

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
OF KENYA

DATE: 21 OCT 2021

DAY:

Thursday

THE AUDITOR-GENERAL

BY:

L.M.P.

CLERK-AT
THE-TABLE:

Mr. Maira Wanjiku

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – MANDERA SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2019



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -MANDERA
SOUTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MANDERA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MANDERA SOUTH CONSTITUENCY
Reports and Financial Statements
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MANDERA SOUTH CONSTITUENCY**

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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 MANDERA SOUTH 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 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Dr. Mohamud M.Gedi
2.	Sub-County Accountant	Francis Murugi
3.	Chairman NGCDFC	Issa Haji Abdi
4.	Member NGCDFC	Ibrahim Mohamud

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF MANDERA SOUTH Constituency Headquarters

P.O. Box 1070301
Mzee Shukri Building
Off Elwak-Wajir Road
P.O Box 10-70301
ELWAK, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MANDERA SOUTH CONSTITUENCY**

**Reports and Financial Statements
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(f) NGCDF MANDERA SOUTH Constituency Contacts

Telephone: (254) 721726301
E-mail: cdfmanderasouth@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF MANDERA SOUTH Constituency Bankers

Equity Bank Limited
Account No:100026117664
Mandera Branch

(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

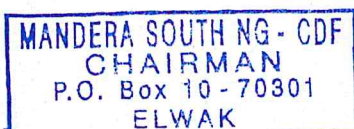
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The Committee performed well during the period under review having implemented projects that were approved by the Board. The Committee received Kshs 105,040,875.52 out of its budgeted amount of Kshs 109,040,875.52. The Kshs 4,000,000 was a resubmission for a project and the fund was not received at the close of the Financial Year. There was also delay by Learning Institutions to furnish the Committee with bursary application that delayed absorptions. Going forward the Committee will improve in following up with Institutions.

The Committee was able to increase enrolment to schools and also increased transition rate from Primary to Secondary Schools through Construction of Classrooms and Bursary awards.

The major challenge for the year under review is security that has continued to hamper development. The Constituency is prone to frequent attack by Militia Terror group because of close proximity to Somalia. This has led to teachers fleeing schools and also sometimes delay in supervision of projects. However the Committee is working with relevant security organs in the Constituency to ensure its programmes and projects are not affected.



CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MANDERA SOUTH CONSTITUENCY**

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For the year ended June 30, 2019**

III. 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-MANDERA SOUTH 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, 2019. 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-MANDERA SOUTH 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, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MANDERA SOUTH 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-MANDERA SOUTH 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-MANDERA SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 15-05- 2020.



Fund Account Manager
Name: Dr. Mohamud Gedi

FUND ACCOUNT MANAGER
NGCDF MANDERA SOUTH
P.O. Box 10 - 70301,
ELWAK



Sub-County Accountant
Name: Francis Murugi
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANDERA SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mandera South Constituency set out on pages 6 to 29, which comprise the statement of assets as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for effect of the matters discussed 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 - Mandera South Constituency as at 30 June, 2019 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Understated and Unsupported Cash and Cash Equivalents

The statement of financial assets as at 30 June, 2019 reflects bank balance of Kshs.786,383. A review of bank reconciliation statement for the month of June, 2019 revealed that cheques amounting to Kshs.4,923,899 were stale and had not been reversed to the cashbook. Further, audit review of the cash book and Authority to Incur Expenditure (AIE) revealed that Kshs.6,000,000 was approved by the National Government Constituencies Development Fund Board vide A.I.E reference No.B006442. However, the same was not recorded as a receipt in the cashbook. It

Report of the Auditor-General on National Government Constituencies Development Fund - Mandera South Constituency for the year ended 30 June, 2019

was further noted that bank confirmation certificates and a board of survey report in support of the cash and cash equivalent balance were not availed for audit review.

Consequently, the accuracy, completeness and validity of cash and cash equivalents balance of Kshs.786,383 as at 30 June, 2019 could not be ascertained.

2. Irregular Transfer to Other Government Entities

Included under Note 6 to the financial statements is transfers to other government entities of Kshs.73,556,337 that includes transfers to secondary schools of Kshs.5,500,000 meant for fencing of EL-Agarsu Secondary School compound with chain link and concrete posts of 2.5 meters. However, the transfers were reallocated to supply and delivery of 1000 chambers/chairs to various schools without the approval of the National Government Constituencies Development Fund Board contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the regularity and value for money of expenditure on chambers and chairs worth Kshs.5,500,000 could not be confirmed.

3. Other Grants and Other Payments

3.1 Unsupported Bursary Disbursements

Included in the other grants and other payments balance of Kshs.53,812,679 reflected under Note 7 to the financial statements are bursaries to secondary schools and tertiary institutions amounting to Kshs.37,073,686. However, the total expenditure as per the payment vouchers availed for audit amounted to Kshs.20,791,000 resulting to an unreconciled variance of Kshs.16,282,686 between the financial statements and the payment vouchers total amounts.

Further, out of the Kshs.20,791,000, an amount of Kshs.1,960,000 was not acknowledged through official receipts and no cheque dispatch register was availed for audit .

Consequently, the completeness and validity of the expenditure for bursaries of Kshs.37,073,686 as at 30 June, 2019 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 – Mandera South 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 a comparable basis of Kshs.140,567,866 and Kshs.136,567,864 respectively resulting to an underfunding of Kshs.4,000,002 of the budget. Similarly, the Fund spent Kshs.135,781,483 against an approved budget of Kshs.140,567,866 resulting to an under-expenditure of Kshs.4,786,382 of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Mandera South Constituency.

2. Project Implementation and Management Status

During the financial year under review, the Fund allocated Kshs.68,500,000 to twenty-six (26) projects in two (2) sectors education and security. Analysis as per Project Implementation Status (PIS) availed for audit review revealed that all twenty-six (26) projects were completed. However, the projects were not physically verified, due to the insecurity in the region.

Consequently, the completion status of the projects and value for money of the expenditure of Kshs.68,500,000 incurred could not be confirmed.

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 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

Lack of Notifications and Work Plans of Security Projects

Included in the other grants and other payments balance of Kshs.53,812,679 reflected under Note 7 to the financial statements is an expenditure of Kshs.11,000,000 relating to security projects for fencing of Wargadud and Shimbir Fatuma Administration Police

(AP) camps. The Fund disbursed the funds to various Project Management Committees. However, audit review of the expenditure reflected that there were no notifications sent to the institutions notifying them of the approval of their projects and the projects Management committees did not prepare work plans for the projects as required by Section 25(1) of the National Government Constituencies Development Fund Regulations, 2016.

Further, review of the project files indicated that some of the companies that were awarded the contracts lacked vital tender documents, which were mandatory requirements in the evaluation criteria such as certificates of incorporation, PIN certificate, tax compliance certificates and National Construction Authority certificates. This is contrary to Section 80(2) of the Public Procurement and Asset Disposal Act, 2015.

In addition, payment made for fencing of Shimbir Fatuma AP camp was made without an inspection and acceptance report.

In the circumstances, the regularity and value for money of the expenditure on security projects of Kshs.11,000,0000 as at 30 June 2019 could not be confirmed.

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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

06 October, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MANDERA SOUTH CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2019


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	116,420,186	118,258,619
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		116,420,186	118,258,619
PAYMENTS			
Compensation of employees	4	3,041,241	3,041,238
Use of goods and services	5	5,371,226	9,471,893
Transfers to Other Government Units	6	73,556,337	49,112,872
Other grants and transfers	7	53,812,679	36,897,811
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		135,781,483	98,523,814
SURPLUS/DEFICIT		(19,361,297)	19,734,805

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 15-05-2020 and signed by:


Fund Account Manager
Name: Dr. Mohamud Gedi

FUND ACCOUNT MANAGER
NGCDF MANDERA SOUTH
P.O. Box 10 - 70301,
ELWAK



Sub-County Accountant
Name: Francis Murugi
ICPAK Member Number:

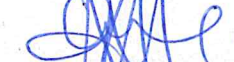
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	786,383	20,147,678
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		786,383	20,147,678
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		786,383	20,147,678
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		786,383	20,147,678
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	20,147,678	412,872
Surplus/Defict for the year		(19,361,297)	19,734,806
Prior year adjustments	14	-	-
NET LIABILITIES		786,383	20,147,678

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 15-05- 2020 and signed by:


Fund Account Manager
Name: Dr. Mohamud Gedi


Sub-County Accountant
Name: Francis Murugi
ICPAK Member Number:

FUND ACCOUNT MANAGER
NGCDF MANDERA SOUTH
P.O. Box 10 - 70301,
ELWAK



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW


**CASH FLOWS FROM OPERATING
ACTIVITIES**

		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	116,420,186	118,258,619
Other Receipts	3	-	-
Total Receipts		116,420,186	118,258,619
Payments			
Compensation of Employees	4	3,041,241	3,041,238
Use of goods and services	5	5,371,226	9,471,893
Transfers to Other Government Units	6	73,556,337	49,112,872
Other grants and transfers	7	53,812,679	36,897,811
Other Payments	9	-	-
Total Payments		135,781,483	98,523,814
Total Receipts Less Total Payments		(19,361,297)	19,734,806
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(19,361,297)	19,734,806
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		(19,361,297)	19,734,806
Cash and cash equivalent at BEGINNING of the year	13	20,147,678	412,872
Cash and cash equivalent at END of the year		786,381	20,147,678

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 15-05- 2020 and signed by:


Fund Account Manager
Name: Dr. Mohamud Gedi

**FUND ACCOUNT MANAGER
NGCDF MANDERA SOUTH
P.O. Box 10 - 70301,
ELWAK**


Sub-County Accountant
Name: Francis Murugi
ICPAK Member Number:

Reports and Financial Statements
For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	31,526,990	140,567,866	136,567,864	4,000,002	97.2%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	#DIV/0!
TOTAL RECEIPTS	109,040,876	31,526,990	140,567,866	136,567,864	4,000,002	97.2%
PAYMENTS						
Compensation of Employees	3,041,238		3,041,238	3,041,241	-	100.0%
Use of goods and services	5,600,625		5,600,625	5,371,226	229,399	95.9%
Transfers to Other Government Units	52,400,000	21,156,338	73,556,338	73,556,337	1	100.0%
Other grants and transfers	47,999,012	10,370,651	58,369,663	53,812,679	4,556,984	92.2%
Acquisition of Assets			-	-	-	#DIV/0!
Other Payments			-		-	
TOTAL	109,040,876	31,526,989	140,567,865	135,781,483	4,786,384	96.6%

The NGCDF-MANDERA SOUTH Constituency financial statements were approved on 15-05- 2020 and signed by

Indelid
Fund Account Manager
Name: Dr. Mohamud Gedi
P.O. Box 10 - 70301, ELWAK

Francis Murugi
FUND ACCOUNT MANAGER Sub-County Accountant
NGCDF MANDERA SOUTH Name: Francis Murugi
P.O. Box 10 - 70301, ELWAK

Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,041,238		3,041,238	3,041,238	-
1.2 Committee allowances	1,500,000		1,500,000	1,500,000	-
1.3 Use of goods and services	829,399		829,399	829,399	(0)
Sub-Total	5,370,637	-	5,370,637	5,371,226	(0)
2.0 Monitoring and evaluation					
2.1 Capacity building	900,000		900,000	900,000	-
2.2 Committee allowances	900,000		900,000	900,000	-
2.3 Use of goods and services	1,471,226		1,471,226	1,241,827	229,399
Sub-Total	3,271,226	-	3,271,226	3,041,241	229,399
3.0 Emergency	5,738,993		5,738,993		
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
3.5 others					
Sub-Total	5,738,993	-	5,738,993	5,738,993	-
4.0 Bursary and Social Security					
4.1 Primary Schools					

Reports and Financial Statements

For the year ended June 30, 2019

4.2 Secondary Schools	13,016,223		13,016,223	13,016,223	0
4.3 Tertiary Institutions	14,243,796	10,370,651	24,614,447	24,057,463	556,984
4.4 Universities			-		-
4.5 Social Security					-
Sub-Total	27,260,019	10,370,651	37,630,670	37,073,686	556,984
5.0 Sports					
5.1 bal b/f					
Sub-Total					
6.0 Environment					
Sub-Total					
7.0 Primary Schools Projects		-			
El-Agarsu primary school	5,500,000	-	5,500,000	5,500,000	-
Bulla Afya Primary School	5,500,000	-	5,500,000	5,500,000	-
Primary school desk	7,000,000	-	7,000,000	7,000,000	-
Abey umur Primary school	1,700,000	-	1,700,000	1,700,000	-
Kutayu Primary School	1,700,000	-	1,700,000	1,700,000	-
BH11 Primary school	1,700,000	-	1,700,000	1,700,000	-
Harwale Primary School	1,700,000	-	1,700,000	1,700,000	-
Dadach Majani Primary School	1,700,000	-	1,700,000	1,700,000	-
Godhe Primary School	1,700,000	-	1,700,000	1,700,000	-
Chirole Primary School	1,700,000	-	1,700,000	1,700,000	-
Har Sangaa Primary School					-



**Reports and Financial Statements
For the year ended June 30, 2019**

	1,700,000	-	1,700,000	1,700,000	-
Abba Iyeesa Primary school	1,700,000	-	1,700,000	1,700,000	-
Kobba Adadi Primary school	1,700,000	-	1,700,000	1,700,000	-
Al-Rowdha Intergrated Primary Sch	1,700,000	-	1,700,000	1,700,000	-
Ada Qalo Primary School	1,700,000	-	1,700,000	1,700,000	-
Makutano Primary School	1,700,000	-	1,700,000	1,700,000	-
Wachile Primary School	1,700,000	-	1,700,000	1,700,000	-
Aluteibi Primary School	1,700,000	-	1,700,000	1,700,000	-
Dawder Primary School	1,700,000	-	1,700,000	1,700,000	-
Elgolicha Primary School	1,700,000	-	1,700,000	1,700,000	-
Elkala Primary school		1,700,000	1,700,000	1,700,000	-
Qalanqalesa Primary school		1,700,000	1,700,000	1,700,000	-
Elam Primary School		1,700,000	1,700,000	1,700,000	-
Desks Primary schhol		9,677,027	9,677,027	9,677,027	-
		-	-	-	-
		-	-	-	-
Sub-Total	46,900,000	14,777,027	61,677,027	68,056,337	-
8.0 Secondary Schools Projects					
El-Agarsu Secondary School fencing	5,500,000		5,500,000	5,500,000	-
Chambers Secondary		6,379,311	6,379,311	6,379,311	-
Sub-Total	5,500,000	6,379,311	11,879,311	11,879,311	-

Reports and Financial Statements
For the year ended June 30, 2019

9.0 Health institutions Projects					
9.1 balances b/f					
10.0 Security Projects					
Shimpir Fatuma administration police camp	5,500,000		5,500,000	5,500,000	-
Wargadud Administration police camp	5,500,000		5,500,000	5,500,000	-
	11,000,000		11,000,000	11,000,000	-
11.0 Acquisition of assets					
11.1 Motor Vehicles					
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
Sub-Total					
12.0 ROADS					
13.0 Others					
Construction Of Waiting Bay At Elwark Airstrip	4,000,000		4,000,000		4,000,000
13.1 Strategic Plan					
13.2 Innovation Hub					
13.2 TIVET					
Sub-Total	4,000,000		4,000,000		4,000,000
GRAND TOTALS	109,040,876	31,526,989	140,567,865	135,781,483	4,786,383

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

IX. 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-MANDERA SOUTH 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

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 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

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) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	AIE NO. A855919		5,500,000.00
	AIE NO. A892671		500,000.00
	AIE NO. A892712		30,948,275.00
	AIE NO. A896840		21,000,000.00
	AIE NO. A896913		22,405,172.00
	AIE NO. A892782		37,905,172
	AIE NO. B030495	15,000,000	
	AIE NO. B006442	6,000,000	
	AIE NO. B005284	11,379,310	
	AIE NO. B030097	10,000,000	
	AIE NO. A724471	11,000,000	
	AIE NO. B042796	12,000,000	
	AIE NO. B047569	51,040,876	
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		116,420,186	118,258,619

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	2,929,641	2,929,638
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	111,600	111,600
Gratuity-Paid		
Gratuity-Accrued		
TOTAL	3,041,241	3,041,238

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	1,471,226	1,471,893
Electricity	-	-
Water & sewerage charges	-	-
Office rent	600,000	600,000
Communication, supplies and services	-	100,000
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	900,000	900,000
Hospitality supplies and services	-	-
Other committee expenses	1,500,000	1,500,000
Committee allowance	900,000	900,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	-	-
Other operating expenses	-	4,000,000
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	-	-
TOTAL	5,371,226	9,471,893

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	68,056,337	39,812,872
Transfers to Secondary schools	5,500,000	9,300,000
Transfers to Tertiary institutions	-	0
TIVET		
TOTAL	73,556,337	49,112,872

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	13,016,223	13,316,000
Bursary -Tertiary	24,057,463	7,540,410
Bursary-Special schools	-	-
Mocks & CAT	-	-
Security	11,000,000	8,000,000
Sports	-	1,736,200
Environment	-	1,736,200
Emergency Projects	5,738,993	4,569,000.00
TOTAL	53,812,679	36,897,810

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Equity Bank Manderla Branch A/C Number: 1000261176664</i>	<i>A/C no.1000261176664</i>	786,383	20,147,678

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	(1/7/2018	(1/7/2017)
	Kshs	Kshs
Bank accounts	20,147,678	412,872
Cash in hand		-
Imprest		-
TOTAL	20,147,678	412,872

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	-	5,100,000
Use of goods and services	229,399	10,370,651
Amounts due to other Government entities	4,000,000	-
Amounts due to other grants and other transfers	556,984	
Acquisition of assets		
Others (<i>specify</i>)		4,677,027
Allocation awaiting approval		11,379,311
TOTAL	4,786,383	31,526,990

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MANDERA SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	2354.00	11,626
	2354.00	11,626

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees				
Use of goods & services		229,399		
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers		556984		
Sub-Total				
Sub-Total				
Desks to Primary Schools		4,000,000		
Sub-Total				
Grand Total				

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	1,500,000			1,500,000
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	1,500,000			1,500,000



NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Elgoclicha Primary School	Equity Bank,Mandera Branch	1000296776977	20	470
Dawder Primary School	Equity Bank,Mandera Branch	1000296752124	605	625
Wachile Primary School	Equity Bank,Mandera Branch	1000273641469	759.80	780
Chirole Primary School	Equity Bank,Mandera Branch	1000194074863	71.95	1591.95
Godhe Primary School	Equity Bank,Mandera Branch	1000262354827	(331.70)	397.70
Dadach Primary School	Equity Bank,Mandera Branch	1000176353476	90.00	930
Harwale Primary School	Equity Bank,Mandera Branch	1000297186592	420	420
Kutayu Primary School	Equity Bank,Mandera Branch	1000199593406	329.90	849.90
Borehole 11 Primary School	Equity Bank,Mandera Branch	1000297179754	390.00	1150
Wargadud AP Camp	Equity Bank,Mandera Branch	1000178994580	0	520
Total			2,354.95	11,626



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
MDR/CDF/INSPI/OUTH/VOL.1/(9)	The Mandera South NGCDF underspent on Transfers to Govt entities by 103,617,149.Few projects implemented in the year	The NGCDF Board released this amount on 30th June 2016,the last day of The Financial year hence spent in 2016/17 FY	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/CDF/INSPI/OUTH/VOL.1/(9)	Bank Reconciliation reflects stalled cheques that needed to be debited back	Done and credited back to the cashbook	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/CDF/INSPI/OUTH/VOL.1/(9)	Non maintenance of Bank accounts by PMC	To comply	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	By end of 2017/18 FY
MDR/CDF/INSPI/OUTH/VOL.1/(9)	Constituency Oversight Committee not in place	The area MP did not appoint the Committee as expected	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	By end December 2017
MDR/CDF/INSPI/OUTH/VOL.1/(9)	Award of Capital projects amounting to 13,034,995 certificate of completion not availed	To follow up and avail the documents	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

MDR/ CDF/I NSP/S OUTH/ VOL.1/ (9)	Bursary expenses of Kshs 4,490,384 did not have acknowledgment	Most Institutions in far areas of The Country didn't send acknowledgments. To follow up with respective institutions.	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
MDR/ CDF/I NSP/S OUTH/ VOL.1/ (9)	Administration/M&E of kshs 1,995,000.No progress report,list of projects not attached	List availed	Mr.Mohamud Gedi Fund Manager Mandera South NGCDF	Unresolved	December 2017
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)

