

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE NATIONAL ASSEMBLY	
DATE: 08 MAR 2023	
DAY: Wednesday	
TABLED BY:	Hon. Dwen Baya, CS, MP Deputy Majority Leader
CLERK-AT THE TABLE:	Miriam Mado

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

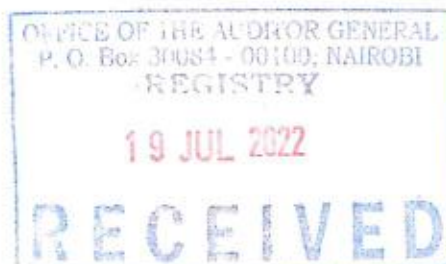


GARSEN CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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



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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. 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 GARSEN 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)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Juma Nyundo Buduguh
2.	Sub-County Accountant	Ramadhan Katana Zungi
3.	Chairman NGCDFC	Daudi Dube Mukullo
4.	Member NGCDFC	Warda Mbwana Mohammed

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of GARSEN 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.

(e) Garsen constituency NGCDF Headquarters

P.O. Box 48-80201
Minjila NG- CDF Offices
Lamu Malindi Road
Garsen, KENYA

(f) Garsen constituency NGCDF Contacts

Telephone: (254)723520869
E-mail: cdfgarsen@ngcdf.go.ke
Website: www.go.ke

(g) Garsen Constituency NG-CDF Bankers

KCB Bank
Garsen Branch
A/C NO. 1107969735
Garsen, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**Garsen Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

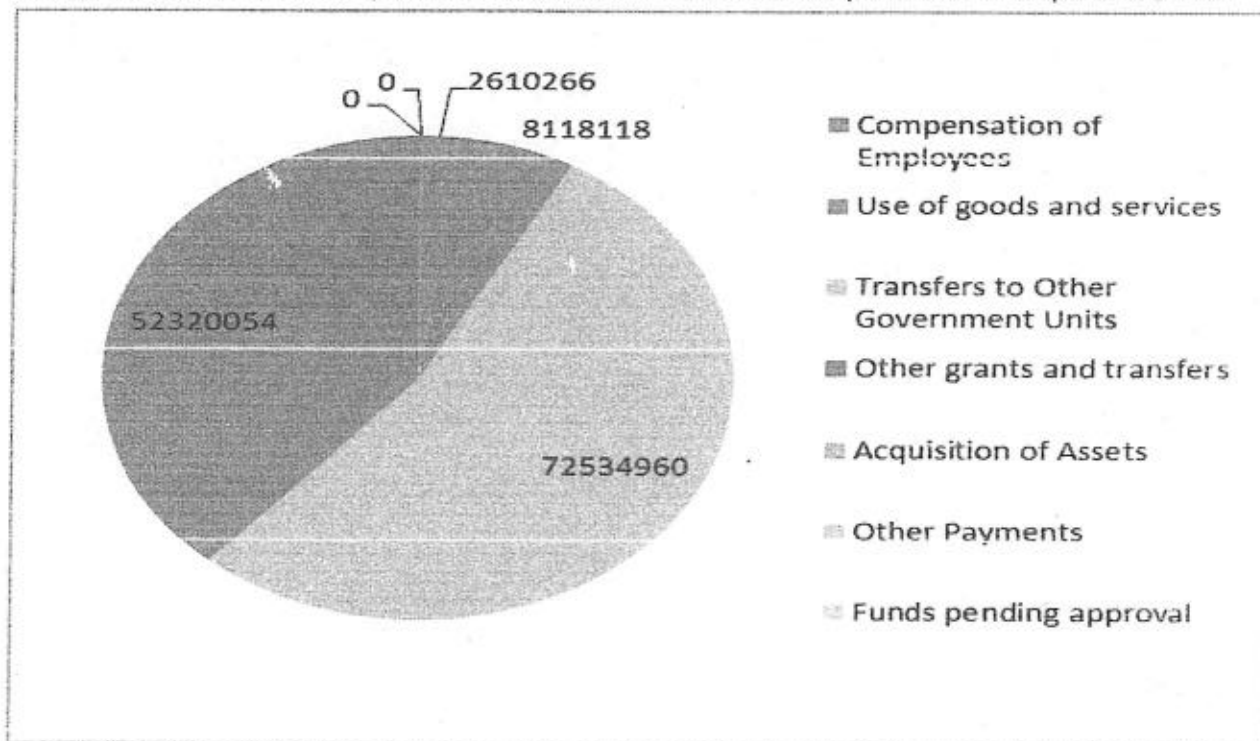
II. NGCDF COMMITTEE CHAIRMAN' S REPORT



I am pleased to forward the Financial Statements and Reports for NGCDF Garsen Constituency for the period ended 30th June 2021 as the expended Budget for the Financial Year 2020/2021. The actual receipts from the NGCDF Board for the referred period was Kshs. 92,000,000.00 which represents 67% the total annual Project Proposal Budget for the FY 2020/2021. The actual final budget for the referred period was Kshs. 188,694,598 backed up by an Adjustment (cashbook opening balances) of Kshs 51,605,719

Total expenditure for the period was Kshs 135,583,398 which is equivalent to 71.9% of the actual final budget closing with a cashbook balance of Kshs. 8,022,321.

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



As depicted in the pie-chart, education has remained a major priority as it takes a lion' s share of the entire budget totalling Kshs 135,583,398 comprised of 53.5% being for education infrastructure projects such as construction of classrooms, dormitories, libraries, laboratories, administration blocks, ablution blocks among others and 38.6% being bursaries for needy and bright students both in secondary and tertiary institutions of learning.

Garsen Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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

Environment allocation has gone a long way to conserve the environment through implementation of projects such as construction of VIP toilets to improve waste disposal. Sports allocation has awoken talents harnessing for the youths as they engage in various sporting activities and competitions.

Emergency allocation has come in hand to arrest life threatening calamities mostly caused by mother nature that may not have been prior planned for as they are unforeseen in nature. Administration allocation capacitates the committee to manage the fund efficiently and effectively.

2. PROJECTS OUT PUT AND LEVEL OF FUND UTILIZATION

The low level of project implementation was due to delays occasioned by late disbursement of funds by the Board as the first receipt of funds for the FY 2020-2021 budget was received in the month of January 2021. A whopping Kshs. 45,088,879 remains unfunded.

PERENIAL ISSUES

Garsen Constituency suffers from pre-independence challenges of;

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

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

EMERGING ISSUES

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

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



CHAIRMAN NGCDF COMMITTEE

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

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

The key development objectives of *Garsen Constituency 2018-2022* plan are to:

- To improve the quality of the socio-economic well-being of the marginalized and vulnerable local communities.
- To contribute in enhancing infrastructure improvement.
- To enhance education at all levels of learning in Garsen Constituency
- To promote conservation and management of the environment.
- To promote sporting activities in the constituency
- To contribute in reducing unemployment among the youth in the constituency
- To Promote social welfare programs in Garsen Constituency
- To improve security in Garsen Constituency
- To develop and sustain institutional capacity of Garsen Constituency NG-CDF Committee

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 Sector	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's beneficiaries at all levels	In FY 20/21 -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 improve security in the sub county	Increased number of police posts and chiefs' offices and VIP toilets	Number of chiefs' offices, police stations and DCCs residence built.	In FY 19/20 we built Tana Delta Deputy sub county commissioners' residence,
Environment	To improve environmental conservation	Increased number of VIP toilets	Number of VIP toilets built.	to improve waste disposal
Emergency	To improve security in the sub county	Increased number of police posts and chiefs' offices and VIP toilets	Number of chiefs' offices, police stations and DCCs residence built.	In FY 19/20 we built Tana Delta Deputy sub county commissioners' residence, Assa Kone police and Kone Mansa chief's office

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING
GARSEN 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 GARSEN NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** GARSEN 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.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid-19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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

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

Our Environmental Policy

In this policy statement Garsen NGCDF commits to:

Comply with all relevant environmental legislation, regulations and approved codes of

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

Our Environmental Action Plan

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

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

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

3. Employee welfare

We invest in providing the best working environment for our employees. Garsen 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 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. GARSEN 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. GARSEN Constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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-

Garsen 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 is 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 interests

5. Community Engagements-

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

V. 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 GARSEN-NGCDF 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, 2021. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the entity;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Garsen Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that 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, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Garsen Constituency further confirms the completeness of the accounting records maintained for 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 Garsen 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 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- Garsen Constituency financial statements were approved and signed by the Accounting Officer on 10th September 2021.



Chairman NGCDF Committee
Name: Daudi Dube Mukulo



Fund Account Manager
Name: Juma Nyundo Buduguh

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GARSEN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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 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 - Garsen Constituency set out on pages 13 to 40,

which comprise of the statement of assets and liabilities as at 30 June, 2021 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 - Garsen Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Stale Cheques - Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 8A to the financial statements reflects cash and cash equivalents balance of Kshs.8,022,321. However, the bank reconciliation statement reflects stale cheques totalling Kshs.1,423,302 which had not been reversed in the cash book.

Further, a cheque dispatch register showing how cheques were issued and dispatched to various institutions was not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.8,022,321 could not be confirmed.

2. Other Grants and Other Payments

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects other grants and payments amount of Kshs.52,350,054. However, the following anomalies were noted: -

2.1 Unaccounted for Bursary Funds

During the year under review, the Fund spent an amount of Kshs.40,748,510 on bursaries. However, it was noted that bursaries amounting to Kshs.15,977,460 disbursed to various institutions were not supported with bursary committee vetting minutes, acknowledgement receipts, bursary application register and the cheque disbursement register.

In the circumstances, the accuracy and completeness of bursaries disbursed amount of Kshs.15,977,460 could not be confirmed.

2.2 Unsupported Expenditure on Security Projects

During the year under review, the Fund spent an amount of Kshs.5,013,496 on security projects. Examination of records relating to the expenditure revealed that the Fund undertook construction of administration office at Garsen Police Station at a contract sum of Kshs.5,589,200 while the signed form of agreement reflected a contract sum of Kshs.2,495,000 resulting an unexplained variance of Kshs.3,094,200. In addition, part payment of Kshs.2,500,000 paid in the year under review was not supported with documents such as tender advertisement, tender opening register, tender opening minutes, tender evaluation minutes, a professional opinion, approved project work plan, Project Management Committee bank statements, payment resolution minutes and certificate of partial completion.

Further, physical verification carried out in the month of April, 2022 revealed that the project was approximately 50% complete and the contractor had abandoned the site.

In the circumstances, the accuracy and validity of security projects expenditure amounting to Kshs.5,013,496 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Garsen Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.188,694,598 and Kshs.143,605,719, respectively resulting to a budget shortfall of Kshs.45,088,879 or 24% of the budget. Similarly, the Fund expended Kshs.135,583,398 against an approved budget of Kshs.188,694,598 resulting to under expenditure of Kshs.53,111,201 or 28% of the budget.

The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Garsen Constituency.

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. Transfer to Other Government Entities

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects transfer to other government entities amount of Kshs.72,534,960. The following anomalies were noted: -

1.1 Transfers to Primary Schools

During the financial year under review, the Fund spent Kshs.41,658,440 on transfer to primary schools. Included in the amount is an expenditure of Kshs.4,400,000 that was not supported with tender opening and evaluation minutes signed by all committee member on every page to acknowledge that the minutes were the true reflection of the proceedings contrary to Section 78(9) and 80(7) of the Public Procurement and Asset Disposal Act, 2015.

Further, physical verification carried out in the month of April, 2022 revealed that projects worth Kshs.2,500,000 were not labeled contrary to Regulations 11(1)(c) of the National Government Constituencies Development Fund Regulations, 2016 that requires the constituency development committee to ensure projects are labelled in accordance with the guidelines issued by the Board.

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

1.2 Transfer to Tertiary Institutions and Secondary Schools

During the year under review, the Fund spent Kshs.29,676,520 and Kshs.1,200,000 on projects for Secondary and Tertiary Institutions respectively. However, an amount of Kshs.14,800,000 and Kshs.1,200,000 relating to secondary school and tertiary institutions projects lacked supporting documents such as tax compliance certificate, National Construction Authority (NCA) certificate and a valid business permit for the winning bidders. In addition, project hand over reports from the Project Management Committee to the constituency committee were not provided for audit.

Further, physical verification carried out in the month of April, 2022 established that some completed projects were not labelled.

In the circumstances, value for money expended on secondary and tertiary institutions amounting to Kshs.16,000,000 could not be confirmed.

2. Irregular Use of Emergency Funds

During the year under review, the Fund spent Kshs.5,660,000 on emergency projects. Included in this amount is an expenditure of Kshs.2,200,000 relating to renovation of Twin Laboratory at Tarasaa Secondary School that was not emergency in nature. This is contrary to Section 8(3) of the National Constituency Development Fund Act, 2015 which states that emergency shall be construed to mean an urgent unforeseen need for expenditure for which it is in the opinion of the Committee that it cannot be delayed until next financial year without harming the public. In addition, utilization of these funds was not reported to the board within thirty (30) days of the occurrence of the emergency contrary to Regulations 20(2) of the Constituency Development Fund Regulations, 2016.

In addition, bill of quantities for the winning bidder for roof works indicated a contract sum of Kshs.1,280,000. However, summation of individual items under roof work amounted to Kshs.699,900 resulting to an explained variance of Kshs.580,100.

Further, physical verification of the project carried out in the month of April, 2022 revealed that the project had stalled and the contractor was not on site. Examination of the bills of quantities revealed sub-standard work in that the contractor had not plastered the walls, replaced doors and windows as provided for in the bill of quantities.

In the circumstances, value for money expended on renovation of Twin Laboratory at Tarasaa Secondary School could not be confirmed.

Further, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing 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

1. Lack of Updated Fixed Assets Register

Annex 2 to the financial statements on summary of fixed assets register reflects a balance of Kshs.21,531,943 in respect non-current assets. Although, the Fund maintained a fixed asset register, the same did not contain all information required under International Public Sector Accounting Standard Number 17 (IPSAS 17) as it omitted assets Identification

or serial number, acquisition date, accumulated depreciation and net book value. In addition, the fixed assets register did not reflect land title deed or allotment number of the land where the office of the Fund was built.

In the circumstances, the effectiveness the of internal controls of the Fund could not be confirmed.

2. Non-Establishment of Constituency Oversight Committee

The Fund did not establish a constituency oversight committee contrary to Section 53(1) of the National Constituencies Development Act, 2015.

In the circumstances, the effectiveness of the governance structure in place could not be confirmed.

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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's 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 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 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 or to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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

26 September, 2022

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	92,000,000	137,767,724
TOTAL RECEIPTS		92,000,000	137,767,724
PAYMENTS			
Compensation of employees	2	2,610,266	2,431,475
Use of goods and services	3	8,118,118	11,870,379
Transfers to Other Government Units	4	72,534,960	40,560,000
Other grants and transfers	5	52,320,054	49,885,003
Acquisition of Assets	6	-	9,900,000
Other Payments	7	-	3,827,027
TOTAL PAYMENTS		135,583,398	118,473,884
SURPLUS/(DEFICIT)		(43,583,398)	19,293,840

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GARSEN Constituency financial statements were approved on 30th September 2021 and signed by:



Fund Account Manager
Name: Juma Buduguh



National Sub-County
Accountant
Name:
CPA Ramadhan Katana
ICPAK M/No: 23209




Chairman NG-CDF Committee

Name: Daudi Dube


VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,022,321	51,605,719
Cash Balances (cash at hand)	10B		
Total Cash and Cash Equivalents		8,021,321	51,605,719
Accounts Receivable			
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		8,021,321	51,605,719
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A		
Gratuity	12B		
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		<u>8,022,321</u>	<u>51,605,719</u>
REPRESENTED BY			
Fund balance b/fwd		51,605,719	32,311,879
Prior year adjustments	14		
Surplus/Deficit for the year		(43,583,398)	19,293,840
NET FINANCIAL POSITION		<u>8,022,321</u>	<u>51,605,719</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDFGARSEN Constituency financial statements were approved on 30.09.2021 and signed by:


Fund Account Manager
Name: Juma Buduguh


National Sub-County
Accountant
Name:
CPA Ramadhan Katana
ICPAK M/No:23209



Chairman NG-CDF Committee
Name: Daudi Dube

Garsen Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	92,000,000	137,767,724
Total receipts		92,000,000	137,767,724
Payments for operating activities			
Compensation of Employees	2	2,610,266	2,431,475
Use of goods and services	3	8,118,118	11,870,379
Transfers to Other Government Units	4	72,534,960	40,560,000
Other grants and transfers	5	52,320,054	49,885,003
Other Payments	6		
Total payments		135,583,398	108,573,884
Total Receipts Less Total Payments		(43,583,398)	29,193,840
Adjusted for:			
Net cash flow from operating activities		(43,583,398)	29,193,840
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	0	9,900,000
Net cash flows from Investing Activities		0	(9,900,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(43,583,398)	19,293,840
Cash and cash equivalent at BEGINNING of the year	8	51,605,719	32,311,879
Cash and cash equivalent at END of the year		<u>8,022,321</u>	<u>51,605,719</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GARSEN Constituency financial statements were approved on 30th September 2021 and signed by:



Fund Account Manager
Name: Juma Buduguh



National Sub-County
Accountant
Name:
CPA Ramadhan Katana
ICPAK M/No: 23209



Chairman NG-CDF Committee
Name: Daudi Dube

IX. SUMMARY STATEMENT OF APPROPRIATION

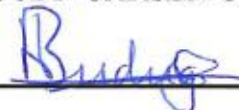
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	D	e=c-d	f=d/c %
RECEIPTS	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	51,605,719	0	188,694,598	143,605,719	45,088,879	76.1%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	#DIV/0!
TOTALS	137,088,879	51,605,719	0	188,694,598	143,605,719	51,605,719	64.1%
PAYMENTS							
Compensation of Employees	4,300,000	1,372,317		5,672,317	2,610,266	3,062,051	46.0%
Use of goods and services	8,037,999	415,937		8,453,936	8,118,118	335,818	96.0%
Transfers to Other Government Units	70,460,000	42,642,487		113,102,487	72,534,960	40,567,527	64.1%
Other grants and transfers	54,150,880	7,167,046		61,317,926	52,320,054	8,997,872	85.3%
Acquisition of Assets		7,932		7,932	-	7,932	0.0%
Other Payments	0			0	-	-	#DIV/0!
Funds pending approval**	140,000			140,000		140,000	
TOTALS	137,088,879	51,605,719	0	188,694,598	135,583,398	53,111,200	71.9%

The actual receipts from the NGCDF Board for the referred period was Kshs. 92,000,000 which represents 67.1 % of the total Annual Project Proposal Budget for the FY 2020/2021. The actual final budget for the referred period was Kshs. 188,694,598 backed up by an Adjustment (cashbook opening balances) of Kshs. 51,605,719. Total expenditures for the period was Kshs. 135,583,398 which is equivalent to 71.9% of the actual final budget closing with a cashbook balance of Kshs. 8,022,321.

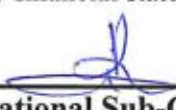
The under-utilization significantly below the 100% desired performance was due to delays occasioned by late disbursement of funds as the first receipt of funds for the FY 2020-2021 budget was received in the month of January 2021. A whooping Kshs. 45,088,879 remains unfunded

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	53,111,200
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	8,022,321
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	8,022,321

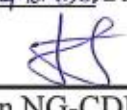
The NGCDF-GARSEN Constituency financial statements were approved on 30th September, 2021 and signed by:



Fund Account Manager
Name: Juma Buduguh



National Sub-County
Accountant
Name:
CPA Ramadhan Katana
ICPAK M/No:23209



Chairman NG-CDF Committee
Name: Daudi Dube

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	a	b		c(a+b)	d	e(c-d)
	2020/2021	b		2020/2021	30/06/2021	
	Kshs	Kshs		Kshs	Kshs	Kshs
	A (2020)	B(BF)		C(A+B)	D	E(C-D)
Administration & Recurrent						
1.0 Compensation of Employees						
Employees' Salaries	4,200,000	1,371,377		5,571,377	2,511,986	3,059,391
NSSF	100,000	940		100,940	98,280	2,660
Sub-Total	4,300,000	1,372,317		5,672,317	2,610,266	3,062,051
2.0 Use of Goods and Services						
Administration & Recurrent						
Committee Expenses	1,900,000	-		1,900,000	1,766,000	134,000
Goods and Services	2,025,333	394,218		2,419,551	2,314,618	104,933
Monitoring & Evaluation						
Committee Expenses	2,000,000	687		2,000,687	1,903,802	96884.87
NG-CDFC/PMC Capacity Building	2,112,666	21,032		2,133,698	2,133,698	0
Sub-Total	8,037,999	415,937		8,453,936	8,118,118	335,818
3.0 Transfers to Other Government Units						
Primary Schools						
Sheli Primary School					60,000.00	0
Galma Primary School					60,000.00	0
Gatundu Primary School	2,400,000			2,400,000	2,400,000.00	0
Assa primary school		40,000		40,000	40,000.00	0
Sheli Primary School	1,500,000			1,500,000	1,500,000.00	0
Konkona Primary School	1,500,000			1,500,000	1,500,000.00	0
Konkona Primary School	1,200,000			1,200,000	1,200,000.00	0
Chamwanamuma Primary School	800,000			800,000	800,000.00	0
Furaha Primary School	1,000,000			1,000,000	1,000,000.00	0

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	a	b		c(a+b)	d	e(c-d)
	2020/2021	b		2020/2021	30/06/2021	
	Kshs	Kshs		Kshs	Kshs	Kshs
Bilisa Primary school	1,000,000			1,000,000	1,000,000.00	0
Ramadha Primary School	2,400,000			2,400,000	2,400,000.00	0
Dibe Primary School	1,000,000			1,000,000	1,000,000.00	0
Dibe Primary School	1,500,000			1,500,000	1,500,000.00	0
Onkolde Primary School	1,500,000			1,500,000	1,500,000.00	0
Odoganda Primary School	500,000			500,000	500,000.00	0
Kipao Primary School	0	2,212		2,212	0	2,212
Ramadha Primary School	0	138		138	0	138
Tarasaa Primary School	600,000			600,000	600000	0
Lailoni Primary School		2,400,000		2,400,000	2400000	0
Lailoni Primary School		400,000		400,000	400000	0
Marafa Primary School		2,400,000		2,400,000	2400000	0
Marafa Primary School		400,000		400,000	400000	0
Shirikisho Primary School		2,000,000		2,000,000	2000000	0
Kibokoni Primary School		1,500,000		1,500,000	1500000	0
Maua Primary School	1,000,000			1,000,000	1000000	0
Galili Primary School		500,000		500,000	500000	0
Idd Primary School				0	998,440.00	1,560
Odoganda Primary School		1,000,000		1,000,000	1,000,000	0
Imani Primary School		500,000		500,000	500,000	0
Tarasaa Primary School		900,000		900,000	900,000	0
Tarasaa Primary School	400,000.00			400,000	400,000	0
Kilelembwani Primary School		2,000,000		2,000,000	2,000,000	0
Tulu Primary School		2,400,000		2,400,000	2,400,000	0
Tulu Primary School		400,000		400,000	400,000	0
Furaha Primary School		3,200,000		3,200,000	3,200,000	0
Furaha Primary School		1,000,000		1,000,000	1,000,000	0
Miticharaka Primary	1,200,000.00			1,200,000	1,200,000	0

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	a	b		c(a+b)	d	e(c-d)
	2020/2021	b		2020/2021	30/06/2021	
	Kshs	Kshs		Kshs	Kshs	Kshs
Katsangani Primary School		138		138		138
Assa Boarding Primary School	1,000,000.00			1,000,000		1,000,000
Assa Boarding Primary School	1,000,000.00			1,000,000		1,000,000
Assa Boarding Primary School	1,000,000.00			1,000,000		1,000,000
Galana Sabaki Boarding Primary school	3,600,000.00			3,600,000		3,600,000
Galana Sabaki Boarding Primary school	2,000,000.00			2,000,000		2,000,000
Galana Sabaki Boarding Primary school	2,700,000.00			2,700,000		2,700,000
Galana Sabaki Boarding Primary school	1,200,000.00			1,200,000		1,200,000
Galma Primary School	2,400,000.00			2,400,000		2,400,000
Galma Primary School	2,000,000.00			2,000,000		2,000,000
Gomesa Primary School	2,400,000.00			2,400,000		2,400,000
Iddi Primary School	1,200,000.00			1,200,000		1,200,000
Kizuliani Primary School	2,400,000.00			2,400,000		2,400,000
Kone Primary School	2,000,000.00			2,000,000		2,000,000
Minjila Primary School	2,400,000.00			2,400,000		2,400,000
Odoganda Primary School	2,000,000.00			2,000,000		2,000,000
Odoganda Primary School	2,000,000.00			2,000,000		2,000,000
Odole Primary School	2,000,000.00			2,000,000		2,000,000
Shauri Moyo Primary School	2,400,000.00			2,400,000		2,400,000
Ziwani Primary School	2,000,000.00			2,000,000		2,000,000
Tulu Primary School	2,400,000.00			2,400,000		2,400,000
Sub-Total	59,600,000	21,042,487		80,642,487	41,658,440	38,984,047
Secondary School Projects						

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	a	b	c(a+b)	d	e(c-d)
	2020/2021	b	2020/2021	30/06/2021	
	Kshs	Kshs	Kshs	Kshs	Kshs
Gerarsa Secondary School	0	1,000,000	1,000,000		1,000,000
Gadeni Secondary School		5,700,000	5,700,000	5,680,320.00	19,680
Mapunga Secondary School		2,000,000	2,000,000	2,000,000.00	0
Dalu Secondary School		2,400,000	2,400,000	2,400,000.00	0
Oda Secondary School		5,700,000	5,700,000	5,396,200	303,800
Kipini Girls Secondary school		2,400,000	2,400,000	2,400,000	0
Kipini Girls Secondary school		400,000	400,000	400,000	0
Marifano Secondary School		2,000,000	2,000,000	2,000,000	0
Hashaka Secondary School	3,000,000.00	0	3,000,000	3,000,000	0
Hurara Secondary School	1,200,000.00	0	1,200,000		1,200,000
Hurara Secondary School	60,000.00	0	60,000		60,000
Kipao Secondary School	3,000,000.00	0	3,000,000	3,000,000	0
Kipini Girls Secondary school	2,400,000.00	0	2,400,000	2,400,000	0
Tarasaa Secondary School			0	1,000,000	0
Sub-Total	9,660,000	21,600,000	31,260,000	29,676,520	1,583,480
Tertiary projects					
Garsen Technical and vocational	1,200,000		1,200,000	1,200,000	0
Sub-Total	1,200,000		1,200,000	1,200,000	0
Total	70,460,000	42,642,487	113,102,487	72,534,960	40,567,527
4.0 Other Grants and Transfers					
Bursary Secondary Schools	18,782,936	680	18,783,616	18,781,836	1,780
Bursary Tertiary Schools	17,162,237	6,241,130	23,403,367	21,966,674	1,436,693
Social Security Programs	0		0		0
Sub-Total	35,945,173	6,241,810	42,186,983	40,748,510	1,438,473

Garsen Constituency**National Government Constituencies Development Fund (NGCDF)****Reports and Financial Statements for The Year Ended June 30, 2021**

Emergency	7,192,207	16,914		7,209,121		
Kikomo Primary School					110,000	
Juma Buduguh					466,500	
Juma Buduguh					493,500	
Juma Buduguh					400,000	
Juma Buduguh					500,000	
Juma Buduguh					40,000	
Tarasaa Secondary School					2,200,000	
Maua primary School					1,000,000	
Juma Buduguh					450,000	
					0	
Sub-Total	7,192,207	16914			5,660,000	1,549,121
Sports						
Garsen Sports Committee		2,086.20		2,086		2086.2
Sub-Total	0	2086.2		2,086	0	2086.2
Environment						
	0	862.2		862.2	0	862.2
Dalu Primary School	0	862.2		862.2	0	862.2
Kipini Primary School	0	862.2		862.2	0	862.2
Garsen Police Station		900000		900,000	898,048.00	1,952
Sub-Total	0	902587		902,587	898048	4,539
Security Projects						
Tana Delta Sub-county Head Quarters		790		790	0	790
Tana Delta Sub-county DCC Residence	2,513,500	2,870		2,516,370	2,513,496.00	2,874
Bilisa Chiefs office	2,000,000			2,000,000		2,000,000
Garsen Police Station	2,500,000			2,500,000	2500000	0
Kipao Chiefs Office	2,000,000			2,000,000		2,000,000
Oda Chiefs Office	2,000,000			2,000,000		2,000,000
Sub-Total	11,013,500	3660		11,017,160	5,013,496	6,003,664
Total	54,150,880	7167046		61,317,926	52320054	8,997,872
5.0 Acquisitions of Assets						
Refurbishment of NGCDF Office Building	0	4,932.00		4932	0	4932
Purchase of Office Computers	0	3,000.00		3000		3000

Garßen Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	a	b	c(a+b)	d	e(c-d)
	2020/2021	b	2020/2021	30/06/2021	
	Kshs	Kshs	Kshs	Kshs	Kshs
Emergency	7,192,207	16,914	7,209,121		
Kikomo Primary School				110,000	
Juma Buduguh				466,500	
Juma Buduguh				493,500	
Juma Buduguh				400,000	
Juma Buduguh				500,000	
Juma Buduguh				40,000	
Tarasaa Secondary School				2,200,000	
Maua primary School				1,000,000	
Juma Buduguh				450,000	
				0	
Sub-Total	7,192,207	16914		5,660,000	1,549,121
Sports					
Garsen Sports Committee		2,086.20	2,086		2086.2
Sub-Total	0	2086.2	2,086	0	2086.2
Environment					
	0	862.2	862.2	0	862.2
Dalu Primary School	0	862.2	862.2	0	862.2
Kipini Primary School	0	862.2	862.2	0	862.2
Garsen Police Station		900000	900,000	898,048.00	1,952
Sub-Total	0	902587	902,587	898048	4,539
Security Projects					
Tana Delta Sub-county Head Quarters		790	790	0	790
Tana Delta Sub-county DCC Residence	2,513,500	2,870	2,516,370	2,513,496.00	2,874
Bilisa Chiefs office	2,000,000		2,000,000		2,000,000
Garsen Police Station	2,500,000		2,500,000	2500000	0
Kipao Chiefs Office	2,000,000		2,000,000		2,000,000
Oda Chiefs Office	2,000,000		2,000,000		2,000,000
Sub-Total	11,013,500	3660	11,017,160	5,013,496	6,003,664
Total	54,150,880	7167046	61,317,926	52320054	8,997,872

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 (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-GARSEN Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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, spire 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.

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.

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 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 (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.

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 30 June 2020 for the period 1st July 2020 to 30th June 2021 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.

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 2021.

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.

XI. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B 124514	9,000,000	
AIE NO	B 124935	10,000,000	
AIE NO	B 119790	12,000,000	
AIE NO	B 128080	6,900,000	
AIE NO	B128390	6,000,000	
AIE NO	B 132135	6,000,000	
AIE NO	B138803	13,000,000	
AIE NO	B126388	10,000,000	
AIE NO	B 126098	7,100,000	
AIE NO	B 140534	12,000,000	
AIE NO	B047129		400,000
AIE NO	B 04711		4,000,000
AIE NO	B 047692		5,000,000
AIE NO	B 047882		18,000,000
AIE NO	B 049261		7,000,000
AIE NO	B 104283		14,000,000
AIE NO	B 096749		20,000,000
AIE NO	B 096749		69,367,724.10
TOTAL		92,000,000	137,767,724

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,511,986	2,332,415
Personal allowances paid as part of salary		
Employer Contributions Compulsory national social security schemes	98,200	99,060
Total	2,610,266	2,431,475

3. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Electricity	5,762	-
Water & sewerage charges	9,450	123,290
Communication, supplies and services	9,450	9,450
Printing, advertising and information supplies & services	78,180	-
Training expenses	2,133,698	2,100,000
Other committee expenses	1,903,802	4,323,131
Committee allowance	1,766,000	2,600,000
Insurance costs	375,281	392,800
Office and general supplies and services	1,002,440	800,000
Fuel , oil & lubricants	501,852	1,200,000
Bank service commission and charges	31,602	46,566
Routine maintenance - vehicles and other transport equipment	300,601	275,142
Total	8,118,118	11,870,379

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	41,658,440	29,760,000
Transfers to secondary schools (see attached list)	29,676,520	10,800,000
Transfers to tertiary institutions (see attached list)	1,200,000	
TOTAL	72,534,960	40,560,000

Garsen Constituency
National Government Constituencies Development Fund (NGCDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,781,836	15,000,000
Bursary – tertiary institutions (see attached list)	21,966,674	9,158,870
Bursary – special schools (see attached list)	-	2,833,000
Security projects (see attached list)	5,013,496	10,203,518
Sports projects (see attached list)	-	2,700,000
Environment projects (see attached list)	898,048	2,100,000
Emergency projects (see attached list)	5,660,000	7,889,615
Total	52,320,054	49,885,003

6. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	0	9,900,000
Total	0	9,900,000

7. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0	3,827,027
ICT Hub	0	
	0	3,827,027

8: CASH BOOK BANK BALANCE

8A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
KCB Bank, Garsen Branch. Garsen NG-CDF A/C no.1107969735	8,022,321	51,605,719
Total	8,022,321	51,605,719
8B: CASH IN HAND		
Total	0	0
[Provide cash count certificates for each]		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	51,605,719	29,988,748
Cash in hand	-	-
Imprest	-	2323131
Total	51,605,719	32,311,879

10. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	2,321,131
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	(2,321,131)
closing accounts in account receivables D= A+B-C	-	0

11. OTHER IMPORTANT DISCLOSURES

11.1: UNUTILIZED FUND (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,062,051	1372317
Use of goods and services	335,818	415937
Amounts due to other Government entities (see attached list)	40,567,527	42642487
Amounts due to other grants and other transfers (see attached list)	8,997,872	7167046
Acquisition of assets	7,932	7932
Others (specify)	-	-
Funds pending approval	140,000	-
	53,111,201	51,605,719

11.4: PMC account balances (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Total	9,509,239.3	

GARSEN Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
1.0 Compensation of Employees				
Employees' Salaries		3,059,391	1,371,377	
NSSF		2,660	940	
Sub-Total		3,062,051	1,372,317	
2.0 Use of Goods and Services				
		-	-	
Administration & Recurrent				
Committee Expenses		134,000	-	
Goods and Services		104,933	394,218	
Monitoring & Evaluation				
Committee Expenses		96884.87	687	
NG-CDFC/PMC Capacity Building		-	21,032	
Sub-Total		335,818	415,937	
3.0 Transfers to Other Government Units				
Primary Schools				
assa primary school		-	40,000	
Kipao Primary School		2,212	2,212	
Ramadha Primary School		138	138	
Lailoni Primary School		-	2,400,000	
Lailoni Primary School		-	400,000	
Marafa Primary School		-	2,400,000	
Marafa Primary School		-	400,000	
Shirikisho Primary School		-	2,000,000	
Kibokoni Primary School		-	1,500,000	
Galili Primary School		-	500,000	
Idd Primary School		1,560	-	
Odoganda Primary School		-	1,000,000	
Imani Primary School		-	500,000	
Tarasaa Primary School		-	900,000	
Kilelembwani Primary School		-	2,000,000	

GARSEN Constituency**National Government Constituencies Development Fund (NGCDF)****Reports and Financial Statements for The Year Ended June 30, 2021**

Tulu Primary School	-	2,400,000	
Tulu Primary School	-	400,000	
Furaha Primary School	-	3,200,000	
Furaha Primary School	-	1,000,000	
Katsangani Primary School	138	138	
Assa Boarding Primary School	1,000,000		
Assa Boarding Primary School	1,000,000		
Assa Boarding Primary School	1,000,000		
Galana Sabaki Boarding Primary school	3,600,000		
Galana Sabaki Boarding Primary school	2,000,000		
Galana Sabaki Boarding Primary school	2,700,000		
Galana Sabaki Boarding Primary school	1,200,000		
Galma Primary School	2,400,000		
Galma Primary School	2,000,000		
Gomesa Primary School	2,400,000		
Iddi Primary School	1,200,000		
Kizuliani Primary School	2,400,000		
Kone Primary School	2,000,000		
Minjila Primary School	2,400,000		
Odoganda Primary School	2,000,000		
Odoganda Primary School	2,000,000		
Odole Primary School	2,000,000		
Shaurimoyo Primary School	2,400,000		
Ziwani Primary School	2,000,000		
Tulu Primary School	2,400,000		
Sub-Total	38,984,047	21,042,487	
Secondary School Projects			
Gerarsa Secondary School	1,000,000	1,000,000	
Gadeni Secondary School	19,680	5,700,000	
Mapunga Secondary School	-	2,000,000	
Dalu Secondary School	-	2,400,000	
Oda Secondary School	303,800	5,700,000	

GARSEN Constituency**National Government Constituencies Development Fund (NGCDF)****Reports and Financial Statements for The Year Ended June 30, 2021**

Kipini Girls Secondary school	-	2,400,000
Kipini Girls Secondary school	-	400,000
Marifano Secondary School	-	2,000,000
Hurara Secondary School	1,200,000	-
Hurara Secondary School	60,000	-
Sub-Total	1,583,480	21,600,000
Tertiary projects		
Sub-Total	-	-
Total	40,567,527	42,642,487
4.0 Other Grants and Transfers		
Bursary Secondary Schools	1,780	680
Bursary Tertiary Schools	1,436,693	6,241,130
Sub-Total	1,438,473	6,241,810
Emergency	1,549,121	16,914
Sports		
Garsen Sports Committee	2086.2	2,086.20
Sub-Total	2086.2	2086.2
Environment		
Imani Primary School	862.2	862.2
Dalu Primary School	862.2	862.2
Kipini Primary School	862.2	862.2
Garsen Police Station	1,952	900000
Sub-Total	4,539	902587
Security Projects		
Tana Delta Sub-county Head Quarters	790	790
Tana Delta Sub-county DCC Residence	2,874	2,870
Bilisa Chiefs office	2,000,000	
Kipao Chiefs Office	2,000,000	
Oda Chiefs Office	2,000,000	
Sub-Total	6,003,664	3660
Total	8,997,872	7167046
5.0 Acquisitions of Assets		
Refurbishment of NGCDF Office Building	4932	4,932.00
Purchase of Office Computers	3000	3,000.00
Sub-Total	7932	7,932

GARSEN Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

6.0 Other Payments		-		
Constituency Innovation Hub (CIH) Reallocated				
Funds Pending Approval		140,000		
Sub-Total		140,000	0	
GRAND TOTAL		53,111,200	51,605,719	

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	0			0
Buildings and structures	7,848,624			7,848,624
Transport equipment	13,709,430			13,709,430
Office equipment, furniture and fittings	1,057,655			1,057,655
ICT Equipment, Software and Other ICT Assets	797,160			797,160
Other Machinery and Equipment	62,686			62,686
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	21,531,943			21,531,943

GARSEN Constituency
National Government Constituencies Development Fund (NGCDF)
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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Garsen Administration Police Line	KCB	1165032287	2,500,304.00	
Dalu Primary School	KCB	1275248225	25.00	
Marifano Secondary School	KCB	1119111455	2091.40	
Tulu Primary School	KCB	1287254624	00.00	
Lailoni Primary School	KCB	1282931091	5,605.00	
Furaha Primary School	KCB	1276702027	1,016,324.00	
Kilelengwani Primary School	KCB	1276609744	4,599	
Kibokoni Primary School	KCB	1207844632	9,821	
Gerasa Sec Sch	KCB	1238929311	614.00	
Hurara sec	KCB	1240886241	2,985	
Sheli Primary School	KCB	1177799359	1,501,358.30	
Galma Primary School	KCB	1164914235	801.80	
Kipini Girls' Secondary School	KCB	1164291394	853.00	
Tarasaa Primary School	KCB	1280462086	95,035	
Miticharaka Primary School	KCB	1272825523	395,035	
Kikomo Primary School	KCB	1183531583	261.45	
Garsen Technical Training Institute	KCB	1285970268	54,900	
Kipao Secondary School	KCB	1233232568	1,685,355.70	
Hashaka Secondary School	KCB	1233417428	3,008,722.70	
chamwanamuma	KCB	1133889905	800,404.00	
Maua Primary School	KCB	1109525133	96,473.00	
Gatundu Primary School	KCB	1131209273	2,400,385.00	
Tarasaa Secondary School	KCB	1282715577	1,885,664.00	
Kizuliani Primary School	KCB	1287027962	00.00	
Konkona primary school	KCB	1239239645	2,706,821.30	

GARSEN Constituency
National Government Constituencies Development Fund (NGCDF)
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Assa Primary School	KCB	1287028020	00.00	
Odoganda Primary School	KCB	1266879811	6,667.00	
Dibe Primary School	KCB	1286478197	1,002,841.00	
Kone Primary Scholl	KCB	1287028098	00.00	
Idd Primary School	KCB	1288160542	00.00	
Onkolde Primary School	KCB	1237826705	1,506,861.00	
Total			9,509,239.3	

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)
	Basis for Qualified Opinion			
1.0	REPORT ON THE FINANCIAL STATEMENTS			
1.1	<p>Other Grants and Other Payments Included in the other grants and other payments balance of Kshs. 38,308,214 under note 7 to the financial statements is an amount of Kshs. 25,540,214 for bursaries paid to secondary schools and tertiary institutions at Kshs. 19,082,714 and Kshs. 6,457,500 respectively. However, a review of the expenditure and other supporting documents revealed that there were no minutes of the bursary committee meetings to confirm details of how the bursaries were awarded. Further, a review of the expenditure revealed that an amount of Kshs. 15,517,213 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters from the beneficiary institutions.</p> <p>Consequently, the probity of the expenditure of Kshs.25,540,214 as at 30 June</p>	<p>Minutes of the Garsen Constituency Bursary Fund Committee availed to the Auditors for verification of vetting of bursary applicants and subsequent approval of beneficiaries. Cheques had been dispatched to respective learning institutions through Postal Corporation - Garsenoffice and receipts had not yet been surrendered to the office. Respective acknowledgments now available for verification</p>	<p>Resolved</p> <p>Copies of respective referenced documents attached</p>	<p>June 2020</p>

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	2019 on bursaries could not be confirmed.			
2.0	REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES			
.1	<p>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 the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.</p> <p>Basis for Conclusion Budgetary Control and Performance During the year under review, the Fund had an approved budget of Kshs. 128,542,059 comprising of Kshs. 109,040,876 for financial year 2018/2019 and Kshs. 19,501,184 being funds brought forward from financial year 2017/2018. The actual expenditure by the Fund in the year under review was Kshs. 68,810,319 representing an absorption rate of 54% of the total approved budget. The analysis reflects a budget of Kshs. 128,542,059 and actual expenditure of Kshs. 68,810,319 resulting to an under expenditure of Kshs. 59,731,740. In the circumstances, failure to utilize the budget fully may have hampered service delivery to the constituents of</p>	<p>The delay in utilization of funds was caused by late receipts from the NGCDF Board coupled with bureaucratic tendering procedures that slowed down funds utilization and projects implementation</p>	<p>Resolved</p> <p>Funds expected to be received on time and relevant technical government departments ready to corporate with the Project Management Committee in timely implementation of projects</p>	<p>June 2020</p>

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2.2	<p>Project Implementation The project implementation status report made available for audit review indicated that a total of Kshs. 99,227,198 was allocated to twenty-four (24) projects, out of which eight (8) projects amounting to Kshs. 21,114,760 were complete, five (5) were ongoing with a cost of Kshs. 42,064,438 while eleven (11) amounting to Kshs. 36,048,000 were not started as analyzed In view of the foregoing, the constituents did not get the expected services from a total of twelve (12) projects worth Kshs.78,112,438 which were either incomplete or not started as at 30 June 2019.</p>	The delay in project implementation was caused by late receipts from the NGCDF Board coupled with bureaucratic tendering procedures that slowed down funds disbursement and utilization	<p>Resolved</p> <p>Funds expected to be received on time and relevant technical government departments ready to corporate with the Project Management Committee in timely implementation of projects</p>	June 2020
3.0	REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE			
4.1	<p>Conclusion As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.</p> <p>Basis for Conclusion Constituency Oversight Committee During the year under review the Fund had no Constituency</p>	Appointment of membership into Constituency Oversight Committee in the process as the relevant appointing authority is at an advanced stage vetting proposed candidates for the office	To be resolved	June 2020

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	<p>Oversight Committee in place, contrary to Section 54(1) of the National Government Constituencies Development Fund Act, 2015 which requires that constituency oversight committees to be appointed for every National Government Constituency Development Fund.</p> <p>In the circumstances, the Fund was in breach of law.</p>			
3.2	<p>Bank Balances</p> <p>A review of the effectiveness of the internal controls for cash and bank established that stale cheques were not immediately written back and the cashbook were not updated at the time of preparation of bank reconciliations as required by Section 90(3) of the Public Finance Management (National Government) Regulations, 2015.</p>	<p>Stale cheques have since been cancelled and cashbook updated. Bank reconciliation also prepared to reconcile bank balances with cashbook balances</p>	Resolved	June 2020

