	<b>-</b>	<b>24,342,354</b>	<b>9,542,354</b>	<b>14,800,000</b>

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment	2,000,000	1,515,310	-	3,515,310	1,200,000	2,315,310
11.4 Purchase of computers						
11.5 Purchase of land						
<b>Sub-total</b>	<b>2,000,000</b>	<b>1,515,310</b>	<b>-</b>	<b>3,515,310</b>	<b>1,200,000</b>	<b>2,315,310</b>
<b>12.0 Oversight Committee Expenses</b>						
Travel Costs (airlines, bus, railway, mileage allowances, etc.)	50,000			50,000	-	50,000
Hire of Training Facilities and Equipment	80,000			80,000	-	80,000
Hire of Transport	320,000			320,000	-	320,000
Constituency Oversight Committee Allowances	100,000			100,000	-	100,000
Accommodation - Domestic Travel	50,000			50,000	-	50,000
Daily Subsistence Allowance	400,000			400,000	-	400,000
Other Committee Expenses	450,878			450,878	-	450,878
<b>Sub-total</b>	<b>1,450,878</b>	<b>-</b>	<b>-</b>	<b>1,450,878</b>	<b>-</b>	<b>1,450,878</b>
<b>13.0 Others</b>						
Balambala NG-CDFC Strategic Plan	2,200,000			2,200,000	2,200,000	-
13.2 Innovation Hub						
13.2						

*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-total	2,200,000	-	-	2,200,000	2,200,000	-
Funds pending approval**						
Total	145,087,603	110,046,791	1,000,000	256,134,394	106,218,319	149,916,074

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury

#### **XIV. Significant Accounting Policies**

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

##### **1. Statement of Compliance and Basis of Preparation**

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

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

##### **2. Reporting Entity**

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

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 8<sup>th</sup> June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**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 2023.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140832		34,000,000
AIE NO. B 105409		44,000,000
AIE NO. B 105726		22,000,000
AIE NO. B 105994		6,000,000
AIE NO. B 128757		12,000,000
AIE NO. B 154360		12,000,000
AIE NO. B 154255		20,000,000
AIE NO. B 140778		21,088,879
AIE NO. B 155921		12,088,879
AIE NO. B 185007	7,000,000.00	
AIE NO. B 206290	38,000,000.00	
AIE NO. B 205679	12,000,000.00	
AIE NO. B 205658	1,000,000.00	
AIE NO. B 205521	15,000,000.00	
AIE NO. B 207760	15,000,000.00	
<b>TOTAL</b>	<b>88,000,000.00</b>	<b>183,177,758</b>

2. Proceeds From Sale of Assets

	2022/2023	2021/2022
	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
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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*Notes to the Financial Statements (Continued)*

3. Other Receipts

	2022/2023	2021/2022
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	0
Hire of plant/equipment/facilities	0	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

4. Compensation of Employees

	2022/2023	2021/2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,129,674	2,119,388
Personal allowances paid as part of salary	0	0
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	357,232	213,777
Employer Contributions Compulsory national social security schemes	94,320	197,040
<b>Total</b>	<b>1,581,225</b>	<b>2,530,205</b>

5. Committee Expenses

	2022/2023	2021/2022
	Kshs	Kshs
Sitting allowance	1,934,000	1,006,200
Other committee expenses	2,488,711	6,847,595
<b>TOTAL</b>	<b>4,422,711</b>	<b>7,853,795</b>

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*Notes to the Financial Statements (Continued)*

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	166,150	-
Communication, supplies and services	510,900	-
Domestic travel and subsistence	3,610,970	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,807,491	4,470,857
Hospitality supplies and services	150,000	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	2,243,698	1,488,360
Fuel , oil & lubricants	-	-
Other operating expenses	517,600	-
Bank Charges	100,000	119,393
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	12,000	-
<b>TOTAL</b>	<b>9,118,809</b>	<b>6,078,610</b>

7. Transfer To Other Government Units

Description	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Transfers to Primary Schools	17,857,704	47,910,000
Transfers to Secondary Schools	3,195,000.00	62,731,896
Transfers to Tertiary Institutions	-	10,000,000
<b>TOTAL</b>	<b>21,052,704</b>	<b>120,641,896</b>

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*Notes To The Financial Statements (Continued)*

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary - Secondary ( see attached list)	23,160,085	22,888,815
Bursary -Tertiary ( see attached list)	23,873,190	25,192,850
Bursary- Special Schools	-	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects ( see attached list)	9,542,354	11,516,896
Sports Projects ( see attached list)	-	9,247,284
Environment Projects ( see attached list)	1,700,000	3,300,000
Emergency Projects ( see attached list)	8,367,241	7,392,000
Roads Projects	-	-
<b>TOTAL</b>	<b>66,642,870</b>	<b>79,537,845</b>

9. Acquisition Of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,200,000	13,800,000
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>TOTAL</b>	<b>1,200,000</b>	<b>13,800,000</b>

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*Notes To The Financial Statements (Continued)*

10. Oversight Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
<b>TOTAL</b>	-	-

11. Other Payments

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Strategic Plan	2,200,000	-
ICT Hubs	-	-
<b>TOTAL</b>	<b>2,200,000</b>	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank, Garissa Branch - A/C no. 0580268598022</i>	<b>88,121,384</b>	<b>106,339,704</b>
Chase Bank - A/C no. 18212210001	4,468,260	3,707,086
<b>Total</b>	<b>92,589,645</b>	<b>110,046,790</b>
<b>12 B: Cash on Hand</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Notes To The Financial Statements (Continued)*

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13. 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</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Total</i>		0	0	0

14. Retention and Gratuity

<b>14 A. Retention</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	0	0

<b>14 B. Gratuity</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	0	0

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*Notes To The Financial Statements (Continued)*

15. Fund Balance B/F

	(1 <sup>st</sup> July 2022-1)	(1 <sup>st</sup> July 2021-2)
	Kshs	Kshs
Bank accounts	110,046,791	157,311,383
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>110,046,791</b>	<b>157,311,383</b>
Less	0	0
Payables: - Retention	0	0
Payables – Gratuity	0	0
<b>Fund Balance Brought Forward</b>	<b>110,046,791</b>	<b>157,311,383</b>

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	761,174	761,174
Cash in hand	0	-	-
Accounts Payables	0	-	-
Receivables	0	-	-
Others ( <i>specify</i> )	0	-	-
<b>Total</b>	<b>0</b>	<b>761,174</b>	<b>761,174</b>

17. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
<b>Net changes in accounts Receivables D - A</b>	<b>0</b>	<b>0</b>

*Notes To The Financial Statements (Continued)*

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Net changes in accounts payables D-A	0	0

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*Notes To the Financial Statements (Continued)*

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022/2023</i>	<i>2021/2022</i>
	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>

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	4,397,390	2,240,284
Committee expenses	1,505,289	
Use of goods and services	1,102,512	6,437,272
Amounts due to other Government entities (see attached list)	74,212,866	46,332,616
Amounts due to other grants and other transfers (see attached list)	64,931,829	51,721,309
Acquisition of assets	2,315,310	2,549,240
Oversight Committee Expenses	1,450,878	-
Others ( <i>specify</i> )	0	1,800,000
Funds pending approval	0	
<b>Total</b>	<b>149,916,074</b>	<b>111,080,721</b>

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19.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	20,432	9,118
Total	20,432	9,118

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund*

Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	Staff salaries	4,397,390	2,240,205	Pending Disbursement
Use of goods & services	Use of goods and services	2,607,801	3,585,264	Pending Disbursement
<b>Sub-Total</b>		<b>7,005,191</b>	<b>5,825,113</b>	
<b>7.0 Primary Schools Projects</b>				
Kasha Primary School	Drilling of Borehole	10,000,000		Pending Disbursement
Bula Haji Primary School	Construction of two classrooms	2,500,000		Pending Disbursement
Ture primary school	Construction of two classrooms	2,500,000		Pending Disbursement
Ture primary school		1,100,000		Pending Disbursement
Saka Junction pry school	Construction of two classrooms	2,500,000		Pending Disbursement
Saka Junction pry school	Installation of solar panel	1,000,000		Pending Disbursement
Hagar Jarer Primary school	Installation of solar panel	1,000,000		Pending Disbursement
Atheley primary School	Construction of administration block	3,200,000		Pending Disbursement
Atheley primary School	Construction of administration block	500,000		Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Hifow primary School	Supply of 30 desks	150,000		Pending Disbursement
Ture primary school	Supply of 80 desks	400,000		Pending Disbursement
Dogob primary school	Supply of 30 desks	150,000		Pending Disbursement
Raya primary school	Supply of 45 desks	250,000		Pending Disbursement
Danyere primary school	Supply of 35 desks	200,000		Pending Disbursement
Shabah primary school	Supply of 45 desks	250,000		Pending Disbursement
Dololo Midi primary school	Supply of 30 desks	150,000		Pending Disbursement
Dololo Weyn primary school	Supply of 30 desks	150,000		Pending Disbursement
Kuno primary school	Supply of 80 desks	400,000		Pending Disbursement
Sikley primary school	Supply of 45 desks	250,000		Pending Disbursement
Junction primary school	Supply of 45 desks	250,000		Pending Disbursement
Kuno primary school	Supply of 80 desks	400,000		Pending Disbursement
Sikley primary school	Supply of 45 desks	250,000		Pending Disbursement
Junction primary school	Supply of 45 desks	250,000		Pending Disbursement
Jarjara primary school	Supply of 30 desks	150,000		Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Mudey primary school	Supply of 30 desks	150,000		Pending Disbursement
Balich Primary School	Supply of 75 desks	350,000		Pending Disbursement
Danyere primary school	Supply of 35 desks	180,000		Pending Disbursement
Jarjara primary school	Supply of 30 desks	180,000		Pending Disbursement
Balambala primary school	Supply of 45 desks	240,000		Pending Disbursement
Kuno primary school	Supply of 50 desks	300,000	500,000	Pending Disbursement
Kasha Primary School	Supply of 45 desks	240,000		Pending Disbursement
Sankuri Primary School	Supply of 45 desks	240,000		Pending Disbursement
Shabah primary school	Supply of 40 desks	200,000		Pending Disbursement
Atheley primary School	Supply of 30 desks	160,000		Pending Disbursement
Modika Primary School	Supply of 30 desks	160,000		Pending Disbursement
Abdisamad Primary School	Supply of 45 desks	160,000		Pending Disbursement
Raya primary school	Supply of 45 desks	160,000		Pending Disbursement
Dololo Midi primary school	Supply of 45 desks	160,000		Pending Disbursement
Dololo Weyn primary school	Supply of 45 desks	160,000		Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Raya Neyd	Supply of 45 desks	240,000		Pending Disbursement
Nuno Primary School	Supply of 25 desks	160,000		Pending Disbursement
Balich Primary School	Supply of 25 desks	160,000		Pending Disbursement
Ture primary school	Supply of 25 desks	120,000		Pending Disbursement
Saka Junction pry school	Supply of 20 desks	100,000	340,000	Pending Disbursement
Danyere primary school	Installation of solar panel	1,000,000		Pending Disbursement
Bula Mobile primary School	Supply of 30 desks	150,000		Pending Disbursement
Golich primary school	Supply of 30 desks	150,000	2,000,000	Pending Disbursement
Kuno primary school	Construction of 3 number classrooms	3,000,000		Pending Disbursement
Auliya Primary School	Construction of 2 number classrooms	1,500,000		Pending Disbursement
Shimbir Primaray School	Construction of 2 number classrooms	1,500,000		Pending Disbursement
Hagar Jarer Primary school	Construction of 2 number classrooms	1,800,000		Pending Disbursement
Qabobey Primary School	Construction of 2 number classrooms	1,700,000		Pending Disbursement
Debi Primary School	Construction of 2 number classrooms	1,500,000		Pending Disbursement
Balambala DEO Office	Construction of number classrooms	-		Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Balambala primary school	Installation of water tanks	4,500,000	-	Pending Disbursement
Abaq Alol Primary School	Construction of two classrooms	2,000,000	2,000,000	Pending Disbursement
Hadley Primary School	Construction of administration block	-	-	Pending Disbursement
Mathalibah Primary School	Construction of two classrooms	-	-	Pending Disbursement
Bulla Kurow Primary School	Construction of two classrooms	-	-	Pending Disbursement
Raya NEYD Primary School	Construction of two classrooms	-	-	Pending Disbursement
Raya NEYD Primary School	Construction of two classrooms	-	-	Pending Disbursement
Kasha Primary School	Construction of two classrooms	-	-	Pending Disbursement
Damaja Primary School	Construction of two classrooms	2,600,000	-	Pending Disbursement
Abdisamat Primary School	Construction of two classrooms	-	-	Pending Disbursement
<b>8.0 Secondary Schools Projects</b>				
Danyere Secondary School	Construction of two classrooms	2,000,000	-	Pending Disbursement
Sankuri Secondary School	Construction of two classrooms	2,000,000	-	Pending Disbursement
Balambala Secondary School	Construction of two classrooms	2,000,000	-	Pending Disbursement
Danyere Secondary School	Construction of two classrooms	480,000	-	Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Rahole Girls Secondary School	Construction of dormitories	5,000,000	-	Pending Disbursement
Rahole Girls Secondary School	Construction of two classrooms	1,202,866	-	Pending Disbursement
Rahole Girls Secondary School	Construction of two classrooms	1,200,000	-	Pending Disbursement
Danyere Secondary School	Construction of one classroom	1,000,000	-	Pending Disbursement
Rahole Girls Secondary School	Supply of 20 desks	100,000	-	Pending Disbursement
Danyere Secondary School	Supply of 20 desks	100,000	-	Pending Disbursement
Sankuri Secondary School	Supply of 30 desks	240,000	5,000,000	Pending Disbursement
Sankuri girls Secondary School	Supply of 20 desks	100,000	-	Pending Disbursement
Balambala Secondary School	Supply of 20 desks	120,000	-	Pending Disbursement
Balambala Secondary School	Construction of administration block	5,500,000	-	Pending Disbursement
Sankuri girls Secondary School	Supply of 20 desks	-	-	Pending Disbursement
Sankuri Secondary School	Supply of 20 desks	-	-	Pending Disbursement
Rahole Girls Secondary School	Supply of 20 desks	-	-	Pending Disbursement
Rahole Girls Secondary School	Supply of 20 desks	-	-	Pending Disbursement
Tertiary projects				Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Sub-Total		74,212,866		
3.0 Emergency				
3.1 Primary Schools	Supply of 20 desks	-		Pending Disbursement
3.2 Secondary schools	Supply of 20 desks	-		Pending Disbursement
3.3 Tertiary institutions	Supply of 20 desks	-		Pending Disbursement
3.4 Security projects	Supply of 20 desks	-		Pending Disbursement
3.5 Unutilised		5,161,429		Pending Disbursement
4.0 Bursary and Social Security				
4.1 Secondary Schools	Bursary	19,750,100		Pending Disbursement
4.2 Tertiary Institutions	Bursary	16,816,281		Pending Disbursement
4.3 Social Security	Social Security	-		
4.4 Special Needs	Special needs	-		
5.0 Sports				
5.1 sports	Sports	3,002,267		Pending Disbursement
6.0 Environment				
Balambala Police Station	Supply of water tanks	967,251		Pending Disbursement
Balambala Secondary School	Supply of water tanks	967,252		Pending Disbursement
Raya Police Station	Supply of water tanks	967,249		Pending

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
				Disbursement
Dololo Weyn primary school	Supply of water tanks	-		
Shebtaad Community Borehole	Supply of water tanks	-		
Abdisamad Community Borehole	Supply of water tanks	800,000		Pending Disbursement
Saka Girls Secondary School	Supply of water tanks	340,000		Pending Disbursement
Balambala Secondary School	Supply of water tanks	680,000		Pending Disbursement
Sankuri Secondary School	Supply of water tanks	340,000		Pending Disbursement
Sankuri Girls Secondary School	Supply of water tanks	340,000		Pending Disbursement
<b>10.0 Security Projects</b>				
Balich Chief Office	Renovation of Chiefs office	3,200,000		Pending Disbursement
Balich Chief Office	Renovation of Chiefs office	500,000		Pending Disbursement
Modika Chief Office	Renovation of Chiefs office	3,200,000		Pending Disbursement
Modika Chief Office	Renovation of Chiefs office	500,000		Pending Disbursement
Jarjara Chief Office	Renovation of Chiefs office	3,200,000		Pending Disbursement
Jarjara Chief Office	Renovation of Chiefs office	500,000		Pending Disbursement
Raya police office	Renovation of Chiefs office	3,200,000		Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Raya police office	Renovation of Chiefs office	500,000		Pending Disbursement
Saka Police Post	Renovation of Chiefs office	-		Pending Disbursement
Modika RDU	Renovation of Chiefs office	0		Pending Disbursement
<b>Sub-Total</b>		<b>64,931,829</b>		
Acquisition of assets		-	-	
NG-CDFC Office furniture		2,000,000		Pending Disbursement
NG-CDFC Office	Renovation of NG-CDF office	315,310		Pending Disbursement
NG-CDFC Office	Renovation of NG-CDF office	-		
<b>sub total</b>		<b>2,315,310</b>		
Oversight Committee Expenses(itemize)				
Travel Costs (airlines, bus, railway, mileage allowances, etc.)	Committee sitting allowances	50,000		Pending Disbursement
Hire of Training Facilities and Equipment	Committee sitting allowances	80,000		Pending Disbursement
Hire of Transport	Committee sitting allowances	320,000		Pending Disbursement
Constituency Oversight Committee Allowances	Committee sitting allowances	100,000		Pending Disbursement
Accommodation - Domestic Travel	Committee sitting allowances	50,000		Pending Disbursement
Daily Subsistence Allowance	Committee sitting allowances	400,000		Pending Disbursement

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Name	Brief Description of the Activity	Outstanding Balance Current FY 2022/2023 Ksh	Outstanding Balance Previous FY 2021/2022	Comments
Other Committee Expenses		450,878		
Others (specify)				
Sub-Total		1,450,878		Pending Disbursement
Funds pending approval				
Grand Total		149,916,074	111,046,790	

**Annex 4 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost At Year End (Kshs)
Land	-			
Buildings and structures	-			
Transport equipment	8,050,270.00			
Office equipment, furniture and fittings	2,481,629.00			
ICT Equipment, Software and Other ICT Assets	-			
Other Machinery and Equipment	-			
Heritage and cultural assets	-			
Intangible assets	-			
Total	10,531,899.00			

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Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023*

PMC	Bank	Account number	Bank Balance: 2022/23	Bank Balance: 2021/22
Dogob Primary School	Equity	0580279862743	2,750	2,750
Kone Primary School	Equity	0580279886812	6,368	6,368
Jarajara Primary School	Equity	0580279892637	3,188	0
Mathahliba Primary School	Equity	0580279918868	3,000	0
Kasha Mixed Primary School	Equity	0580279786055	2,643	0
Hadley Primary School	Equity	0580279786114	2,483	0
<b>TOTAL</b>			<b>20,432</b>	<b>9,118</b>

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Annex 6: Progress On Follow Up of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
BALAMBALA/CDF/AUD/VOL.II/(4)	<p>Unsupported Bursaries disbursement. The statements of receipts and payments reflects other grants and transfers balance of Ksh. 79,537,845 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs. 22,336,230 and Kshs. 24,622,850 all totalling to kshs. 46,959,080 disbursed to various secondary schools and tertiary institutions to needy students. However, review of the expenditure documents revealed that the expenditure was not supported.</p>	<p>We have provided the acknowledgements documents to support the payment of those bursaries.</p>	Resolved	30/6/2023
BALAMBALA/CDF/AUD/VOL.II/(4)	<p>Doubtful Bank Balance in chase bank under receivership. The statement of assets</p>	<p>We are still following up on the issue</p>	Not Resolved	30/06/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and liabilities reflects cash and cash equivalents balance of Ksh. 111,080,721 as at 30 <sup>th</sup> June 2022 as disclosed in note 8 to the financial statements. Included in these balances is an amount of Kshs. 3,707,087 in an account at chase bank (Under receivership)			
BALAMBALA/CDF/AUD/VOL.II/(4)	Lack of ownership Documents, Valuation and incomplete disclosure of assets. Annex 4 of the financial statement reflects summary of the financial assets register with a balance of Kshs. 24,331,899 as at 30 <sup>th</sup> June 2022. However, the fixed asset register maintained did not include building and structures constructed at the cost of 13,800,000. In addition, the management did not provide ownership	We have provided all the necessary documents	Resolved	30/6/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	documents including title deed or letter of allotment for the land			

  
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 Ahmed I Mohamed  
 Fund Account Manager.



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