
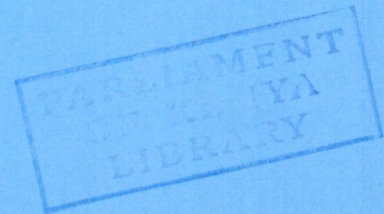


Enhancing Accountability

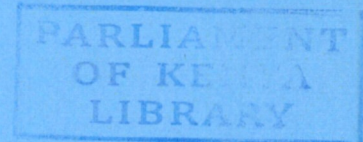


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THE NATIONAL ASSEMBLY	
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THE AUDITOR-GENERAL

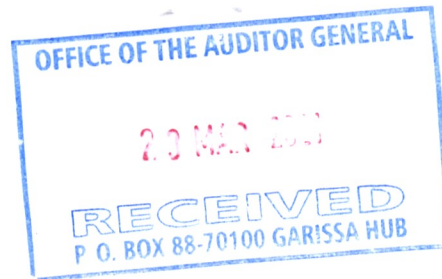
ON



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

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

Revised Template 30th June 2020



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
BANISSA CONSTITTUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
BANISSA CONSTITUENCY
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For the year ended June 30, 2020**

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 Banissa Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Yussuf Abdi
2.	Sub-County Accountant	Dickson C Kinyanjui
3.	Chairman NGCDFC	Ahamed Wethow
4.	Member NGCDFC	Mohamed Maalim

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Banissa 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 Banissa Constituency Headquarters

The physical and postal address of National Government Constituency Development Fund (NG-CDF) Banissa is:

NG-CDF Banissa Offices
Along Takaba – Banissa - Mandera Road
P.O. BOX 231 - 70300 Mandera

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BANISSA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF Banissa Constituency Contacts

Telephone: (+254) 0728-205570

E-mail: cdBanissa@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF Banissa Constituency Bankers

Equity Bank, Mandera branch

Account No. 1000261939394

P.O. Box 536 -70300 Mandera,

Mandera County, Kenya

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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

II. FORWARD BY THE NG CDF COMMITTEE CHAIRMAN

The National Government Constituencies Development Fund (NG-CDF) which is a program meant to promote poverty eradication through decentralization was enacted through the NG-CDF Act 2015. The main aim of its establishment was to iron out imbalances brought about by patronage politics by providing funds to parliament jurisdictions, that is, Constituencies to fight poverty. The program is designed to fight poverty through the implementation of development projects which are National government functions at the local level and particularly those that provide basic needs like education, social welfare, security and education bursaries.

During the Financial year under review, National Government Constituency Development Fund Banissa Constituency was allocated a total of Kshs. 137,367,724.

The NG-CDF Banissa had a balance brought forward of Kshs 85,806,553 in 2018-2019 which constitutes previous financial year balances. The fund could not utilise an amount of Kshs 111,445,273 due to underfunding of Kshs 69,667,725. Disbursement was made to the PMCs promptly and the projects were implemented well. The fund has over the years been used to develop and construct infrastructural structures that have helped to upgrade the conditions of schools, Security institutions and even roads. Through the fund, there has been an improvement in our schools, security institutions and in the sectors of environment and sports. This has in turn been very essential in providing education with the relevant resources in the schools and the structures have been a motivation for learners to find it encouraging going to schools. People who could not join higher institutions of learning because of financial difficulties are now able to get an education through bursary grants. The fund has been used to help needy students from poor backgrounds. This has greatly helped needy students to have access to the much needed education.

The National Government Constituency Development Fund Banissa has undertaken some key projects during the financial year under review. The major beneficiary was the education sector. The fund constructed 39 new classrooms, 5 masonry water tanks, 1 number 80 bed capacity dormitory with fittings. Fencing works were done at 4 Schools. In addition, laboratory equipment as well as lockers and chairs were supplied to five secondary schools. 650 three-seater desks were supplied to 16 primary schools.

To boost security in the constituency; Guba Chief's office was constructed along with Tiolet at Banisa Ap. The Constituency sport tournament has been planned and different teams would participate.

The main emerging issues during the year under review were increasing population and settlements and increased number of needy students in learning institutions which meant an increase in school enrolment and widening of the resources available Vs needs gap.

Implementation challenges during the financial year included the closure of educational institutions due to the Covid-19 Pandemic, security threats/Clan conflicts, low literate levels and Persistent droughts leading lack of water sources for construction and usage.

Prevalent droughts have been a deterrent factor and the situation exasperated by the immense gap between the resources available and the needs of the community. The Banissa NG-CDF has ensured that the resources have been equally distributed to spread the gains from the fund. Despite the numerous challenges, the fund has been at the fore front in the provision of basic social amenities, improved the general economic standards of the

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BANISSA CONSTITUENCY

Reports and Financial Statements

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population and has thus been considered transformational by the community. By and large the impact of NG-CDF Banissa is felt and appreciated in the constituency.



Sign:

CHAIRPERSON NGCDF COMMITTEE

Date: 19th March 2021

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

II. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The NGCDF-Banissa Constituency's 2018-2022 strategic plans has identified seven (7) strategic themes and development objectives as a guide in developing the constituency. These are: **Education Infrastructure; Security; Youth and Sports; Environment; Emergency Support; Tracking of Results; and Institutional Strengthening.**

To address these strategic themes, the constituency has formulated a number of strategic objectives and activities in order to realize the community aspirations. Some of these include;

1. Improving access to quality education through expansion of schools through rehabilitation, renovation and construction of school infrastructure in various primary and secondary schools in the constituency.
2. Harnessing youth talent by funding youth sporting initiatives, creating awareness on the establishment of youth groups, creating awareness among the youth on seeking development fund loans, and promoting youth talent.
3. Promoting environment in the constituency by organizing tree planting days. In the NGCDF Act 2015, environmental activities may be considered as development projects, provided the allocation to such activities does not exceed two percent (2%) of the total allocation of the constituency in any financial year.
4. Catering for any unforeseen occurrences in the constituency (*emergency support*).
5. Enhancing security in the constituency by constructing chiefs' and sub-chiefs' offices, AP housing units; constructing/rehabilitating chiefs' offices, Police stations, and Police housing units, among other initiatives.
6. Improving the tracking of implementation NGCDF programmes. In the NG-CDF Act 2015, monitoring and evaluation of ongoing, projects and capacity building of various operatives has been considered as a development project provided that not more than three percent (3%) is allocated for this purpose; and
7. Promoting performance management and smooth running of the NGCDF office.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified

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

for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

No	program	Objective	outcome	Indicators	performance
1	Education Infrastructure	To improve access, affordability and availability of quality education	Expansion of schools through rehabilitation/ renovation/construction of classrooms/laboratories/staff houses/fencing in various primary and secondary schools in the constituency	Number of Physical school structure in various school around the constituency	Increased number of classrooms by 39, water tanks by 5, Laboratories by 2, and fence by 4
2	Youth and Sports	To harness talent and empower youth	Funding of youth sporting initiatives	Number of Tournaments held	Held One Sports Toournament for Wayam secondary
4	Environment	To promote environmental sustainability in the constituency	Purchase of tree seedlings and their planting/Organizing tree planting days	Numbers trees in various public institution	Afforestation and environmental conservancy
5	Security	To enhance security in the constituency	Construction/renovation of offices/houses for chiefs and Ass. Chiefs, police, Administration offices	Number of office & houses	Increased offices by 3
6	Tracking of results	To improve tracking of implementation NG-CDF programmes	Monitoring and Capacity Building of NG-CDF's and PMC's/ Organizing regular projects monitoring field visits	Number of Routine monitoring & capacity Building exercise undertaken	Decreased number of PMCs/projects audit related issue

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

III. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. SUSTAINABILITY STRATEGY AND PROFILE

The National Government Constituencies Development Fund Banissa has been working over years to transform the lives of the constituents. In every financial year the constituency received funding from NG-CDF board. Banissa national government constituency development committee in every two after a new parliament is sworn in calls every ward forums to collect the needs of respective wards in terms of project. This is to be achieved through the provision of services and coordination of activities geared towards the empowerment of Banissa Constituency residents through prudent management, and effective and efficient utilization of the Fund. . All the NG-CDF projects are implemented by the project management committee with the assistance of the relevant department of Government officers in line with its strategic plan.

2. ENVIRONMENTAL PERFORMANCE

Global warming and climate change have negatively affected the constituency economy due to their adverse effects on productive sectors. There is need to enhance capacity for environmental planning to mitigate against global warming and adaptation to climatic changes. Banissa NG-CDFC allocates 2% of its total budget towards afforestation and mitigation against the impacts of environmental degradation. Areas where we have invested in include rain water harvesting at schools.

3. EMPLOYEE WELFARE

The constituency employees are competitively recruited and selection plays an important role in ensuring that the Service has the right staff and skills mix. The Constitution requires that recruitment and selection in Public Service organizations, be based on meritocracy, diversity, equity, non-discrimination, gender balance, consideration for persons with disabilities and minorities, in employment opportunities. Banissa National Government Constituencies Development Fund is guided by the Constitution of Kenya, labour laws and the Norms and Standards for Management of Human Resources in the Public Service.

A conducive work environment and employee welfare programmes are prerequisites for enhanced organizational and individual performance and productivity. The staffs are constantly trained to improve their overall productivity. All constituency employees are employed on contract of three years renewable based individual performance , at the end of their contract 31% service gratuity is also paid to them

MARKET PLACE PRACTICES-

Banissa National Government Constituencies Development Fund is a public sector institution involved in the management of public funds by implementing projects. The projects are implemented using structures defined under the NG-CDF Act 2015.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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The Acquisition of goods, Services and Works is done in the most cost effective manner including the right price (lowest evaluated price), in the right quantities, at the right quality, from the right source, at the right time and delivered at the right place. Procurement is done in strict compliance with the Public Procurement and Asset Disposal Act 2015 and the Public Finance Management Act 2012. This process is initiated once funds have been received and hence there are no pending bills to suppliers or contractors.

Anticorruption clauses and penalties are part of the contract management documents. There is compliance with the Public Officers Ethics Act 2003 and Leadership and Integrity. All measures have been put in place to ensure there are no incidences of corruption. There are committees which have been constituted to deal with all complaints and reported cases of corruption in Banissa NG-CDFC.

a) Responsible competition practice.

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

b) Responsible Supply chain and supplier relations

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

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

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

d) Product stewardship

In order to safeguard consumer rights and interests, the Banissa NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

4. COMMUNITY ENGAGEMENTS

At the level of project identification, the NG-CDFC Chairman calls for ward meetings to deliberate on development priorities of the ward. Here, there is community participation and consultation with local leaders as provided for under regulation 13 of the NG-CDF Regulations 2016. The notices for these meetings are published so as to reach as many constituents as possible. The community social investment undertaken by NG-CDF Banissa is in the form of bursary where needy students are sponsored either fully or partially to complete their education.

To tap existing talent among the youth, there are sports tournaments organized by the relevant authorities with financial support from NG-CDF Banissa. These tournaments also improve cohesion among the different communities living in the constituency.

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

IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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.

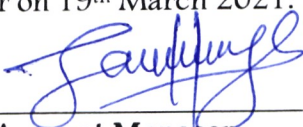
The Accounting Officer in charge of the NGCDF-Banissa Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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

The Accounting Officer in charge of the NGCDF-Banissa Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Banissa 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-Banissa 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-Banissa Constituency financial statements were approved and signed by the Accounting Officer on 19th March 2021.



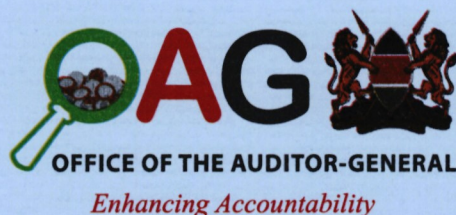
Fund Account Manager
Name: Yussuf Abdi



Sub-County Accountant
Name: Dickson C Kinyanjui
ICPAK Member Number: 13823

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Banisa Constituency set out on pages 13 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in Bank Balances

As disclosed in Note 6A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.41,777,549. The supporting bank reconciliation statement reflected unrepresented cheques totalling to Kshs.2,977,977 out of which cheques amounting to Kshs.2,307,297 were stale cheques. However, the stale cheques were not reversed in the cash book.

Consequently, the accuracy, completeness and validity of the bank balances totalling to Kshs.41,777,549 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

2. Unsupported Transfer to Other Government Units

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects transfers to other Government Units totalling to Kshs.86,436,368. The balance includes an amount of Kshs.43,538,568 relating to procurement of secondary school projects. However, review of records revealed that an expenditure amounting to Kshs.7,453,250 was not supported by documents such as; requisition for funding, certificate of incorporation, Kenya Revenue Authority PIN certificates and tax compliance certificates for some winning bidders, certificates of practical completion for completed and paid for projects and Project Management Committees' bank statements.

Further, Management transferred an amount of Kshs.42,897,800 to Project Management Committee (PMC) for procurement of primary school projects. Examination of records revealed that Management awarded a contract for the supply of three hundred and four (304) desks at a contract sum of Kshs.1,854,400. However, the winning bidder did not have a valid Kenya Revenue Authority tax compliance certificate, certificate of registration from National Construction Authority and certificate of incorporation that were mandatory requirements in the tender evaluation.

In view of the above anomalies, the accuracy, completeness and validity of the expenditure on transfer to secondary schools amount of Kshs.7,453,250 and on transfer to primary schools amount of Kshs.1,854,400 all totalling to Kshs.9,307,650 for the year ended 30 June, 2020 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 - Banisa Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.223,174,276 and

Kshs.153,506,552 respectively, resulting to an under-funding amounting to Kshs.69,667,725 or 31% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.223,174,276 and Kshs.111,729,003 respectively, resulting to an under expenditure amounting to Kshs.111,445,273 or 50% of the budget.

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

2. Physical Verification of Projects

During the audit exercise, the projects were not physically verified due to insecurity in the region.

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. Delay in Project Implementation

Review of Project Implementation Status (PIS) Report as at 30 June, 2020 showed that during the financial year under review, the Fund allocated a total of Kshs.99,001,241 to eighty (80) projects in various sectors including sports, emergency, security, education and others. However, the Report revealed that twenty-six (26) projects totalling to Kshs.22,888,741 were completed, fifty-three (53) projects totalling to Kshs.68,612,500 were ongoing while one (1) project amounting to Kshs.7,500,000 had not started.

In the circumstances, I am unable to confirm whether the public obtained value for money for the expenditure totalling to Kshs.76,112,500 on the ongoing projects and projects not started for the year ended 30 June, 2020.

2. Irregular use of Emergency Reserve Fund

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.13,820,335. The balance includes an amount of Kshs.7,528,000 spent on emergency projects. However, Management did not prepare and submit written report on the utilization of the funds to

the Board. This is contrary to Section 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires the utilization of emergency funds to be reported to the Board within 30 days.

Consequently, the Management is 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 November, 2021

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


Reports and Financial Statements

For the year ended June 30, 2020

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	122,740,876	109,484,483
TOTAL RECEIPTS		122,740,876	109,484,483
PAYMENTS			
Compensation of employees	2	2,226,200	2,759,760
Use of goods and services	3	9,246,100	5,799,435
Transfers to Other Government Units	4	86,436,368	38,945,000
Other grants and transfers	5	13,820,335	32,018,000
TOTAL PAYMENTS		111,729,003	79,522,195
SURPLUS/(DEFICIT)		11,011,873	29,962,288

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Banissa Constituency financial statements were approved on 19th March 2021 and signed by:



Fund Account Manager
Name: Yussuf Abdi




National Sub-County Accountant
Name: Dickson C Kinyanjui
ICPAK Member Number: 13823

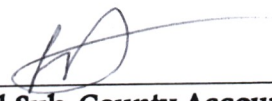
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BANISSA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	6A	41,777,549	30,765,677
Total Cash and Cash Equivalents		41,777,549	30,765,677
TOTAL FINANCIAL ASSETS		41,777,549	30,765,677
FINANCIAL LIABILITIES			
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		41,777,549	30,765,677
REPRESENTED BY			
Fund balance b/fwd	7	30,765,677	803,388
Surplus/Defict for the year		11,011,873	29,962,288
NET FINANCIAL POSITION		41,777,549	30,765,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Banissa Constituency financial statements were approved on 19th March 2021 and signed by:


Fund Account Manager
Name: Yussuf Abdi

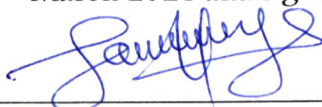

National Sub-County Accountant
Name: Dickson C Kinyanjui
ICPAK Member Number: 13823

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

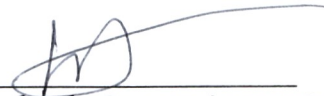
VIII. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	122,740,876	109,484,483
Total receipts		122,740,876	109,484,483
Payments for operating expenses			
Compensation of Employees	4	2,226,200	2,759,760
Use of goods and services	5	9,246,100	5,799,435
Transfers to Other Government Units	6	86,436,368	38,945,000
Other grants and transfers	7	13,820,335	32,018,000
Other Payments	9	-	-
Total payments		111,729,003	79,522,195
Total Receipts Less Total Payments			
Adjusted for:			
Net cash flow from operating activities		11,011,873	29,962,288
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		11,011,873	29,962,288
Cash and cash equivalent at BEGINNING of the year	7	30,765,677	803,388
Cash and cash equivalent at END of the year		41,777,549	30,765,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Banissa Constituency financial statements were approved on 19th March 2021 and signed by:



Fund Account Manager
Name: Yussuf Abdi



National Sub-County Accountant
Name: Dickson C Kinyanjui
ICPAK Member Number: 13823

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BANISSA CONSTITUENCY

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

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	85,806,553	223,174,277	153,506,552	69,667,725	68.8%
Proceeds from Sale of Assets				-	-	
Other Receipts		0	0	-	-	
PAYMENTS						
Compensation of Employees	2,982,200	3,348,203	6,330,403	2,226,200	4,104,203	35.2%
Use of goods and services	9,380,894	2,549,710	11,930,604	9,246,100	2,684,504	77.5%
Transfers to Other Government Units	79,871,500	72,714,868	152,586,368	86,436,368	66,150,000	56.6%
Other grants and transfers	37,633,130	7,188,771	44,821,901	13,820,335	31,001,566	30.8%
Acquisition of Assets	7,500,000	0	7,500,000	-	7,500,000	0.0%
Other Payments	0	5,000	5,000	-	5,000	0.0%
TOTALS	137,367,724	85,806,552	223,174,276	111,729,003	111,445,273	50.1%

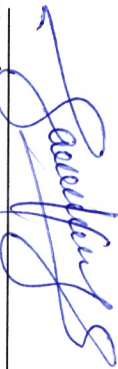
From the summary of appropriation statement, the overall budget performance stood at 50%. The low absorption of funds is explained below:

- i. **Compensation of Employees** were below 90% because of partly provision for service gratuity and partly due to underfunding.
- ii. **Use of goods and services** were below 90% because funding from the NG-CDF Board delayed hence delay in procurement and utilization of funds.
- iii. **Transfer to other government units** were below 90% because funding from the NG-CDF Board delayed hence delay in procurement and utilization of funds.

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

Other grants and transfers were below 90% because funding from the NG-CDF Board delayed hence delay in procurement and utilization of funds.

NGCDF - Banissa Constituency financial statements were approved on 19th March 2021 and signed by:



Fund Account Manager
Name: Yussuf Abdi



Sub-County Accountant
Name: Dickson C Kinyanjui
ICPAK Member Number: 13823

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BANISSA CONSTITUENCY
Reports and Financial Statements
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X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Actual Budget 2019/2020	Actual on account Budget	Actual on account Budget	Actual on account Budget
Compensation of Employees					
Compensation of employees	2,943,000	3,216,003	6,159,003	2,193,000	3,966,003
NHIF	-	72,000	72,000	-	72,000
NSSF	39,200	60,200	99,400	33,200	66,200
Sub-Total	2,982,200	3,348,203	6,330,403	2,226,200	4,104,203
Use of goods and services					
Adm - Use of goods and services	3,458,663	450,549	3,909,212	3,261,100	648,112
Adm - Committee allowances	1,801,200	880,762	2,681,962	1,095,000	1,586,962
M&E - Use of goods and services	1,730,050	183,400	1,913,450	1,875,000	38,450
M&E - Committee allowances	940,981	253,000	1,193,981	1,145,000	48,981
M&E - Capacity building	1,450,000	782,000	2,232,000	1,870,000	362,000
Sub-Total	9,380,894	2,549,711	11,930,605	9,246,100	2,684,505
Transfers to Other Government Units					
Primary school Desks	-	2,379,000	2,379,000	2,379,000	-
Diribor Primary School	-	498,300	498,300	498,300	-
Banissa Primary School	-	950,000	950,000	950,000	-
Lulis Primary School	-	1,500,000	1,500,000	1,500,000	-
Qaba Guto Primary	-	950,000	950,000	950,000	-
Hardawa Primary	-	2,850,000	2,850,000	2,850,000	-
Handarak Primary	-	950,000	950,000	950,000	-
Yattani Primary	-	1,200,000	1,200,000	1,200,000	-
Chiracha Primary	-	300,000	300,000	300,000	-
Haji Mohamed Primary	-	950,000	950,000	950,000	-
Haji Mohamed Primary	-	2,270,000	2,270,000	2,270,000	-
Eymole Primary School	-	800,000	800,000	800,000	-
Eymole Primary School	-	950,000	950,000	950,000	-
Dakarbor Primary School	-	950,000	950,000	950,000	-
Gesreb Primary School	-	950,000	950,000	950,000	-
Khatis Primary School	-	950,000	950,000	950,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BANISSA CONSTITUENCY
Reports and Financial Statements
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Dambala Galle Primary	-	950,000	950,000	950,000	950,000	-
Birkan Primary School	-	950,000	950,000	950,000	950,000	-
Garbi Primary School	-	950,000	950,000	950,000	950,000	-
Garse Bibi Primary	-	950,000	950,000	950,000	950,000	-
Funan Teso Primary	-	950,000	950,000	950,000	950,000	-
Bulla Fullay Primary	-	300,000	300,000	300,000	-	950,000
Kiliwehiri Primary	-	1,000,000	1,000,000	1,000,000	1,000,000	-
Dirbor Primary School	-	3,000,000	3,000,000	3,000,000	3,000,000	-
Derkhalé Primary School	-	1,300,000	1,300,000	1,300,000	1,300,000	-
Derkhalé Primary School	-	750,000	750,000	750,000	750,000	-
Kukub Primary School	-	950,000	950,000	950,000	950,000	-
Qordobo Abero Primary	-	950,000	950,000	950,000	950,000	-
Tarama Primary School	-	1,300,000	1,300,000	1,300,000	1,300,000	-
Farjan Primary School	-	950,000	950,000	950,000	950,000	-
Hulow Primary School	-	1,500,000	1,500,000	1,500,000	1,500,000	-
Soroba Primary School	-	950,000	950,000	950,000	950,000	-
Doomal Primary School	-	300,000	300,000	300,000	300,000	-
Chorogo Primary School	-	1,500,000	1,500,000	1,500,000	1,500,000	-
Qoigot Primary School	-	950,000	950,000	950,000	950,000	-
Kiliwehiri Secondary	-	453,000	453,000	453,000	453,000	-
Banissa Girls Secondary	-	453,000	453,000	453,000	453,000	-
Guba Secondary	-	301,000	301,000	301,000	301,000	-
Banissa Girls Secondary	-	301,000	301,000	301,000	301,000	-
Kiliwehiri Secondary	-	301,000	301,000	301,000	301,000	-
Wayam Secondary	-	301,000	301,000	301,000	301,000	-
Banissa Mix Day Sec School	-	301,000	301,000	301,000	301,000	-
Banissa Mix Day Sec School	-	4,000,000	4,000,000	4,000,000	4,000,000	-
Wayam Secondary School	-	4,000,000	4,000,000	4,000,000	4,000,000	-
Kiliwehiri Secondary	-	3,950,000	3,950,000	3,950,000	3,950,000	-
Wayam Secondary School	-	1,526,568	1,526,568	1,526,568	1,526,568	-
Banissa Girls Secondary	-	3,500,000	3,500,000	3,500,000	3,500,000	-
Kiliwehiri Secondary	-	3,500,000	3,500,000	3,500,000	3,500,000	-
Malkamari Secondary	-	1,500,000	1,500,000	1,500,000	1,500,000	-
Guba Secondary School	-	2,200,000	2,200,000	2,200,000	2,200,000	-
Health Vote book Balance	-	1	1	1	-	1
Wayam Secondary	-	4,600,000	4,600,000	4,600,000	4,600,000	-
Banissa Mixed Day Sec	-	1,680,000	1,680,000	1,680,000	1,680,000	-

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

Primary School School Desks	4,300,500	-	4,300,500	4,300,500	-
Mata Arba Primary School	1,250,000	-	1,250,000	-	1,250,000
Kalim Primary School	1,250,000	-	1,250,000	-	1,250,000
Sigirso Primary School	1,250,000	-	1,250,000	-	1,250,000
Andarak Primary School	1,250,000	-	1,250,000	-	1,250,000
Hardawa Primary School	1,650,000	-	1,650,000	-	1,650,000
Chiracha Primary School	1,200,000	-	1,200,000	-	1,200,000
Lulis Primary School	700,000	-	700,000	-	700,000
Yattani Primary School	700,000	-	700,000	-	700,000
Yattani Primary School	300,000	-	300,000	-	300,000
Lulis Primary School	950,000	-	950,000	-	950,000
Derkhale Primary School	1,250,000	-	1,250,000	-	1,250,000
Bode Primary School	1,250,000	-	1,250,000	-	1,250,000
Dakar Primary School	1,250,000	-	1,250,000	-	1,250,000
Qorobo Shaba Primary School	950,000	-	950,000	-	950,000
Diribor Primary School	2,100,000	-	2,100,000	-	2,100,000
Tarama Primary School	1,600,000	-	1,600,000	-	1,600,000
Tarama Primary School	2,500,000	-	2,500,000	-	2,500,000
Goljo Primary School	1,200,000	-	1,200,000	-	1,200,000
Sukela Suga Primary School	1,250,000	-	1,250,000	-	1,250,000
Kukuba Primary School	1,800,000	-	1,800,000	-	1,800,000
Diribor Primary School	2,500,000	-	2,500,000	-	2,500,000
Urile Primary School	950,000	-	950,000	-	950,000
Bulla Fullay Primary School	1,600,000	-	1,600,000	-	1,600,000
Achini Primary School	950,000	-	950,000	-	950,000
Eymole Primary School	1,250,000	-	1,250,000	-	1,250,000
Birkan Primary School	1,200,000	-	1,200,000	-	1,200,000
Umur Primary School	1,250,000	-	1,250,000	-	1,250,000
Gaba Guto Primary School	1,250,000	-	1,250,000	-	1,250,000
Funan Teso Primary School	1,250,000	-	1,250,000	-	1,250,000
Khotkhot Primary School	1,250,000	-	1,250,000	-	1,250,000
Khatis Primary School	1,200,000	-	1,200,000	-	1,200,000
Shobtoy Primary School	1,250,000	-	1,250,000	-	1,250,000
Malkamari Primary School	950,000	-	950,000	-	950,000
Doomal Primary School	1,500,000	-	1,500,000	-	1,500,000
Soroba Primary School	1,250,000	-	1,250,000	-	1,250,000
Hullow Primary School School	1,100,000	-	1,100,000	-	1,100,000

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

Malkaroga Primary School	1,300,000	-	1,300,000	-	1,300,000	-	1,300,000
Muratelo Primary School	950,000	-	950,000	-	950,000	-	950,000
Chorogo Primary School	1,300,000	-	1,300,000	-	1,300,000	-	1,300,000
Jibal Primary School School	1,250,000	-	1,250,000	-	1,250,000	-	1,250,000
Secondary School Lockers & Chairs	3,150,000	-	3,150,000	-	3,150,000	-	-
Banissa Girls Secondary	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000
Banissa Girls Secondary	700,000	-	700,000	-	700,000	-	700,000
Banissa Girls Secondary	429,750	-	429,750	-	429,750	-	-
Wayam Secondary School	1,000,000	-	1,000,000	-	1,000,000	-	1,000,000
Wayam Secondary School	716,250	-	716,250	-	716,250	-	-
Banissa Mix Day Secondary	1,675,000	-	1,675,000	-	1,675,000	-	-
Kilwehiri Secondary	700,000	-	700,000	-	700,000	-	700,000
Kilwehiri Secondary	950,000	-	950,000	-	950,000	-	950,000
Smr Chief Abdullahi Girls Sec	2,200,000	-	2,200,000	-	2,200,000	-	2,200,000
Smr Chief Abdullahi Girls Sec	1,100,000	-	1,100,000	-	1,100,000	-	-
Kilwehiri Secondary	2,500,000	-	2,500,000	-	2,500,000	-	-
Malkamari Secondary	1,200,000	-	1,200,000	-	1,200,000	-	1,200,000
Malkamari Secondary	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
Guba Secondary	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
Guba Secondary	1,100,000	-	1,100,000	-	1,100,000	-	-
Sub-Total	79,871,500	72,714,869	152,586,369	86,436,368	66,150,001	-	-
Other grants and transfers							
Emergency	7,198,241	364,959	7,563,201	-	7,528,000	-	35,201
Bursary Secondary School	8,003,388	383,201	8,386,589	-	8,386,589	-	8,386,589
Bursary Tertiary School	18,000,001	1,506,069	19,506,070	-	1,500,000	-	18,006,070
Banissa Constituency Sports Tournament	-	373,335	373,335	-	373,335	-	-
Kilwehiri DCC Office	-	300,000	300,000	-	300,000	-	300,000
Malkamari Chief's Office	-	1,300,000	1,300,000	-	1,300,000	-	-
Malkamari AP	-	600,000	600,000	-	600,000	-	-
Banissa AP Camp	-	300,000	300,000	-	300,000	-	-
Banissa Sub County Treasury	-	1,500,000	1,500,000	-	1,500,000	-	-
Banissa Primary School	-	561,206	561,206	-	561,206	-	561,206
Banissa Chief's Office	1,600,000	-	1,600,000	-	1,600,000	-	1,600,000
Guba Chief's Office	1,300,000	-	1,300,000	-	1,300,000	-	1,300,000
Guba Police Station	500,000	-	500,000	-	500,000	-	500,000
Wayam Secondary School	324,000.00	-	324,000	-	324,000.00	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BANISSA CONSTITUENCY
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Kukuba Primary School	395,000.00	-	395,000	395,000.00	-
Banissa Constituency Sports Tournament	312,500.00	-	312,500	-	312,500
Sub-Total	37,633,130	7,188,771	44,821,901	13,820,335	31,001,566
Acquisition of Assets					
Acquisition of Assets	7,500,000	-	7,500,000	-	7,500,000
Sub-Total	7,500,000	-	7,500,000	-	7,500,000
10.0 OTHERS					
Other Payment Balance(2013/14fy)	-	5,000	5,000	-	5,000
Sub-Total	-	5,000	5,000	-	5,000
GRAND TOTALS	137,367,724	85,806,554	223,174,278	111,729,003	111,445,275

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BANISSA CONSTITUENCY**

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XI. 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-Banissa Constituency. The financial statements encompass the Banissa NG-CDF 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 Banissa NG-CDF for all the years presented.

a) Recognition of Receipts

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

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.

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 Banissa NG-CDF.

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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

The Banissa NG-CDF recognises all payments when the event occurs and the related cash has actually been paid out by the Banissa NG-CDF.

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 the Banissa NG-CDF 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) –
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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Banissa NG-CDF 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 Banissa NG-CDF 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 Banissa NG-CDF 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) –
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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BANISSA CONSTITUENCY**

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDF Board		
AIE NO. 2015/2016/1013		54,784,483
AIE NO. 2016/2017/092		700,000
		9,000,000
		10,000,000
AIE NO. 2014/2015/541		10,000,000
AIE NO. 2016/2017/354		12,000,000
AIE NO. 2016/2017/491		13,000,000
AIE NO.B041029	54,740,875.50	
AIE NO.B047363	4,000,000.00	
AIE NO.B041437	20,000,000.00	
AIE NO. B047855	6,000,000.00	
AIE NO. B104238	15,000,000.00	
AIE NO. B049226	15,000,000.00	
AIE NO. B096529	8,000,000.00	
TOTAL	122,740,876	109,484,483

2. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,193,000	2,746,360
Pension and other social security contributions (NSSF)	33,200	13,400
Total	2,226,200	2,759,760

3. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Allowances	1,095,000	932,000
Other Committee Expenses	1,145,000	820,000
Training expenses	1,870,000	568,000
Office and general supplies and services	3,261,100	2,444,953
Other operating expenses	1,875,000	1,034,482
Total	9,246,100	5,799,435

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

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	42,897,800	28,945,000
Transfers to secondary schools	43,538,568	10,000,000
TOTAL	86,436,368	38,945,000

5. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	-	7,000,000
Bursary – tertiary institutions	1,500,000	14,000,000
Security projects	3,700,000	3,200,000
Sports projects	1,092,335	700,000
Environment projects	-	1,175,000
Emergency projects	7,528,000	5,943,000
Total	13,820,335	32,018,000

6A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Mandera Branch Banissa NG-CDF-A/C no. 1000296633736</i>	41,777,549	30,765,677
	-	-
Total	41,777,549	30,765,677

7. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	30,765,677	803,388
Total	30,765,677	803,388

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

8. OTHER IMPORTANT DISCLOSURES

8.1: UNUTILIZED FUND (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	4,104,203	3,348,203
Use of goods and services	2,684,504	2,549,710
Amounts due to other Government entities	66,150,000	72,714,868
Amounts due to other grants and other transfers	31,001,566	7,188,771
Acquisition of assets	7,500,000	-
Others	5,000	5,000
Total	111,445,273	85,806,552

8.2: PMC account balances (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances	85,888	40,467
Total	85,888	40,467

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ANNEX 1 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2019/2020	Outstanding Balance 2018/2019
Compensation of employees	NG-CDFC staffs salaries	-	3,348,203
Use of goods & services	Committee sitting allowances, travel and subsistence and other general office administrations	-	2,549,710
Compensation of employees	NG-CDFC staffs salaries	4,104,203	-
Use of goods & services	Committee sitting allowances, travel and subsistence and other general office administrations	2,684,505	-
Amounts due to other Government entities			
Health Vote book Balance	Votebook Balance	1	1
Primary school Desks	540 number 3-seater desks	-	2,379,000
Diribor Primary School	Purchase and Delivery of 33 Number Double Decker Beds	-	498,300
Banisa Primary School	Construction of 1No. Classroom	-	950,000
Lulis Primary School	Construction of 50M ³ Masonry Water Tank	-	1,500,000
Qaba Guto Primary	Construction of 1No. Classroom	-	950,000
Hardawa Primary	Construction of 3No. Classrooms	-	2,850,000
Handarak Primary	Construction of 1No. Classroom	-	950,000
Yattani Primary	Construction of Administration Block	-	1,200,000
Chiracha Primary	Construction of Twin Toilets	-	300,000
Haji Mohamed Primary	Construction of 1No. Classroom	-	950,000
Haji Mohamed Primary	Concrete Chain Link Fencing of 1300 Meters school compound	-	3,950,000
Eymole Primary School	Renovation works to Dormitory	-	800,000
Eymole Primary School	Construction of 1No. Classroom	-	950,000
Dakarbor Primary School	Construction of 1No. Classroom	-	950,000
Gesreb Primary School	Construction of 1No. Classroom	-	950,000
Khatis Primary School	Construction of 1No. Classroom	-	950,000
Dambala Galle Primary	Construction of 1No. Classroom	-	950,000
Birkan Primary School	Construction of 1No. Classroom	-	950,000

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Garbi Primary School	Construction of 1No. Classroom	-	950,000
Garse Bibi Primary	Construction of 1No. Classroom	-	950,000
Funan Teso Primary	Construction of 1No. Classroom	950,000	950,000
Bulla Fullay Primary	Construction of 1No. Classroom	300,000	300,000
Kiliwehiri Primary	Renovation Works to 4 Classrooms	-	1,000,000
Dirbor Primary School	Construction of 80 Bed Dormitory	-	3,000,000
Derkhale Primary School	Construction of Kitchen & Store	-	1,300,000
Derkhale Primary School	Renovation Works to 3 Classrooms	-	750,000
Kukrub Primary School	Construction of 1No. Classroom	-	950,000
Qordobo Abero Primary	Construction of 1No. Classroom	-	950,000
Tarama Primary School	Construction of Kitchen & Store	-	1,300,000
Fargan Primary School	Construction of 1No. Classroom	-	950,000
Hulow Primary School	Construction of 50M ³ Masonry Water Tank	-	1,500,000
Soroba Primary School	Construction of 1No. Classroom	-	950,000
Doomal Primary School	Construction of Twin Toilets	-	300,000
Choroqo Primary School	Construction of 50M ³ Masonry Water Tank	-	1,500,000
Qotgot Primary School	Construction of 1No. Classroom	-	950,000
Kiliwehiri Secondary	Purchase and Delivery of 30 Number Double Decker Beds	-	453,000
Banisa Girls Secondary	Purchase and Delivery of 30 Number Double Decker Beds	-	453,000
Guba Secondary	Purchase and Delivery of 43 number Lockers and Chairs	-	301,000
Banisa Girls Secondary	Purchase and Delivery of 43 number Lockers and Chairs	-	301,000
Kiliwehiri Secondary	Purchase and Delivery of 43 number Lockers and Chairs	-	301,000
Wayam Secondary	Purchase and Delivery of 43 number Lockers and Chairs	-	301,000
Banisa Mix Day Sec School	Purchase and Delivery of 43 number Lockers and Chairs	-	301,000
Banisa Mix Day Sec School	Concrete Chain Link Fencing of 1315 Meters school compound	-	4,000,000
Wayam Secondary School	Concrete Chain Link Fencing of 1315 Meters school compound	-	4,000,000
Kiliwehiri Secondary	Concrete Chain Link Fencing of 1300 Meters school compound	-	3,950,000
Wayam Secondary School	Construction of Library	-	1,526,568
Banisa Girls Secondary	Construction of Science Laboratory	-	3,500,000
Kiliwehiri Secondary	Construction of Science Laboratory	-	3,500,000

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Malkamari Secondary	Construction of 50M ³ Masonry Water Tank	-	1,500,000
Guba Secondary School	Construction of 2No. Classrooms (Kshs 1,900,000) and Twin Toilets (Kshs 300,000)	-	2,200,000
Wayam Secondary School	Concrete Fencing of School Compound (Phase II)	-	4,600,000
Mata Arba Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Kalim Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Sigirso Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Andarak Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Hardawa Primary School	Construction of 30 M ³ Underground Water Tank to completion (1,200,000) & 3-Door Pit Latrine to completion (450,000)	1,650,000	-
Chiracha Primary School	Construction of Kitchen and Store	1,200,000	-
Lulis Primary School	Construction of staff room to completion	700,000	-
Yattani Primary School	Construction of staff room to completion	700,000	-
Yattani Primary School	Construction of 2-Door Pit Latrine to completion	300,000	-
Lulis Primary School	Construction of One Number Classroom to completion	950,000	-
Derkhale Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Bode Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Dakar Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Qorobo Shaba Primary School	Construction of One Number Classroom to completion	950,000	-
Diribor Primary School	Construction of 3-Room Administration Block to completion (1,500,000) & 4-Door Pit Latrine to completion (600,000)	2,100,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BANISSA CONSTITUENCY
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Tarama Primary School	Construction of 2-Room Staff Houses to completion (1,300,000) & 2-Door Pit Latrine to completion (300,000)	1,600,000	-
Tarama Primary School	Construction of Chain link fence with Concrete posts of 800M length (2,050,000) Construction of Guard House (300,000), Gate Wall of 6M & Gate (150,000)	2,500,000	-
Goljo Primary School	Construction of Kitchen and Store	1,200,000	-
Sukela Sugza Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Kukruba Primary School	Construction of 3-Room Administration Block to completion (1,500,000) & 2-Door Pit Latrine to completion (300,000)	1,800,000	-
Diribor Primary School	Construction of Chain link fence with Concrete posts of 800M length (2,050,000) Construction of Guard House (300,000), Gate Wall of 6M & Gate (150,000)	2,500,000	-
Urtile Primary School	Construction of One Number Classroom to completion	950,000	-
Bulla Fullay Primary School	Construction of One Number Classroom to completion (950,000) and additional Funds for One Number Classroom (650,000) to completion	1,600,000	-
Achini Primary School	Construction of One Number Classroom to completion	950,000	-
Eymole Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Birkan Primary School	Renovation works to 80 Bed Capacity Dormitory (Repairing wall cracks, floor cracks, Roofing works, replacing broken doors and Windows, painting works and labeling)	1,200,000	-
Umur Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Gabba Guto Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Funan Teso Primary School	Construction of 2 Room Administration Office to completion	1,250,000	-
Khoikhhot Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Khatiss Primary School	Construction of 30 M ³ Underground Water Tank to completion	1,200,000	-

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Shobtoy Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Malkamari Primary School	Construction of One Number Classroom to completion	950,000	-
Doomal Primary School	Construction of 50 M ³ Underground Water Tank to completion	1,500,000	-
Soroba Primary School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Hullow Primary School	Renovation works to 4 Classroom	1,100,000	-
Malkaroga Primary School	Construction of 2-Room Staff Houses to completion	1,300,000	-
Muratelo Primary School	Construction of One Number Classroom to completion	950,000	-
Choroqo Primary School	Construction of 2-Room Staff Houses to completion	1,300,000	-
Jibal Primary School School	Construction of One Number Classroom to completion (950,000) & 2-Door Pit Latrine to completion (300,000)	1,250,000	-
Banisa Girls Secondary	Construction of 80 Bed Capacity Dormitory Phase I	2,000,000	-
Banisa Girls Secondary	Completion of Science Laboratory (Benches, Drainage works, Gas systems, Painting works, Labeling)	700,000	-
Wayam Secondary School	Completion of School Library (Partitioning of Book Store, Serving area, Reading Area, shelves, Roofing, Painting)	1,000,000	-
Kiliwehiri Secondary	Completion of Science Laboratory (Benches, Drainage works, Gas systems, Painting works, Labeling)	700,000	-
Kiliwehiri Secondary	Construction of One Number Classroom to completion	950,000	-
Snr Chief Abdullahi Girls Sec	Construction of Two Number Classrooms to completion (1,900,000) & 2-Door Pit Latrine to completion (300,000)	2,200,000	-
Malkamari Secondary	Construction of 2 Room Administration Office to completion	1,200,000	-
Malkamari Secondary	Construction of Chain link fence with Concrete posts of 800M length (2,050,000) Construction of Guard House (300,000), Gate Wall of 6M & Gate (150,000)	2,500,000	-
Guba Secondary	Construction of 5 Room Administration Office to completion	2,500,000	-
Sub-Total		66,150,001	72,714,869
Amounts due to other grants and other transfers			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BANISSA CONSTITUENCY
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Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	35,201	364,960
Bursary Secondary School	Provision of bursary awards to needy students in secondary education institutions.	8,386,589	383,201
Bursary Tertiary Institutions	Provision of bursary awards to needy students in Tertiary institutions.	18,006,070	1,506,069
Bansia Primary School	Purchase, Planting watering and fencing of Trees at Takaba Primary School	561,206	561,206
Banisa Constituency Sports Tournament	Supply of uniforms, balls and Trophies to Banisa Constituency Sports Tournament	-	373,335
Kilwehiri DCC Office	Construction of Twin Toilets	300,000	300,000
Malkamari Chief's Office	Construction of Chief's Office	-	1,300,000
Malkamari AP	Renovation works to 50M ³ Masonry Water Tank	-	600,000
Banisa AP Camp	Construction of Twin Toilets	-	300,000
Banisa Sub County Treasury	Construction of Banisa Sub County Treasury Offices	-	1,500,000
Banisa Chief's Office	Construction of 2 Room Administration Office to completion (1,300,000) & 2-Door Pit Latrine to completion (300,000)	1,600,000	-
Guba Chief's Office	Construction of 2 Room Administration Office to completion	1,300,000	-
Guba Police Station	Construction of 4-Door Pit Latrine	500,000	-
Banisa Constituency Sports Tournament	Supply of uniforms, balls and Trophies to Banisa Constituency Sports Tournament	312,500	-
Sub-Total		31,001,566	7,188,771
Acquisition of Assets			
Banisa Constituency NG-CDF Office	Construction of NG-CDF Office Phase I	7,500,000	-
Sub-Total		7,500,000	-
Others (specify)			
Other Payment Balance(2013/14fy)	Balance on the allocation of office furniture 2013/14fy	5,000	5,000
Sub-Total		5,000	5,000
Grand Total		111,445,275	85,806,555

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

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,179,000.00	-	-	1,179,000.00
ICT Equipment, Software and Other ICT Assets	816,000.00	-	-	816,000.00
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	1,995,000.00	-	-	1,995,000.00

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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
TARBAY PRIMARY SCHOOL PMC	Equity	1000168061251	-	1,960
GUBA PRIMARY SCHOOL PMC	Equity	1000269218905	1,050	4,700
HULLOW PRIMARY SCHOOL PMC	Equity	1000167978549	-	790
DOMAL PRIMARY SCHOOL	Equity	1020162628797	-	1,565
MARILLE PRIMARY SCHOOL	Equity	1020163305584	-	1,230
TARAMA PRIMARY SCHOOL	Equity	1000163823927	3,887	4,207
MALKAMARI SECONDARY	Equity	1000269270979	6,402	9,447
WAYAM SECONDARY SCHOOL	Equity	1000264028052	14,570	12,410
TARBAY PRIMARY SCHOOL	Equity	1000168061251	-	360
HAJI MOHAMED GIRA PRIMARY	Equity	1020163288781	2,137	84
BANISA PRIMARY SCHOOL	Equity	1020162592210	980	3,714
BANISA GIRLS SECONDARY	Equity	1000269196157	4,900	-
BANISA MIXED DAY SECONDARY	Equity	1000264570442	51,962	-
Total			85,888	40,467

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 1.0	<p>4.1 Cash and Cash Equivalent The National Government Constituency Development Fund - Banissa maintained one bank account No. A/C 100026939394 with Equity Bank with a bank balance of Ksh.31,922,167.43 as at 30 June, 2017. The balance was supported by certificate of bank balances, cash book, bank statement and bank reconciliation statement. However, a review of the bank reconciliation statement for the month of June 2017 revealed stale cheques amounting to Kshs.564,500 reflected as payments in Cash Book not yet recorded in the Bank Statement (Unrepresented Cheques). Some of the cheques which were paid to various learning institutions being payment of bursaries to needy students and Kenya Revenue Authority were continued reflected as unrepresented cheques. It was not clear why the cash book had not been updated.</p>	<p>The stale cheques of Kshs 564,500 were payments to various institutions of learning and statutory bodies. However the institutions delayed in presenting the cheques on time to be honoured by the Drawee bank. We have since replaced some of the stale cheques and credited back to the cash book as shown in the attached cash book extract and NG CDFC Minutes. We have however discussed that in subsequent financial year the Fund will use efficient way to address the issue of unrepresented cheques</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>	

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<p>Paragraph 2.0</p>	<p>4.2 Award of Contracts for Primary School Projects Examination of payment vouchers and other records relating to procurement of projects revealed that an amount of Kshs. 12,500,000 transferred as grants for primary school projects had he following anomalies; No contract agreement created as form of agreement was not executed by both parties in the contract against section 235 (2) of the Public Procurement and Asset Disposal Act, 2015 which requires accounting officers to enter into a written contract with the persons submitting the successful tenders There was no evidence availed to show that Certificate of practical completion was not availed for audit review. No evidence to show that money for defects was retained. Bill of quantities were not signed by the tender committee on one or more pages as required by the public procurement and disposal Act, 2015 Some projects were not labeled as at time of audit verification. It was therefore not possible to confirm whether the projects relate to the financial year under review or implemented by another entity. The NGCDF procured and supplied office furniture to six primary schools</p>	<p>The NG CDF Act, 2015 section 36(1) provides for the implementation of the Projects through Project Management Committees at the Constituency level Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the PMCs lack the capacity to properly document all procurement procedures. The fund has since identified the need to capacity build all PMCs. Tender opening register form, contract agreement, practical completion certificates and delivery notes were in the files maintained by the PMCs and are now made available for audit verification Notification of Grant is sent out to the PMCs detailing the guidelines to be used in procuring the project</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>
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<p>Paragraph 3.0</p>	<p>within the constituency at a cost of Kshs.3,000,000. The items were procured through Quotations. The Quotations were however opened by only one person, the Secretary to the Project Management Committee an indication that there was no competitive procurement procedures. A visit to some of the schools revealed the furniture was supplied and in use. However, there were no signed distribution lists or delivery notes showing the recipient of the furniture. It was also noted that the furniture was not labeled to show the name of the NGCDF and the Financial Year the items were procured. It was therefore not possible to confirm whether the project related to the Financial Year or the items were supplied by other entities</p> <p>4.3 Award of Contracts for Secondary School Projects A review of the project files revealed that they lacked vital documents such as evaluation reports, certificate of practical completions, inspection and acceptance committee reports and contract agreement signed between the PMC and the contractors. There was no tender opening register maintained by the</p>	<p>The NG CDF Act, 2015 section 36(1) provides for the implementation of the Projects through Project Management Committees at the Constituency level. Notification of grants are sent out to PMCs once projects are approved and funds released which contain detailed instructions on how the PMCs should conduct the procurement based on the applicable Procurement laws in place. However, the PMCs lack the capacity to properly document all procurement procedures. The fund has since identified the need to capacity</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>	
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	<p>Project management committees to show that they actually sat and deliberated on the said procurements. Tender notices did not set the criteria to be used in the evaluation of the tenders. The original Bills of Quantities for some of the projects were not made available for audit review. It was also noted that Confidential Business Questionnaires were not properly filled as required by the procurement Laws.</p>	<p>build all PMCs. - Tender analysis was done and that the evaluation minutes with criteria was indeed used as the basis for recommending the successful bidder - Tender opening register form, contract agreement, practical completion certificates and Original Bill of Quantities were in the files maintained by the PMCs and are now made available for audit verification - Inspection and acceptance committee was constituted as per PPDA 2015 section 48 and the committee verified the works as having being satisfactorily been completed - Notification of Grant is sent out to the PMCs detailing the guidelines to be used in procuring the project</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>	
<p>Paragraph 4.0</p>	<p><u>4.4 Unaccounted For Monitoring And Evaluation</u> Lists of projects visited during the monitoring and evaluation exercise and the progress reports on the status of the projects visited were not produced for audit scrutiny. Temporary work tickets, contract agreements, copies of the log books, insurance covers and drivers driving licenses for the vehicles purported to have been hired for the exercise were not attached to the payment vouchers or made available for audit review</p>	<p>Lists of projects visited during the monitoring and evaluation exercise, progress reports on the status of the projects visited, Temporary work tickets, contract agreements, copies of the log books, insurance covers and drivers driving licenses for the vehicles hired were in the Monitoring & Evaluation file at the time of the audit and are now made available for audit review</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>	

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<p>Paragraph 5.0</p>	<p>4.5 Unaccounted For Bursary Expenses However, examination of payment vouchers and its supporting documents revealed that an amount of Kshs.2,885,440 disbursed to various institutions has not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions Further, cheque dispatch register was not maintained to record the cheques that were issued out, It was also noted that the payment schedules did not indicate the level of studies for the beneficiaries and the minutes of the bursary vetting committee were neither attached to the payment vouchers nor availed for audit review.</p>	<p>The cheques attached with covering letter and beneficiaries list is physically delivered to the Institutions however, some of the Institutions delay in acknowledging the cheque payments as they wait the funds to be credited into their account. The fund managed to get official receipts/acknowledgement for some of the amounts being queried and we are making efforts to ensure all receipts of funds are fully accounted for by the recipient institutions in the future. Further cheques are physically delivered to different Institutions across the Republic and Institutions acknowledge receipt by way of Issuing official fees receipt/or stamp the copy of the cheque and the beneficiary list hence acts as dispatch record. It's a requirement that all applicants indicate their names, institution, level of study and registration number in the application form. All payment schedules indicate names of the bursary beneficiaries and sometimes due to regular updating of the list, the payment schedule may have one or two beneficiaries with level of studies missing Vetting of the beneficiaries is done by the NG CDFC and minutes are maintained as proof of vetting done</p>	<p>Resolved</p>	<p>NG-CDF Fund Account Manager</p>
<p>Paragraph 6.0</p>	<p>4.6 Appointment of the Constituency Oversight Committee It was observed that constituency oversight committee was not appointed as at the time of audit</p>	<p>The fund has initiated the process of complying with the National Government Constituency Development Act, 2015 and it is Regulation, 2016 by writing to the Area Member of Parliament on the requirement of the Law by appointing constituency oversight committees.</p>	<p>Resolved</p>	<p>NG-CDF Fund Account Manager</p>

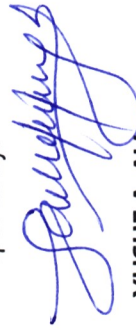
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<p>Paragraph 7.0</p>	<p>4.7 on -Maintenance of financial and accounting records for PMCs Records of the bank accounts held by the various project Management committees were not maintained by National Government Development Fund – Bainsa. No PMC's Bank Statements and cash books were maintained subsequently no reconciliations were carried out for the PMCs accounts</p>	<p>The accounting records were not maintained due to lack of capacity by the PMCs in the Constituency. However PMCs have been advised to maintain records of all projects implemented such as bank statements, cash books and reconciliations</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>	
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<p>Paragraph 8.0</p>	<p>4.8 Budget Control and Performance Out of the Kshs.155,128,695.09 budgeted for the financial year under review, an amount of Kshs.72,732,143.37 was unspent balance from the financial year 2015/2016. The above analysis reflects actual receipts of Kshs.161,051,765 against budgeted amount of Kshs.161,751,765 resulting in a short fall of Kshs.700,000 or 0.5% of funds budgeted for the year. Further, the National Government Constituency Development Fund - Banisa incurred an under expenditure of Kshs.129,129,599 resulting to under expenditure of Kshs.32,622,166 or 20% of the approved budget.</p>	<p>The delay in disbursement of all budgeted funds from the board made the fund unable to meet its expenditure needs fully. We have since brought the same to the attention of the Board to ensure release of all budgeted funds to realize implementation of projects for the benefit of the constituents</p>	<p>NG-CDF Fund Account Manager</p>	<p>Resolved</p>	
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Prepared by:



YUSUF A. ALI
FUND ACCOUNT MANAGER
BANISSA

Date: 19th March 2021

