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REPORT

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THE-TABLE:

C. Ndinithi

THE AUDITOR-GENERAL

ON

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

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
14 DEC 2021
RECEIVED

Revised Template 30th June 2020



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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

**Reports and Financial Statements
For the year ended June 30, 2020**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

N	Designation	Name
o		
1.	A.I.E holder	Ronald Jembe
2.	Sub-County Accountant	Rueben Mose
3.	Chairman NGCDFC	Dube Masha
4.	Member NGCDFC	Hussein Takano

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF BURA Constituency Headquarters

P.O. Box 100-70104
Bura Tana.
KENYA.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA
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For the year ended June 30, 2020

(f) NG-CDF BURA Constituency Contacts

Telephone: (254) 723 934 494

E-mail: cdfbura@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NG-CDF BURA Constituency Bankers

1. Kenya Commercial Bank (Garissa Branch)
Acc No. 1107773164

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

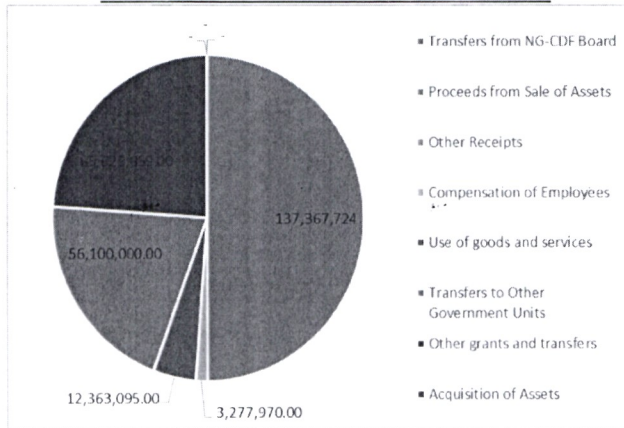
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I would like to extend my gratitude to Bura constituents for giving me the opportunity to serve in my capacity as the chairperson NG-CDFC. Our agenda is enclaved in the slogan “*maendeleo kwa wote*” as we purpose to deliver improved livelihoods through promoting quality education at primary, secondary schools and tertiary institutions. There has also been tremendous increase in bursary allocation, ensuring more students are in schools. We have endeavoured to nature Youth talent by supporting sports through supply of full uniform and organizing tournaments. The excellent performance can be attributed to tremendous support from the NG-CDF Board, Member of Parliament and all stakeholders.

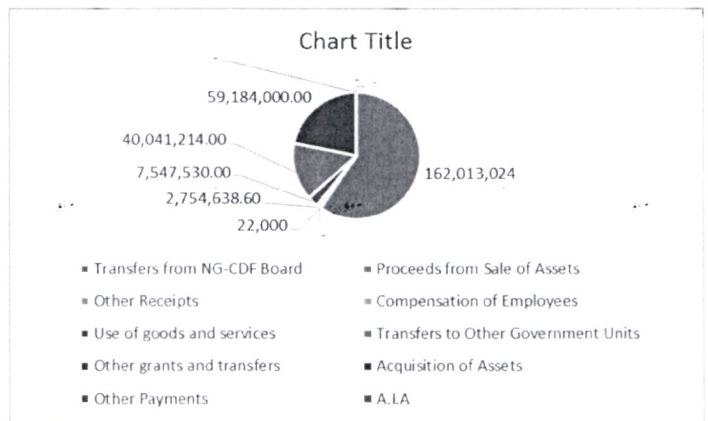
Bura constituency is one of the three constituencies in Tana River county, coast Region. During the financial year 2019/2020 we received Kshs. 123,040,876. Our utilization of funds for the financial year stands at 47.4% of the total budget of Kshs.137,367,724.14. The low absorption of funds was due to late disbursement of funds by the NG-CDF Board. The NG-CDF Board should provide funds in time for 100% utilization to be achieved.

The project allocation percentage per sector is as indicated below:-

ORIGINAL BUDGET ALLOCATION



ACTUAL BUDGET ON COMPARISON BASIS



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA
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Achievements

There have been several success stories in this financial year ending June 2020. Project is attributed to the harmonious working relationship amongst the NGCDF members, staff and technical support from the government officials as well. The synergy has been achieved through continuous training and engagement to promote team work and quality project.

During the financial year 2019/2020 the Constituency realised tremendous improvement in infrastructure across the two key sectors namely; Education and Security Sector. Seventeen (17) new classrooms were constructed and four (4) Chief's Offices whose construction is ongoing. The completion of NG-CDF Office extension project will facilitate efficient and effective service delivery to Wananchi.

Below is a sample of projects undertaken during the financial year.



a. Water harvesting at the NG-CDF office.

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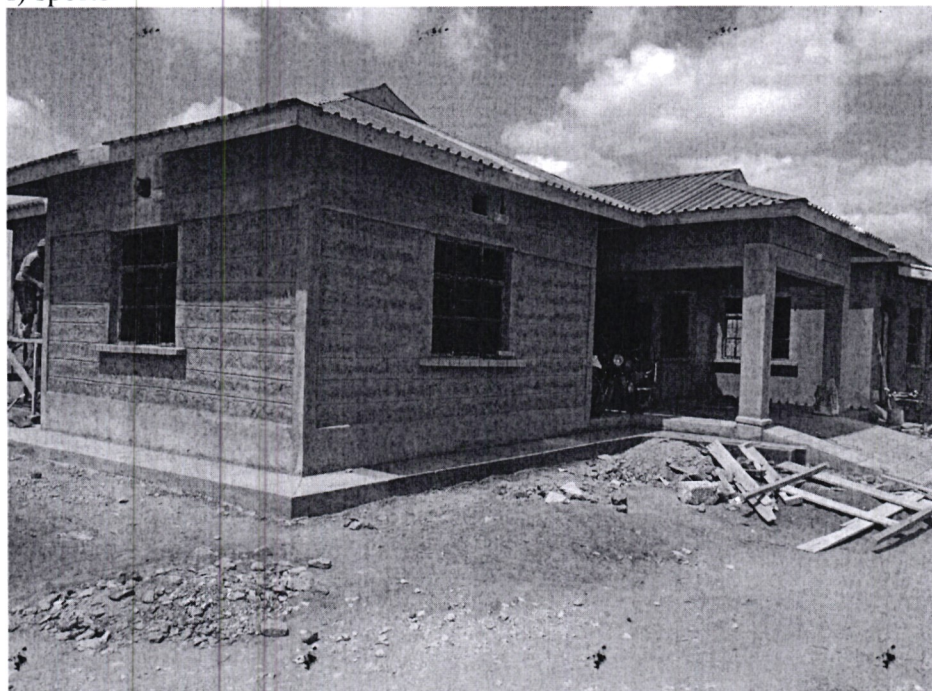
b. Construction of 2 No. complete classroom at Singwaya secondary school

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA
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f) sports



g) On-going Construction of Administration Block at Fayya Girls secondary school.

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Challenges

Delay in disbursement of funds from the NG-CDF Board has affected timely implementation of projects and absorption of funds allocated during the financial year, in addition insufficient funds for monitoring and evaluation and capacity building of various operatives has impacted negatively on funds administration.

Way forward

In order to improve on timely completion of projects NG-CDF Board should disburse funds quarterly, Allocation for monitoring and evaluation vote should be increased for effective and efficient management of projects. Lastly, Projects should be funded in full to avoid delays in completion County projects committee should be operationalized for consultation at county level to guard against any duplication of projects and enhance synergy between all development agents.

There has been emerging issues and challenges influencing the implementation of NGCDF Projects all over the constituency. These include;

1. Insecurity- Due to vastness of the constituency we have had a lot of security challenges since the area is prone to attacks by bandits and al-Shabaab militants
2. Poor road network within the constituency was a big challenge to the contractors when it came to ferrying building materials to the various sites.
3. Other issues affecting the project implementation process is the slow pace of the Project Management Committees in filing both financial and narrative reports relating to their NGCDF funded projects. This fact emanates mostly from low literacy levels amongst the PMCs.
4. Water availability was also a challenge to both the contractors as well as the community.
5. Lack of Sub County Procurement officer from the National Treasury

Sign


CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA CONSTITUENCY

Reports and Financial Statements

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- i) Provide security to the community by constructing administrative offices.
- ii) Improve literacy level by issuing bursaries to needy students.
- iii) Nurture talents to the upcoming youth talents in the constituency through sport activities.
- iv) Improve food security by participating in environmental conservation activities.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To have a reliable and sustainable security.	Improvement of working stations for the administrative officers in the constituency.	- Number of improved police stations and Chief's offices	In FY 2019-2020 we managed to construct Chief's offices in the constituency.
Environment	To ensure environment is conserved in the constituency.	Improve sanitation in learning institutions in the entire constituency.	- Number of toilets in the learning institutions.	In FY 2019-2020 we managed to construct pit latrines in primary school.
Sports	To nurture talents of the constituents.	Increase the number of talented youth in	- Number of youth	In FY 2019-2020 we conducted

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		the constituency.	benefiting from the sports fund.	constituency tournament.
Disaster Management	To mitigate risk occurrence in the constituency.	Improvement of structures in learning institution.	- Number of schools renovated in the constituency.	In FY 2019-2020 we renovated Walesorea primary school dormitory.

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – BURA Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social 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.

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1. Sustainability strategy and profile -

The Bura NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and our strategic objectives.

2. Environmental performance

Protection of the environment in which we live and operate is part of Bura NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

3. Employee welfare

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters. Bura NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

4. Market place practices-

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the 10 grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level. As a Fund we have ensured competitive procurement for all our works, goods and services. We have a policy to prepare a prequalified list of suppliers and contractors and ensure competent tender opening, tender evaluation and inspection and acceptance committees are in place.

6. Community Engagements- Public participation in Project Identification and Implementation and Monitoring The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency. The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national

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development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board. Public participation is the process that directly engages the concerned stakeholders in decision making and gives full consideration to public input in making decisions

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;

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA CONSTITUENCY

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

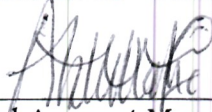
The Accounting Officer in charge of the NGCDF-BURA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

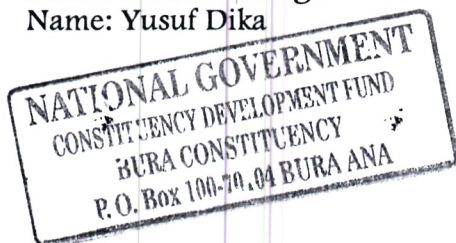
The Accounting Officer in charge of the NGCDF-BURA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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

Approval of the financial statements

The NGCDF-BURA Constituency financial statements were approved and signed by the Accounting Officer on 15th March 2021.

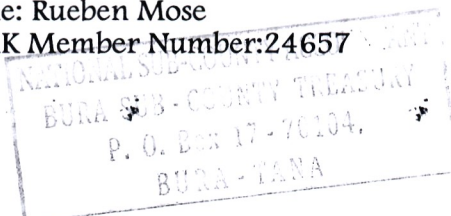


Fund Account Manager
Name: Yusuf Dika

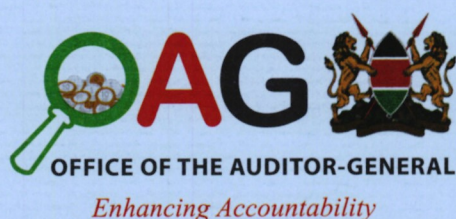


Sub-County Accountant
Name: Rueben Mose

ICPAK Member Number: 24657



REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - BURA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituency Development Fund - Bura Constituency set out on pages 15 to 40, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 - Bura Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis), and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Use of Goods and Services

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects use of goods and services amount of Kshs.7,585,130. The balance includes an amount of Kshs.4,487,100 spent on committee allowance and other committee expenses while conducting monitoring and evaluation of the Fund's projects. However, review of records indicated that committee allowances totalling to Kshs.2,848,200 were not sufficiently supported with relevant documents such as payment schedules, minutes, invitation letters and attendance register for meetings. Further, the balance includes domestic travel and subsistence allowances amounting to Kshs.340,600 paid to staff attending seminars/workshops outside their working

station. However, the payments were not supported with invitation letters, training programs, imprest warrants, travel documents such as bus/ air ticket as evidence of the journeys made and attendance registers for the training or training certifications.

In the circumstances, the accuracy, completeness and validity of the use goods and services balance of Kshs.7,585,130 could not be ascertained.

2. Transfers to Other Government Entities

The statement of receipts and payments and as disclosed in Note 5 to the financial statements, reflects transfers to other Government Entities balance of Kshs.40,041,214. A review of the expenditure and related records revealed the following unsatisfactory matters;

2.1. Unsupported Expenditure on Transfers to Primary Schools

The balance includes an amount of Kshs.18,563,214 transferred to Project Management Committees (PMCs) for the implementation of projects in various primary schools. However, review of records revealed that expenditure totalling to Kshs.2,386,729 had not been supported with signed inspection and acceptance committee minutes/report, tender evaluation committee report and project handing/taking over reports from the Project Management Committees.

In the circumstances, the propriety of expenditure of Kshs.2,386,729 on primary school projects could not be confirmed.

2.2. Unsupported Expenditure on Transfers to Secondary Schools

The balance includes an amount of Kshs.21,478,000 to Project Management Committees (PMCs) for implementation of projects in various secondary schools. However, examination of payment records and other supporting documents revealed that an amount of Kshs.6,890,980 was transferred to Fayya Girl's Secondary School Project Management Committee (PMC) for the Construction of a Dormitory/Ablution Block and Kshs.6,815,045 for the construction of a dining hall. However, the payments were not supported with certificates of practical completion, PMC bank statements and project hand over/taking over reports. In addition, full payments had been made to the contractors. However, physical verification carried out on 11 March, 2021 revealed that the projects were incomplete as plastering works, doors and windows and other finishing works with an estimated cost of Kshs.3,776,960 had not been done and the contractors had left the site.

In the circumstances, the accuracy, completeness and validity of payments amounting to Kshs.13,706,025 made to the contractors for the two projects could not be confirmed.

3. Other Grants and Transfers

The statement of receipts and payments, and as disclosed in Note 6 to the financial statements, reflects other grants and transfers amounting to Kshs.59,184,000. A

review of expenditure and related records revealed the following unsatisfactory matters;

3.1. Unsupported Bursary Disbursements

The balance includes a total of Kshs.47,427,000 incurred on bursary disbursements to secondary schools and tertiary institutions.

However, Management did not provide the bursary applications register and it was not clear how the beneficiaries of the bursary were identified.

Further, the bursary disbursement of Kshs.2,888,500 were not supported with written acknowledgements from the recipient learning institutions.

Consequently, the propriety of the expenditure on bursary disbursements of Kshs.47,427,000 could not be ascertained.

3.2. Unsupported Payments on Security Projects

The balance includes an amount of Kshs.7,710,000 incurred on implementation of security projects. However, review of records revealed that security projects worth Kshs.4,312,000 had not been supported with professional opinions from the Sub-County head of procurement and supplies chain management, contrary to Section 84 of the Public Procurement and Assets Disposal Act, 2015. In addition, some of the payments for the construction of the chief offices were made without certificates of practical completion.

Further, inspection and acceptances committee reports/minutes were not provided and the bidders were not evaluated in accordance with the criteria set out in the tender notice, which required that bidders must provide valid tax compliance certificate, certificate of incorporation, previous work done, details of directors and National Construction Authority for building works. Physical verification carried out on 11 March, 2021 revealed that Hosingo Chief's Office project is complete but has not been put to use.

In the circumstance, the accuracy and propriety of expenditure totalling to Kshs.4,312,000 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 – Bura Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined, reflects final receipts budget and actual on comparable basis of Kshs.231,312,749 and Kshs.162,035,024 respectively resulting to an under-funding of Kshs.69,277,725 or 30% of the budget. Similarly, the Fund spent Kshs.109,527,383 against an approved budget of Kshs.231,312,749 resulting to an under-expenditure of Kshs.121,785,366 or 53% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given satisfactory explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

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 matter 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

Delay in Project Implementation

During the year under review the Fund's Committee had allocated a total of Kshs.73,147,354 for the implementation of thirty seven (37) projects. However, the fund, spent a total of Kshs.42,341,214 in which ten (10) projects were completed, eight (8) projects were still ongoing as at 30 June, 2020 and nineteen (19) projects had not been implemented.

Failure to complete the projects within the stipulated period may have denied the public the desired 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Incomplete Fixed Assets Register

Annex 2 to the financial statements reflects a summary of fixed assets register balance of Kshs.24,887,914 as at 30 June, 2020. However, a review of the Assets Register maintained by the Fund revealed that it was not as per the format prescribed by The National Treasury as it did not indicate details of the assets such as identification or serial numbers of the assets, acquisition date, description of asset, location, asset class and cost of acquisition.

Consequently, the Management may not have instituted adequate internal controls structures to ensure proper safeguards and custody of the assets.

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 control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the going concern 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA CONSTITUENCY

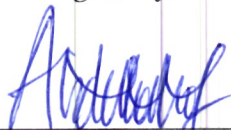
Reports and Financial Statements

For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,040,876	106,784,483
Other Receipts	2	22,000	83,000
TOTAL RECEIPTS		123,062,876	106,867,483
PAYMENTS			
Compensation of employees	3	2,717,039	1,619,490
Use of goods and services	4	7,585,130	9,001,647
Transfers to Other Government Units	5	40,041,214	35,989,996
Other grants and transfers	6	59,184,000	67,127,543
Other Payments	7	-	3,900,000
TOTAL PAYMENTS		109,527,383	117,638,676
SURPLUS/DEFICIT		13,535,493	(10,771,193)

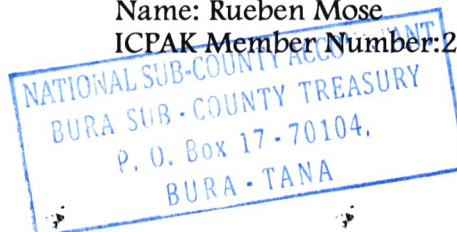
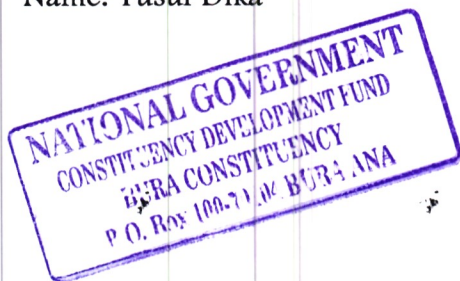
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BURA Constituency financial statements were approved on 15th March 2021 and signed by:



Fund Account Manager
Name: Yusuf Dika



Sub-County Accountant
Name: Rueben Mose
ICPAK Member Number: 24657



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA CONSTITUENCY

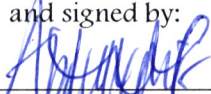
Reports and Financial Statements

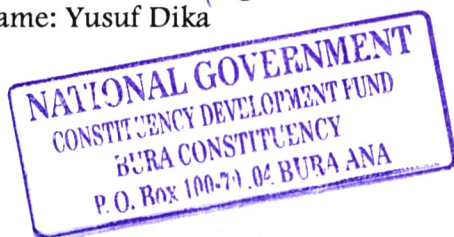
For the year ended June 30, 2020

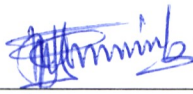
VIII. STATEMENT OF ASSETS AND LIABILITIES

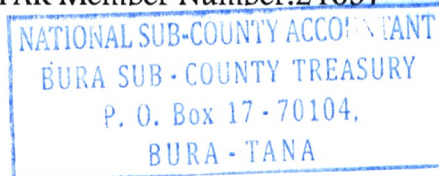
	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8A	52,417,643	38,972,148
Cash Balances (cash at hand)	8B	-	-
Total Cash and Cash Equivalents		52,417,643	38,972,148
Current Receivables-Outstanding Imprests	9A	-	233,794
TOTAL FINANCIAL ASSETS		52,417,643	39,205,942
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL ASSETS		52,417,643	39,205,942
REPRESENTED BY			
Fund balance b/fwd 1st July...	10	39,205,942	49,977,135
Surplus/Deficit for the year		13,535,493	(10,771,193)
Prior year adjustments	9B	(323,794)	-
NET FINANCIAL POSITION		52,417,643	39,205,942

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BURA Constituency financial statements were approved on 15th March 2021 and signed by:


 Fund Account Manager
 Name: Yusuf Dika




 Sub-County Accountant
 Name: Rueben Mose
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BURA CONSTITUENCY

Reports and Financial Statements

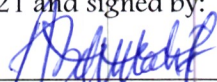
For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,876	106,784,483
Other Receipts	2	22,000	83,000
		123,062,876	106,867,483
Payments for operating expenses			
Compensation of Employees	3	2,717,039	1,619,490
Use of goods and services	4	7,585,130	9,001,647
Transfers to Other Government Units	5	40,041,214	35,989,996
Other grants and transfers	6	59,184,000	67,127,543
Other Payments	7	-	3,900,000
		109,527,383	117,638,676
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	9B	(323,794)	-
Net Adjustments		(323,794)	-
Net cash flow from operating activities		13,211,699	(10,771,193)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		13,211,699	(10,771,193)
Cash and cash equivalent at BEGINNING of the year	10	39,205,942	49,977,135
Cash and cash equivalent at END of the year		52,417,643	39,205,942

Note: The prior year adjustment of Kshs.323,794 is a result of stale cheques amounting to Kshs.90,000 and outstanding imprest of Kshs.233,794.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BURA Constituency financial statements were approved on 15th March 2021 and signed by:



Fund Account Manager

Name: Yusuf Dika

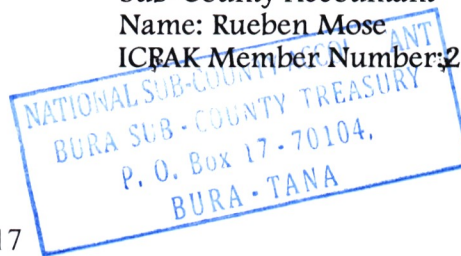




Sub-County Accountant

Name: Rueben Mose

ICRAK Member Number: 24657




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


X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

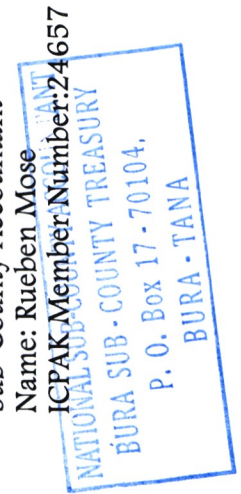
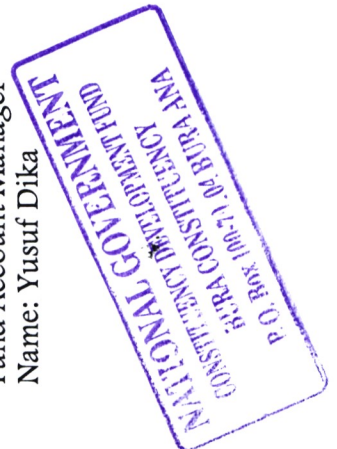
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	93,923,025	231,290,749	162,246,819	69,043,931	70.1%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts		22,000	22,000	22,000	-	100.0%
TOTAL RECEIPTS	137,367,724	93,945,025	231,312,749	162,268,819	69,043,931	70.2%
PAYMENTS						
Compensation of Employees	3,277,970.00	1,691,820.00	4,969,790.00	2,717,038.60	2,252,751.40	54.7%
Use of goods and services	12,363,095.00	4,782,237.00	17,145,332.00	7,585,130.00	9,560,202.00	44.2%
Transfers to Other Government Units	56,100,000.00	44,651,694.00	100,751,694.00	40,041,214.00	60,710,480.00	39.7%
Other grants and transfers	65,626,659.00	42,020,247.00	107,646,906.00	59,184,000.00	48,462,906.00	55.0%
Acquisition of Assets	-	-	-	-	-	0.0%
Other Payments	-	777,027.00	777,027.00	-	777,027.00	0.0%
A.I.A	-	22,000.00	22,000.00	-	22,000.00	0.0%
TOTAL	137,367,724	93,945,025	231,312,749	109,527,383	121,785,366	47.4%

(a) The under absorption was brought about by late disbursement of funds from the NG-CDF Board.

The NGCDF-BURA Constituency financial statements were approved on 15th March 2021 and signed by:


Fund Account Manager
Name: Yusuf Dika


Sub-County Accountant
Name: Rueben Mose
ICPAK Member Number: 24657



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,277,970	1,691,820	4,969,790	2,754,639	2,215,151
1.2 Committee allowances	1,648,621	-	1,648,621	1,648,621	(0)
1.3 Use of goods and services	3,315,473	1,140,460	4,455,933	1,530,215	2,925,718
Sub total	8,242,063	2,832,280	11,074,344	5,933,475	5,140,869
2.0 Monitoring and evaluation					
2.1 Capacity building	1,422,173	1,783,853	3,206,026	695,825	2,510,201
2.2 Committee allowances	1,560,258	582,396	2,142,654	2,142,654	-
2.3 Use of goods and services	1,138,600	2,403,848	3,542,448	1,530,215	2,012,233
Sub total	4,121,032	4,770,097	8,891,129	4,368,694	4,522,435
3.0 Emergency					
Elmole Construction Ltd	7,198,241	10,085	7,208,326	-	
Comm. Vat	-	-	-	1,243,965.00	
Comm. Income tax				22,414.00	
				33,621.00	
	7,198,241	10,085	7,208,326	1,300,000	5,908,326
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	19,250,000	9,173,241	28,423,241	20,963,500	7,459,741
4.3 Tertiary Institutions	20,911,679	7,293,410	28,205,089	26,463,500	1,741,589

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

4.4 Tertiary	-	2,100,000	2,100,000	-	2,100,000
4.5 Social Security	-	5,448,000	5,448,000	-	5,448,000
Sub total	40,161,679	24,014,651	64,176,330	47,427,000	16,749,330
5.0 Sports					
Sub total	2,747,354	36,024	2,783,378	2,747,000	36,378
6.0 Environment					
6.1	2,747,354	2,780,816	5,528,170	-	5,528,170
6.10 Subukia Pry schl	-	-	-	558,000	(558,000)
	2,747,354	2,780,816	5,528,170	558,000	4,970,170
7.0 Primary Schools Projects (List all the Projects)					
7.1 DUKANOTU PR SCHOOL	-	2,400,000	2,400,000	2,328,000	72,000
7.2 KOTI PR. SCHOOL	-	2,400,000	2,400,000	2,328,000	72,000
7.3 BOJI PR. SCHOOL	-	2,400,000	2,400,000	2,328,000	72,000
7.4 AMANI PR SCHOOL	250,000	2,400,000	2,650,000	2,328,000	322,000
7.5 BULA RIG PR. SCHOOL	-	2,400,000	2,400,000	2,328,000	72,000
7.6 SHORA GAFO PR. SCHOOL	-	2,400,000	2,400,000	2,328,000	72,000
7.7 BALENEKA PR. SCHL	2,500,000	-	2,500,000	-	2,500,000
7.8 BANGALE PR SCHOOL	3,750,000	-	3,750,000	-	3,750,000
7.9 MORORO PR. SCHOOL	-	262	262	-	262
7.10 BULTOBANTAPR. SCHOOL	2,500,000	-	2,500,000	-	2,500,000
7.11 ADELE PR. SCHOOL	2,500,000	-	2,500,000	-	2,500,000
7.12 WOLOSOREA PR. SCHOOL	-	2,400,000	2,400,000	2,328,000	72,000
7.14 KANIKI PRIMARY SCHOOL	-	25,011	25,011	-	25,011
7.15 KOTI PRIMARY	2,500,000	60,452	2,560,452	-	2,560,452
7.16 GURUJO PRIMARY	-	20,000	20,000	-	20,000
7.17 DARIME PRIMARY	-	75,000	75,000	-	75,000
7.18 BOKA PRIMARY	-	200,000	200,000	-	200,000
7.19 ELRAR PRY SCHL	500,000	-	500,000	-	500,000
7.20 FAHARIPRY SCHL	250,000	-	250,000	-	250,000
7.21 GODIAPRY SCHL	500,000	-	500,000	-	500,000
7.22 HAMARESA PRY SCHL	2,500,000	-	2,500,000	-	2,500,000

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

7.23 HIRIMANI PRY SCHL	250,000	-	250,000	-	250,000	-	250,000
7.24 HOSINGO PRY schl	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
7.25 HURUMA PRY SCHL	3,750,000	-	3,750,000	-	3,750,000	-	3,750,000
7.26 KURITI PRY SCHL	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
7.27 MAGURA PRY SCHL	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
7.28 MARAMTU PRY SCHL	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000
7.29 SINGWAYA PRY SCHL	250,000	-	250,000	-	250,000	-	250,000
7.30 SOMBO PRY SCHL	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
7.31 SOMBO PRY SCHL	500,000	-	500,000	-	500,000	-	500,000
7.31 WADESA PRY SCHL	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
7.32 HOSINGO PRY SCHL	500,000	-	500,000	-	500,000	-	500,000
7.33 ALII DHIDHJA	-	-	-	373,200	-	373,200	(373,200)
Komora & Sons	-	(674,760)	(674,760)	-	-	-	(674,760)
Komora & Sons	-	-	-	42,000	-	42,000	(42,000)
Various-(Includes)	-	7,174,014	7,174,014	-	-	-	7,174,014
Baleneka Pry schl	-	-	-	287,069	-	287,069	-
Comm. Vat	-	-	-	5,172	-	5,172	-
Comm. Vat	-	-	-	7,759	-	7,759	-
Ruko Pry schl	-	-	-	106,190	-	106,190	-
Boka Pry schl	-	-	-	191,380	-	191,380	-
Comm. Vat	-	-	-	3,448	-	3,448	-
Comm. Vat	-	-	-	5,172	-	5,172	-
Elrar Pry	-	-	-	113,022	-	113,022	-
Comm. Vat	-	-	-	2,037	-	2,037	-
comm. Income tax	-	-	-	3,055	-	3,055	(724,304)
	38,500,000	23,679,979	62,179,979	17,435,504	44,744,475		
8.0 Secondary Schools Projects all the Projects							
8.1 FAYYA GIRLS SEC- CHAIN LINK FENCE	8,000,000	18,883,312	26,883,312	16,158,000	10,725,312		
8.2 KORA SEC SCHOOL	-	2,934,200	2,934,200	2,710,000	224,200		
8.3 MORORO SEC	2,000,000	2,358	2,002,358	-	2,002,358		
8.4 SINGWAYA SEC. SCHOOL	3,100,000	2,897,510	5,997,510	2,610,000	3,387,510		
8.5 ABAGALA SE. SCHL	2,500,000	-	2,500,000	-	2,500,000		
8.6 CHARIDENDE SEC.SCHL	3,750,000	-	3,750,000	-	3,750,000		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

8.7 NANIGHI TANA MIXED SEC	2,000,000			2,000,000	-	2,000,000
8.8 FAYYA GIRLS TWIN LAB	2,500,000			2,500,000	-	2,500,000
8.9 Komora & Sons	-	(1,681,661)		(1,681,661)	-	(1,681,661)
8.91 Alii Dhidha	-	-		-	457,750	(457,750)
	23,850,000	23,035,719		46,885,719	21,935,750	24,949,969
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
10.2 Mororo Chiefs Office	2,300,000	-		2,300,000	-	2,300,000
10.3 Madogo AP Line	-	9,000		9,000	-	9,000
10.4 Madogo Police station – Fencing	-	106,000		106,000	-	106,000
10.5 D.O's Office Madogo	-	195,000		195,000	-	195,000
10.6 Komora & Sons	-	(154,441)		(154,441)	-	(154,441)
10.7 Bura DCC AP Line	3,000,000	105,000		3,105,000	-	3,105,000
10.8 Bura DCC NGCDF Project	-	403,788		403,788	2,714,000	(2,310,212)
10.9 Madogo Police station-Septic tank	-	700,000		700,000	-	700,000
11.01 Hosingo chiefs office	-	2,200,000		2,200,000	2,156,000	44,000
11.02 Kamaguru chiefs office	-	2,200,000		2,200,000	2,714,000	(514,000)
11.03 Bura Chiefs office	-	2,200,000		2,200,000	-	2,200,000
11.04 Alii Dhidha	-	-		-	111,960	(111,960)
11.05 Komora & Sons Agencies	-	-		-	117,310	(117,310)
11.06 Commissioner of Vat	-	-		-	8,690	(8,690)
	5,300,000	7,964,347		13,264,347	7,821,960	5,442,387
11.0 Acquisition of assets						
11.1 Extension of Bura NGCDF office						
	4,000,000	-		4,000,000		4,000,000
11.2 NGCDF WEBSITE						
	500,000	-		500,000		500,000
	4,500,000			4,500,000		4,500,000
12.0 Others						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

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For the year ended June 30, 2020

12.1 Strategic plan		100,000	100,000	-	100,000
12.2 Innovation Hub	-	4,677,027	4,677,027	-	4,677,027
	-	4,777,027	4,777,027	-	4,777,027
A.I.A		22,000	22,000	0	22,000
Sub Total		22,000	22,000	0	22,000
Totals	137,367,724	93,945,025	231,312,749	109,527,383	121,785,367

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Normal Allocation	B030046		10,000,000
	B005362		52,784,483
	B030361		10,000,000
	B00634		6,000,000
	B042986		28,000,000
	B047378	4,000,000	
	B047347	55,040,876	
	B041259	18,000,000	
	B047680	5,000,000	
	B096539	11,000,000	
	B104252	15,000,000	
	B049241	15,000,000	
TOTAL		123,040,876	106,784,483

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. OTHER RECEIPTS

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Sale of Tender Documents		22,000	83,000
TOTAL		22,000	83,000

3. COMPENSATION OF EMPLOYEES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Basic wages of temporary employees		1,731,230	1,422,680
Basic wages of casual labour		297,000	
Personal allowances paid as part of salary			
Employer contribution to NSSF		12,000	26,000
Gratuity-contractual employees		676,809	170,810
TOTAL		2,717,039	1,619,490

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	225,893	20,000
Communication, supplies and services	212,900	267,168
Domestic travel and subsistence	340,600	805,750
Printing, advertising and information supplies & services	359,070	440,822
Training expenses	963,300	739,500
Hospitality supplies and services	40,950	38,000
Other committee expenses	2,557,100	2,193,600
Committee allowance	1,930,000	2,063,000
Office and general supplies and services	187,843	94,650
Fuel , oil & lubricants	370,174	1,232,918
Other operating expenses	51,500	146,260
Bank service commission and charges	18,000	38,887
Routine maintenance - vehicles and other transport equipment	327,800	842,092
Routine maintenance- other assets	-	79,000
TOTAL	7,585,130	9,001,647

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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Transfers to Primary Schools		18,563,214	10,431,788
Transfers to Secondary Schools		21,478,000	25,558,208
TOTAL		40,041,214	35,989,996

6. OTHER GRANTS AND OTHER PAYMENTS

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Bursary - Secondary		20,963,500	23,094,000
Bursary - Tertiary		26,463,500	16,741,000
Security		7,710,000	14,408,496
Sports		2,747,000	3,881,000
Environment		-	1,136,208
Emergency Projects		1,300,000	7,866,839
TOTAL		59,184,000	67,127,543

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER PAYMENTS

		2019-2020	2018-2019
		Kshs	Kshs
Strategic Plan		-	3,900,000
TOTAL		-	3,900,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
Kenya Commercial Bank, Garissa Branch . Bura NG-CDF	A/C no.1107773164	52,417,643	38,972,149
8B: CASH IN HAND)			
		2019 - 2020	2018 - 2019
		Kshs (30/6/2019)	Kshs (30/6/2018)
Other receipts (specify)		-	-
TOTAL		-	-

9A. OUTSTANDING IMPREST

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2018)
	Date imprest taken	Kshs	Kshs	Kshs
		233,794	-	233,794
		-	-	-
				233,794

9B.PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Outstanding Imprest	233,794	(233,794)	-
Others (<i>stale cheques</i>)	90,000	(90,000)	-
Total	233,794	(323,794)	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. BALANCES BROUGHT FORWARD

		2019 - 2020	2018 - 2019
		Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts		39,205,943	38,972,149
Cash in hand			
Imprest			233,794
TOTAL		39,205,943	39,205,943

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. UNUTILIZED FUND (See Annex 1)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Compensation of employees	2,252,751	1,691,820
Use of goods and services	9,560,202	4,782,237
Amounts due to other Government entities	60,710,480	44,651,694
Amounts due to other grants and other transfers	48,462,906	42,020,247
Other payments	777,027	777,027
A.I.A	22,000	83,000
	121,785,366	94,006,025

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13: PMC account balances (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
TOTAL	23,555,896	20,444,197

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
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ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		2,252,751	1,691,820	
Use of goods & services		9,560,202	4,782,237	
Amounts due to other Government entities		60,710,480	44,651,694	
Sub-Total		72,523,433	51,125,751	
Amounts due to other grants and other transfers		48,462,906	42,020,242	
Sub-Total		48,462,906	42,020,242	
Sub-Total				
Acquisition of assets				
Others payments		777,027	777,027	
A.I.A		22,000	83,000	
Sub-Total		799,027	860,027	
Grand Total		121,785,366	94,006,025	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	3,770,550	N/A	N/A	3,770,550
Buildings and structures	8,025,000	N/A	N/A	8,025,000
Transport equipment	12,000,000	N/A	N/A	12,000,000
Office equipment, furniture and fittings	790,000	41,364	N/A	831,364
ICT Equipment, Software and Other ICT Assets	221,000	N/A	N/A	221,000
Other Machinery and Equipment	40,000	N/A	N/A	40,000
Total	24,846,550	41,364		24,887,914

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
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ANNEX 3 – PMC ACCOUNT BALANCES

	2019-2020	2018-2019
	Kshs	Kshs
Amāhi Primary school	299,218	00
Hosingo Chiefs Office Ng CDF Project	371,904	00
NG-CDF Chiefs Office Bura Location	36,654	00
Kamaguru Chiefs Office Project	502,002	00
Walesorea Primary school	189,936	00
Bularig Primary Cdf Project	739,631	4,570
Singwaya Sec school	637,466	2,801,885
Sabūkia Primary school	92,973	00
Kora sec school	191,098	372,179
Dukanotu Primary school	1,211,245	00
Kotii Primary school	305,368	69,608
Fayya Girls sec school	17,851,401	17,195,955
Boji Primary school	1,127,000	00
Shora Gafo Primary school	00	00
TOTAL	23,555,896	20,444,197

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURA CONSTITUENCY
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Included in the use of goods and services of Kshs. 9,330,945 is Kshs. 2,512,586 incurred on committee expenses. It was noted that some items of expenditure were charged to the wrong expenditure accounts	Journal entries were raised to correctly classify the expenditure into their respective accounts and classes	Fam Ronald Jembe	Resolved	
2.	The outstanding imprest of Kshs. 233,794 as 30 June 2018 had been outstanding for more than two years contrary to PFMA (National Government) Regulations, 2015	The outstanding imprest was as a result of an error in the financial statements for the year ended 30 June 2017. The error could not be effected on during the year under review because the audit report had already been issued to the entity.	D.A Reuben Mosee & FAM Ronald Jembe	Not resolved	30 th June 2019