

REPUBLIC OF KENYA



*Enhancing Accountability*

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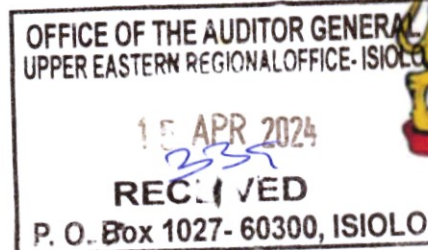
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ON

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

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

*Revised Template 30<sup>th</sup> June 2023*



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**LAISAMIS CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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I. Acronyms and Abbreviations

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management committee

FY-Financial Year

AIE – Authority to incur Expenditure

ICT – Information communication and Technology

CATs – Continuous assessment tests

## II. Key Constituency Information and Management

### (a) Background information

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

### Mandate

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

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

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

#### **Vision**

Equitable Socio-economic development countrywide

#### **Mission**

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

#### **Core Values**

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

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

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

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

The Laisamis Constituency NG-CDF day-to-day management is under the following key organs:

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

### **Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Salim Hassan Hussein
2.	Sub-County Accountant	David Kipsang
3.	Chairperson NGCDFC	Mpirawon Raphaela Neepe
4.	Member NGCDFC	Rehoboam Ltapanwa Letapo

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

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

#### **(d) Laisamis Constituency NG-CDF Headquarters**

Laisamis NGCDF  
P.O. Box 71-60500,  
Laisamis Deputy County Commissioner office,  
Marsabit Satellite office – Total Service Station building  
Marsabit, KENYA.,

#### **(e) Laisamis Constituency NG-CDF Contacts**

Telephone: (254) 720 108 050  
E-mail: [cdfkaisamis@ngcdf.go.ke](mailto:cdfkaisamis@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) Laisamis Constituency NGCDF Bankers**

Kenya Commercial Bank Ltd,  
Marsabit Branch  
P.O. Box 83  
Marsabit, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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



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

Laisamis Constituency is an electoral constituency in Kenya. It is one of four constituencies in Marsabit County. The entire constituency is located within Marsabit County area. The constituency was established for the 1988 elections.

Laisamis Constituency occupies the extreme southern/South Western part of Marsabit County in northern Kenya and has a total area of 20,290.50 sq. km. It borders North-Horr Constituency to the North, Saku to the North East, Samburu North to West and South. Laisamis Constituency lies between longitudes 36° 40' East and latitude 00° 15' South which is within the latitude 02° 45' North and 04° 27' North and longitude 37° 57' East and 39° 21' East which define the Marsabit County geographical coordinates.



RAPHAELA NEEPE  
CHAIRPERSON NG-CDFC

Laisamis constituency being a marginalised area with very high illiteracy levels, priority was given to education bursary that was allocated a budget of Ksh. 50,780,661 translating to 35% of the total annual budget Financial year 2022/2023 and Kshs. 730,143 balance brought forward from previous financial year.

The huge education budget targeting infrastructural development in schools and bursary has/lead to increased student enrolment in schools hence reducing illiteracy levels.

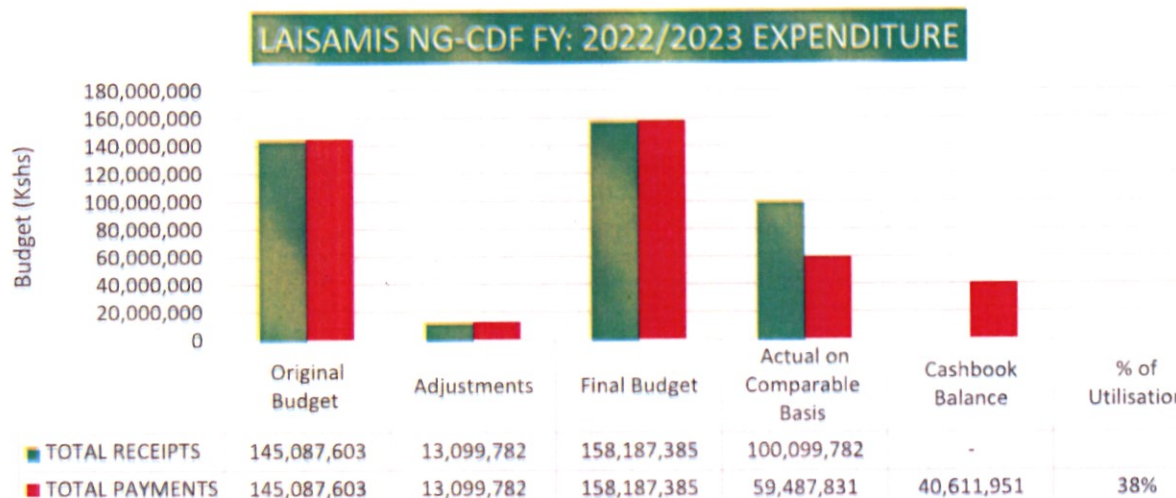
Laisamis NG-CDF had also facilitated construction of the first technical institution in the constituency that will go a long way in developing middle level skills in youth.

Laisamis NG-CDFC has made tremendous achievements since its inception in 2003 towards poverty eradication in the constituency and

more so in promotion of education standards in this marginalised part of the country.

I really thank my NG-CDFC for showing confidence in me to be their Chairman from 10<sup>th</sup> January 2023.

During the financial year 2022-2023, the Laisamis NG-CDF had been allocated Ksh. 145,087,603, and opening cashbook balance of Kshs. 13,099,782. The committed was able to utilized Kshs. 59,487,831 out of final budget Kshs. 100,099,782



The Laisamis NG-CDF had been allocated Ksh. 145,087,603 out of which, Ksh. 87,000,000 had been received by 30<sup>th</sup> June 2023. This resulted to low uptake of the funds as they were received from 3<sup>rd</sup> January to 15<sup>th</sup> June 2023 Kshs, 57,000,000 and Kshs. 30,000,000 between 16<sup>th</sup> to 30<sup>th</sup> June 2023 towards end of the financial year.

#### **Emerging Education issue**

- Competency Based Curriculum (CBC) education cycle
- Introduction of junior secondary school
- Communication and technology integration

#### **Challenge and way forward**

One of the key challenges is poor infrastructural facilities in most educational institutions as majority were constructed many years back. However, the NG-CDFC has initiated programmes to refurbish them. The NG-CDFC had also a big challenge in implementing/completing projects since only one-half of the annual budget had been received from NG-CDF Board by close of the year.

Laisamis NG-CDF was able to implement various development projects in the constituency which have added value to the services and development programmes essential for the achievement of social-economic progress in the society. In Line with Government Vision to realise economic growth in the regions, it has spurred vibrant life among local communities.

NG-CDF is making critical investments in public projects and the demands for NG-CDF projects is rising day by day. Laisamis NG-CDFC has paid over Kshs 50 Million in Bursary during the Financial year.

Despite its minimal annual allocation, NG-CDF had tried to balance the needs of the community and prioritized development activities at location and ward levels. Every two years Laisamis NG-CDFC conduct a public forum where members of the public gather to give their priority projects. Based on the priorities raised funds are allocated to implement various projects



*Figure 1: Ongoing Construction of NG-CDFC office at Laisamis Sub County HQ*

However Much NG-CDFC tries to balance the needs, still more challenges abound. These include increased needs due to awareness creations, minimal funding, competition over the scarce funds by various projects and communities, political influences from competitors and limited functions. Since NG-CDF is a National Government Fund, it is only allowed by Law to finance National Government functions.

As Laisamis NG-CDFC Chairlady I wish to give the following recommendations to the Government and other stakeholders to help NG-CDF realise its development dreams:

- That at least the NG-CDF funding be raised from the current 2.5% of the revenue to a higher percentage to ensure increased funding to support development projects at the grassroots. NG-CDF has since inception done wonderful grassroots development programmes.
- That NG-CDF be given an opportunity to partner with Donors and other development partners such as World Bank and International Donor Agencies to promote development projects in the communities.

  
.....  
**MPIRAWON RAPHAELA NEEPE**  
**CHAIRPERSON NG-CDF COMMITTEE**

#### IV. Statement of Performance Against Predetermined Objectives for FY:2022/2023

##### Introduction

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

The key development objectives of **Laisamis Constituency 2022-2027** plan are to:

1. Build a stronger education sector in Laisamis to support children and youth
2. Support security agencies in the Constituency for enhanced security
3. Strengthen social protection measures in the Constituency through increased registration into existing social protection programs
4. Key stakeholders are working in harmony for coordinated development interventions in the Constituency

#### V. Statement of Governance

The Laisamis NG-CDF is managed by the National Government Constituency Development Fund Committee. The NG-CDF Committee members are appointed in line with the existing NG-CDF regulations 2016 and NG-CDF Act 2015.

##### The Process of Appointment of NG-CDFC

The NG-CDF committee members are selected through an appointed NG-CDF committee Selection Panel Comprising of the following four persons:

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

After the formation of the selection panel, the officer of the Board seconded to the Constituency, within fourteen days of the first meeting of the selection panel invites applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

The NG-CDFC to be selected are required to meet the following criteria and qualifications:

- a) Is a citizen of Kenya;
- b) Is ordinarily a resident and a voter within the Constituency;
- c) Is able to read and write and to communicate in English and Kiswahili;
- d) meets the requirements of Chapter Six of the Constitution; and
- e) Is available to participate in the activities of a Constituency Committee.

Persons who have previously served in a Constituency Committee constituted under the Fund or served in a leadership position in the Community were deemed to have an added advantage.

Section 43(1), (2), (3), and (4) of National Government Constituency Development Fund (NG-CDF) Act state that: There is established a National Government Constituency Development Fund Committee for every constituency. Each Constituency Committee shall comprise of—

- (a) The national government official responsible for co-ordination of national government functions;
- (b) Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) Two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (d) One persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex official member without a vote.
- (g) One member co-opted by the National Government Constituencies Development Fund Board.

**Removal of NG-CDFC Members:**

A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practices;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

**Functions of the NG-CDF Committee**

- The functions of a Constituency Committee are to build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;

- Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building,
- Ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- Ensure that project reports are prepared and submitted to the Board;
- Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- Submit financial statements to the Board within sixty days of the end of the to enable the Board comply with section 39(4) of the Act; collaborate with the officer of the Board seconded

to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act; recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;

- Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain list of all the new projects commenced during the and their completion status; and a list of all projects approved, funded and commenced during previous s, and their completion status;
- Enter into performance contracting with the Board on an annual basis; in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- Receive returns from project management committees in accordance with regulation 15
- Maintain a database of project management committees and reports from the respective committees;
- Ensure that the reports referred to in paragraph are received before funding is released for each phase of the project being implemented;
- Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office;
- Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- Ensure that the committee does not enter into commitments for which funding has not been allocated;
- Ensure projects are labeled in accordance with the guidelines issued by the Board; and perform any other function assigned to it by the Board.

#### **Committee Meetings and Allowances**

Over the financial year 2022-2023, the Laisamis NG-CDFC Held a total of 24 Meetings to deliberate on the management issues and operations of the fund at the Constituency level. The NG-CDFC are paid a sitting allowance of Kshs.5000 per meeting for the members and Kshs.7000 per meeting for the NG-CDFC Chairpersons. The entity ensures that members declare their interest in management matters to avoid the conflict of interests.

#### **Ethics & conduct**

Members of NG-CDFC are required to observe the following ethical issues

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

During the financial year 2022/2023 members of NG-CDFC Laisamis adhered to the above ethical issues.

#### **Members Remuneration**

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

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

#### **Disclose Policy On Conflict of Interest**

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

#### **Risk Management**

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



Some of the risk mitigation strategies that NG-CDFC Laisamis has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NG-CDF act 2015 as amended 2016 and other laws and regulations to ensure an effective and efficient control system, ensuring that NG-CDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

## **VI. Environmental and Sustainability Reporting**

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

### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Laisamis NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NG-CDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

## **2. Environmental performance**

- Laisamis NG-CDF allocated all funds under environment project to construct latrines to improve hygiene and sanitations.
- Laisamis NG-CDF sponsored sporting activities that promote positive coexistent and cohesion among communities

## **3. Employee welfare**

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

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

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

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

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

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

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

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

NG-CDF has put in efforts to ensure:

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

## **5. Community Engagements-**

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

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

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

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

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

**Public Awareness**

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

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



.....  
SALIM HASSAN HUSSEIN

FUND ACCOUNT MANAGER

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Laisamis Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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


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

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form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Laisamis Constituency financial statements were approved and signed by the Accounting Officer on **8<sup>th</sup> September 2023**.



.....  
**Name: Mpirawon Raphaela Neepe**  
**Chairperson – NG-CDF Committee**



.....  
**Name: Salim Hassan Hussein**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laisamis Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the

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*Report of the Auditor General on National Government Constituencies Development Fund - Laisamis Constituency  
for the year ended 30 June, 2023*

statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **Unsupported Project Management Committee Account Balance**

Note 19.4 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.1,526,531, however, Annex 5 to the financial statements reflects a balance of Kshs.9,792,577 resulting to an un-explained variance of Kshs.8,266,046. Further, the balance has not been supported by cashbook and bank reconciliation statements.

In the circumstances, the accuracy and completeness of PMC bank balances of Kshs.1,526,531 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 - Laisamis Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

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

The summary statement of appropriation reflects final budgeted receipts of Kshs.158,187,385 and actual on comparable basis of Kshs.100,099,782 resulting to an under-funding of Kshs.58,087,603 or 37% of the budget.

However, the Fund spent a balance of Kshs.59,487,831 against actual receipts of Kshs.100,099,782 resulting to an under-utilization of Ksh.40,611,951 or 40% of the actual receipts.



In the circumstances, the under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters 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**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given indications of how and when the issues will be resolved.

#### **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. Non-Recruitment of Staff**

Review of summary statement of appropriation for the year ended 30 June, 2023 reflects approved budget of Kshs.3,223,144 in respect to compensation of employees. However, information provided by Management reflect that contracts for five (5) staff had lapsed on 31 July, 2022. Therefore, the Fund operated without staff contrary to Section 45(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which requires that the Constituency Committee may engage staff as may be necessary for execution of its functions.

In the circumstances, effective performance of NG-CDF functions as envisaged by the law could not be confirmed.

## **2. Delay in Implementation of Projects**

Review of project implementation status report provided for audit review reflects that ninety-seven (97) projects totalling Kshs.145,087,603 were budgeted for implementation in the year under review. However, forty-two (42) projects amounting to Kshs.79,798,182 had not been started, two (2) projects amounting to Kshs.250,000 were ongoing while only fifty-three (53) projects amounting to Kshs.65,039,421 were completed.

In the circumstances, the public did not obtain value for money from the forty-four (44) budgeted projects that were either not started or were on-going.

## **3. Vandalism of Classrooms**

As reported previously, two classrooms that had been constructed at Loglogo Mixed Day Secondary School in the year 2021-2022 at a cost of Kshs.2,900,000 were completed but not put to the intended use. Physical inspection carried out in the month of March, 2023 revealed that the building was vandalised and significant damage caused.

Physical inspection conducted in the month of March, 2024 confirmed additional vandalism of the classrooms and building where the doors and windows had been removed and part of the ceiling and iron sheets vandalized and stolen. The walls of the classroom building were cracked making the building unsafe for school use. Management explained that the vandalism in the year under review was reported to the relevant authorities and was under investigation.

In the circumstances, the value for money for this project which was completed but not put to intended use could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **Lack of Internal Audit Function**

As reported in the previous year, the Fund has not established an internal audit function. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. In addition, although the financial statements state that the Fund had constituted an Audit and Risk Management Committee to provide fiduciary oversight, there was no evidence of meetings to discuss audit reports and make recommendation.

In the circumstances, existence of an effective internal control at the Fund could not be confirmed.

The audit was conducted in accordance with SSAI 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 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 comply with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal control, 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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.

  
FCPA Nancy Gatunga, CBS  
AUDITOR-GENERAL

Nairobi

28 May, 2024

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

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


	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>87,000,000</b>	<b>182,177,758</b>
<b>Payments</b>			
Compensation Of Employees	4	310,704	2,440,536
Committee expenses	5	6,238,850	-
Use Of Goods and Services	6	1,667,982	13,024,727
Transfers To Other Government Units	7	-	88,000,000
Other Grants and Transfers	8	51,270,295	78,940,119
Acquisition Of Assets	9	-	8,182,073
Oversight Committee Expenses	10	-	-
Other Payments	11	-	500,000
<b>Total Payments</b>		<b>59,487,831</b>	<b>191,087,454</b>
<b>Surplus/ (Deficit)</b>		<b>27,512,169</b>	<b>(8,909,696)</b>

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


The Constituency financial statements were approved by the NG-CDFC on **8<sup>th</sup> September 2023** and signed by:

  
 Fund Account Manager

Name: Salim Hassan Hussein

  
 National Sub-County Accountant

Name: David Kipsang  
 ICPAK M/No: 17634

  
 Chairperson NG-CDF Committee

Name: Raphaela Neepe

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

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


	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	40,611,951	13,099,782
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>40,611,951</b>	<b>13,099,782</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>40,611,951</b>	<b>13,099,782</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	2,645,244
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>		<b>40,611,951</b>	<b>13,099,782</b>
<b>Net Financial Assets</b>		<b>40,611,951</b>	<b>10,454,538</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	13,099,782	19,364,234
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		27,512,169	(8,909,696)
<b>Net Financial Position</b>		<b>40,611,951</b>	<b>10,454,538</b>

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


The Constituency financial statements were approved by NG CDFC on **8<sup>th</sup> September 2023** and signed by:

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

**Name: Salim Hassan Hussein**

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

**Name: David Kipsang  
 ICPAK M/No: 17634**

  
 \_\_\_\_\_  
**Chairperson NG-CDF  
 Committee**

**Name: Raphaela Neepe**

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

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>87,000,000</b>	<b>182,177,758</b>
<b>Payments</b>			
Compensation Of Employees	4	310,704	2,440,536
Committee Expenses	5	6,238,850	-
Use Of Goods and Services	6	1,667,982	13,024,727
Transfers To Other Government Units	7	-	88,000,000
Other Grants and Transfers	8	51,270,295	78,940,119
Oversight Committee Expenses	10	-	-
Other Payments	11	-	500,000
<b>Total Payments</b>		<b>59,487,831</b>	<b>182,905,382</b>
<b>Total Receipts Less Total Payments</b>		<b>-</b>	<b>-</b>
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	538,879
<b>Net Cash Flow from Operating Activities</b>		<b>27,512,169</b>	<b>(188,744)</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(8,182,073)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(8,182,073)</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>27,512,169</b>	<b>(8,370,817)</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	12	<b>13,099,782</b>	<b>21,470,599</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	12	<b>40,611,951</b>	<b>13,099,782</b>



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

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

The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:



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Fund Account Manager

Name: Salim Hassan Hussein



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National Sub-County  
Accountant

Name: David Kipsang  
ICPAK M/No: 17634



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Chairperson NG-CDF  
Committee

Name: Raphaela Neepe

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	145,087,603	13,099,782	-	158,187,385	100,099,782	58,087,603	-
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
<b>Totals</b>	<b>145,087,603</b>	<b>13,099,782</b>	<b>-</b>	<b>158,187,385</b>	<b>100,099,782</b>	<b>58,087,603</b>	<b>63%</b>
<b>Payments</b>							
Compensation Of Employees	2,545,844	677,300	-	3,223,144	310,704	2,912,440	10%
Committee Expenses	5,685,412	628,802	-	6,314,214	6,238,850	75,364	99%
Use Of Goods and Services	4,826,628	-	-	4,826,628	1,667,982	3,158,646	35%
Transfers To Other Government Units	63,761,992	300,262	-	64,062,254	-	64,062,254	-
Other Grants and Transfers	62,816,851	985,382	-	63,802,233	51,270,295	12,531,938	80%
Acquisition of Assets	-	8,169,523	-	8,169,523	-	8,169,523	-
Oversight Committee Expenses	1,450,876	-	-	1,450,876	-	1,450,876	-
Other Payments	4,000,000	2,338,514	-	6,338,514	-	6,338,514	-
Funds Pending Approval**	-	-	-	-	-	-	-
<b>Totals</b>	<b>145,087,603</b>	<b>13,099,782</b>	<b>-</b>	<b>158,187,385</b>	<b>59,487,831</b>	<b>98,699,554</b>	<b>38%</b>

**Explanatory Notes.**

(a) The revenue items exclude the AIA for the Year 2022/2023. The Constituency did not realise any AIA

(b) The adjustments comprise of the Balance of the funds received but not utilised (Kshs. 13,099,782 Cash Book Balance).

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

(a) The Constituency had no over utilization during the year. The total utilization of the Annual budget stood at 38% depicted by low fund disbursement by NG-CDF board as compared to previous year as at 15<sup>th</sup> July 2023 only 57million was received out of 145million.

- The Compensation of Employees scored a utilization percentage of 10% for the year. NG-CDFC postponed recruited of staff to financial year 2023/2024 due late disbursement of funds.
- Use of goods and services had a utilization of 35% for the year.
- Committee expenses had a utilization of 99% for the year.
- Transfer to other Government Entities had a utilization of 0% due late disbursement of funds from board as at 30<sup>th</sup> June 2023.
- Other Grants and Transfers stood at 80% as a results full bursary fund disbursement.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	98,699,554
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	58,087,603
	40,611,951
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	40,611,951

The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:



Fund Account Manager

Name: Salim Hassan Hussein



National Sub-County Accountant

Name: David Kipsang  
ICPAK M/No: 17634



Chairperson NG-CDF Committee

Name: Mpirawon Raphaela Neepe

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

**XIII. Budget Execution by Sectors and Projects for The Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,545,844	677,300	-	3,223,144	310,704	2,912,440
1.2 Committee allowances	3,285,412	-	-	3,285,412	3,210,048	75,364
1.3 Use of goods and services	2,874,000	-	-	2,874,000	1,667,982	1,206,018
<b>Total</b>	<b>8,705,256</b>	<b>677,300</b>	<b>-</b>	<b>9,382,556</b>	<b>5,188,734</b>	<b>4,193,822</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	500,000	-	-	500,000		500,000
2.2 Committee allowances	2,400,000	628,802	-	3,028,802	3,028,802	-
2.3 Use of goods and services	1,452,628	-	-	1,452,628	-	1,452,628
<b>Total</b>	<b>4,352,628</b>	<b>628,802</b>	<b>-</b>	<b>4,981,430</b>	<b>3,028,802</b>	<b>1,952,628</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,636,190	4,785		7,640,975	-	7,640,975
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilised	-	-	-	-	-	-
<b>Total</b>	<b>7,636,190</b>	<b>4,785</b>	<b>-</b>	<b>7,640,975</b>	<b>-</b>	<b>7,640,975</b>
<b>4.0 Bursary and Social Security</b>						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Secondary Schools	29,000,000	730,143	-	29,730,143	29,489,634	240,509
4.2 Tertiary Institutions	21,780,661	-	-	21,780,661	21,780,661	-
4.3 Social Security	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-
<b>Total</b>	<b>50,780,661</b>	<b>730,143</b>	<b>-</b>	<b>51,510,804</b>	<b>51,270,295</b>	<b>240,509</b>
<b>5.0 Sports</b>				-		-
5.1 Laisamis Sport	-	453	-	453	-	453
<b>Total</b>		<b>453</b>	<b>-</b>	<b>453</b>		<b>453</b>
<b>6.0 Environment</b>						
<b>7.0 Primary Schools Projects</b>						
Santur Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Gatab Primary School	5,500,000	-	-	5,500,000	-	5,500,000
Titus Ngoyoni Primary School	600,000	-	-	600,000	-	600,000
El-Molo Primary School	900,000	-	-	900,000	-	900,000
Olturot Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Moite Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Arapal Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Two Sisters Primary School - Civicon	1,500,000	-	-	1,500,000	-	1,500,000
Lkataja Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Hadad Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Kambinye Primary School	1,500,000	-	-	1,500,000	-	1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kambinye Primary School	500,000	-	-	500,000	-	500,000
Jiija Primary School	2,800,000	-	-	2,800,000	-	2,800,000
Arge Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Serichoi Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Amalio Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Ballah Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Burri Aramia Primary School	1,500,000	-	-	1,500,000	-	1,500,000
St. Dominic Savio Primary School	2,800,000	-	-	2,800,000	-	2,800,000
Lmoti Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Soito Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Soito Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Lbarok Primary Schools	2,800,000	-	-	2,800,000	-	2,800,000
Kamboe Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Logologo Muslim Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Logologo Primary School	600,000	-	-	600,000	-	600,000
Losidan Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Tirgamo Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Laisamis Primary School	3,161,992	-	-	3,161,992	-	3,161,992
Nairibi Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Sakardala Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Silapani Primary School	1,500,000	-	-	1,500,000	-	1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
New Dawn Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Laisamis Primary School	-	300,062	-	300,062	-	300,062
<b>Total</b>	<b>58,261,992</b>	<b>300,062</b>	<b>-</b>	<b>58,562,054</b>	<b>-</b>	<b>58,562,054</b>
<b>8.0 Secondary Schools Projects</b>						
Korr Mixed Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
Logologo Girls Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Laisamis Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Loglogo Primary School-Loglogo Day Mixed Sec	-	200	-	200	-	200
<b>Total</b>	<b>5,500,000</b>	<b>200</b>	<b>-</b>	<b>5,500,200</b>	<b>-</b>	<b>5,500,200</b>
<b>9.0 Tertiary institutions Projects</b>						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10.0 Security Projects</b>						
Loglogo Assistant County Commissioner (ACC) Office	1,500,000	-	-	1,500,000	-	1,500,000
Ngurunit Police Post	500,000	-	-	500,000	-	500,000
Kargi Administration Police Line	900,000	-	-	900,000	-	900,000
Kambinye Administration Police Line	1,500,000	-	-	1,500,000	-	1,500,000
Loglogo Police Post	-	250,000	-	250,000	-	250,000
<b>Total</b>	<b>4,400,000</b>	<b>250,000</b>	<b>-</b>	<b>4,650,000</b>	<b>-</b>	<b>4,650,000</b>
<b>11.0 Acquisition of assets</b>						
Laisamis NG-CDFC office	-	8,169,523	-	8,169,523	-	8,169,523

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>Total</b>	-	8,169,523	-	8,169,523	-	8,169,523
<b>12.0 Oversight Committee Expenses (itemize)</b>				-		-
Committee allowances	540,000	-	-	540,000	-	540,000
Accommodation - Domestic Travel	300,000	-	-	300,000	-	300,000
Daily Subsistence Allowance	165,000	-	-	165,000	-	165,000
Publishing and Printing Services	145,876	-	-	145,876	-	145,876
Refined Fuels and Lubricants for Transport	300,000	-	-	300,000	-	300,000
<b>Total</b>	<b>1,450,876</b>	-	-	<b>1,450,876</b>		<b>1,450,876</b>
<b>13.0 Other payments</b>				-		-
Laisamis NG-CDF Strategic Plan	4,000,000	-	-	4,000,000	-	4,000,000
ICT HUB	-	2,338,514	-	2,338,514	-	2,338,514
<b>Total</b>	<b>4,000,000</b>	<b>2,338,514</b>	-	<b>6,338,514</b>	-	<b>6,338,514</b>
<b>14.0 unallocated fund</b>			-			
Unapproved projects	-	-	-	-	-	-
AIA	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
	145,087,603	13,099,782	-	158,187,385	59,487,831	98,699,554





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

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

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

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

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

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

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

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

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

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

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

###### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

*Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**14. Errors**

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

**15. Related Party Transactions**

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

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IV. Notes to the Financial Statements

1. Transfers from NG-CDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO. B 105335		33,000,000
AIE NO. B 105492		44,000,000
AIE NO. B 105839		22,000,000
AIE NO. B 128586		5,000,000
AIE NO. B 128898		12,000,000
AIE NO. B 154095		12,000,000
AIE NO. B 164431		18,000,000
AIE NO. B 155867		24,088,879
AIE NO. B 155981		12,088,879
AIE NO. B 185142	7,000,000	
AIE NO. B 185544	6,000,000	
AIE NO. B 185678	15,000,000	
AIE NO. B 206178	5,000,000	
AIE NO. B 206443	12,000,000	
AIE NO. B 205953	12,000,000	
AIE NO. B 207673	15,000,000	
AIE NO. B 207833	15,000,000	
<b>TOTAL</b>	<b>87,000,000</b>	<b>182,177,758</b>

2. Proceeds from Sale of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

3. Other Receipts

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



*Notes to the Financial Statements (Continued)*

**4. Compensation of Employees**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	310,704	2,440,536
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	-
<b>Total</b>	<b>310,704</b>	<b>2,440,536</b>

**5. Committee Expenses**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	1,300,000	-
Other committee expenses	4,938,850	-
<b>Total</b>	<b>6,238,850</b>	<b>-</b>

The committee expenses item was introduced as a new line item for the 2022/2023 financial year

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6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	-	-
Communication, supplies and services	241,650	640,150
Domestic travel and subsistence	419,600	3,877,800
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	420,000	420,000
Training expenses	-	1,560,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	61,492	80,000
Fuel , oil & lubricants	-	500,000
Other operating expenses	-	-
Bank Charges	40,240	175,677
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	485,000	761,100
Routine maintenance- other assets	-	-
Sitting allowance		990,000
Other committee expenses		4,020,000
<b>Total</b>	<b>1,667,982</b>	<b>13,024,727</b>

Notes to The Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools	-	68,100,000
Transfers To Secondary Schools	-	19,900,000
Transfers To Tertiary Institutions	-	
<b>Total</b>	<b>-</b>	<b>88,000,000</b>

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools	29,489,634	19,498,466
Bursary – tertiary institutions	21,780,661	17,865,652
Bursary – special schools	-	-
Mock & CATs	-	-
Social Security programmes (NHIF)	-	-
Security projects	-	28,150,000
Sports projects	-	2,411,000
Environment projects	-	3,000,000
Emergency projects	-	8,015,000
Roads projects	-	-
<b>Total</b>	<b>51,270,295</b>	<b>78,940,119</b>

**Notes to the Financial Statements (Continued)**

**9. Acquisition of Assets**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	7,862,073
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	320,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	-	<b>8,182,073</b>

**10. Oversight Committee Expenses**

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

**11. Other Payments**

	<i>2022-2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	500,000
ICT Hub	-	-
	-	500,000

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Kenya Commercial Bank, Marsabit Branch. Laisamis NG-CDF A/C No. 1102625191</i>	40,611,951	13,099,782
<b>Total</b>	<b>40,611,951</b>	<b>13,099,782</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	2022/2023	2021/2022
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	-	2,106,365
Retention held during the year (B)	-	538,879.27
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	2,645,244

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

15. Fund Balance B/F

	(1 <sup>st</sup> July 2022-1)	(1 <sup>st</sup> July 2021-2)
	Kshs	Kshs
Bank accounts	13,099,782	19,364,234
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	13,099,782	19,364,234

16. Prior Year Adjustments

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

\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)

17. Changes in Accounts Receivable – Outstanding Imprests

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

18. Changes in Accounts Payable – Deposits and Retentions

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

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**Notes to the Financial Statements (Continued)**

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	-	-

**19.2: Pending Staff Payables (See Annex 2)**

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

**19.3: Unutilized Fund (See Annex 3)**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	2,912,440	677,300
Committee expense	75,364	-
Use of goods and services	3,158,646	628,802
Amounts due to other Government entities	64,062,254	300,262
Amounts due to other grants and other transfers	12,531,938	985,382
Acquisition of assets	8,169,523	5,524,279
Oversight Committee Expenses	1,450,876	-
Others ( <i>specify</i> ) Strategic plan and ICT Hub	6,338,514	2,338,514
Funds pending approval	-	-
<b>Total</b>	<b>98,699,554</b>	<b>10,454,538</b>



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**19.4: PMC account balances (See Annex 5)**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	1,526,531	9,792,577
<b>Total</b>	<b>1,526,531</b>	<b>9,792,577</b>

**XVI. Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

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

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**Annex 2 - Analysis of Pending Staff Payables**

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

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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
<b>Compensation of employees</b>		2,912,440	677,300	
<b>Committee expenses</b>		75,364	-	
<b>Use of goods &amp; services</b>		3,158,646	628,802	
<b>Amounts due to other Government entities</b>				
Santur Primary School	Completion of construction of Administration block comprising of Principal office, Deputy office and staffroom -Internal and external finishes;plaster works, fixing of doors & windows, flooring and painting @ Kshs.1,700,000 and fully equipped with 10 chairs , table 4 cabinets and 4 drawers @ Kshs.300,000	2,000,000	-	Project Awaiting Fund disbursement from the board Kshs. 58,087,603. Cashbook balance as at 30th June 2023 is Kshs.40,611,951 where Ksh.15,000,000 was received on 16th June 2023 and Kshs.15,000,000 was received on 29th June 2023.
Gatab Primary School	Hydrogeological Survey @Ksh.200,000 Bore hole Drilling @ Kshs.5,300,000	5,500,000	-	
Titus Ngoyoni Primary School	Purchase and Delivery of 40 metal framed desks @ Kshs 300,000, supply of office furniture 10 tables @ Kshs 150,000 and 10 chairs @ Kshs 150,000	600,000	-	
El-Molo Primary School	Purchase and Delivery of 50 double decker beds for Kshs.400,000 and 100 mattresses 3" by 6" inches for Kshs.500,000	900,000	-	
Olturot Primary School	Renovation to completion of 8 existing classrooms; flooring, plastering, painting, fixing of doors and windows	2,400,000	-	
Moite Primary School	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,700,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Arapal Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Two Sisters Primary School - Civicon	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipe and gutters @ Kshs.20,000 and purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Lkataja Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Hadad Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000 and water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Kambinye Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes, gutters @ Kshs.20,000 and water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Kambinye Primary School	Renovation to completion of one classrooms; flooring, plastering, painting, fixing of doors and windows	500,000	-	
Jiija Primary School	Construction of administration block: Principal office, Deputy office, store and staff room @ Ksh. 2,500,000 and supply of office furniture 8 tables for Ksh. 150,000; 15 chairs for Ksh. 150,000 to completion	2,800,000	-	
Arge Primary School	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000	-	
Serichoi Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes, gutters @ Kshs.20,000 and water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Amalio Primary School	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000	-	
Ballah Primary School	Construction to completion of one unit with 4 rooms staff quarter	2,000,000	-	
Burri Aramia Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
St. Dominic Savio Primary School	Construction to completion of administration block: Principal office, Deputy office, store and staff room @ Ksh. 2,500,000 and supply of office furniture 8	2,800,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	tables for Ksh. 150,000; 15 chairs for Ksh. 150,000			
Lmoti Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Soito Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes, gutters @ Kshs.20,000, purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Soito Primary School	Fencing to completion of 900metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000	-	
Lbarok Primary Schools	Construction to completion of administration block: Principal office, Deputy office, store and staff room @ Ksh. 2,500,000 and supply of office furniture 8 tables for Ksh. 150,000; 15 chairs for Ksh. 150,000	2,800,000	-	
Kamboe Primary School	Construction to completion of two double door pit latrines with one door for person with disabilities	1,000,000	-	
Logologo Muslim Primary School	Construction to completion of a modern kitchen with store	2,000,000	-	
Logologo Primary School	Purchase of 80 standard primary desk with frame as metallic and plank as wood or Equivalent	600,000	-	
Losidan Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20	1,500,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	metal frame desk @ Kshs.150,000, Installation of pipes and of gutters @ Kshs.20,000 and purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000			
Tirgamo Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delivery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
Laisamis Primary School	Renovation to completion of 8 classrooms; flooring with tiles, painting ,fixing of doors and windows	3,161,992	-	
Nairibi Primary School	Construction to completion of one unit with 4 rooms staff quarter	2,000,000	-	
Sakardala Primary School	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000	-	
Silapani Primary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delievery of a water tank 10,000 litres with a concrete slab @ Kshs.130,000	1,500,000	-	
New Dawn Primary School	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000	-	
Korr Mixed Secondary School	Construction to completion of one classroom @ Kshs.1,200,000, supply of 20 metal frame desk @ Kshs.150,000, Installation of pipes and gutters @ Kshs.20,000, purchase and delivery of a	1,500,000	-	





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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	water tank 10,000 litres with a concrete slab @ Kshs.130,000			
Logologo Girls Secondary School	Renovation to completion of 4 classrooms; flooring with tiles, painting ,fixing of doors and windows	2,000,000	-	
Laisamis Secondary School	Construction to completion of one unit with 4 rooms staff quarter	2,000,000	-	
Laisamis Primary School		300,262	300,262	
		<b>64,062,254</b>	<b>300,262</b>	
<b>Sub-Total</b>				
<b>Amounts due to other grants and other transfers</b>				
Bursary for Secondary Schools	Fees payments for needy students in secondary schools	240,509	730,143	
Laisamis Sport	Purchase of sport items	453	453	
Emergency Projects	To cater for any unforeseen occurrences in the constituency during the financial year	7,640,975	4,785	
Loglogo Assistant County Commissioner (ACC) Office	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000	-	
Ngurunit Police Post	Construction to completion of one double door pit latrines with one chamber for person with disability	500,000	-	
Kargi Administration Police Line	Renovation to completion of 3 rooms staff quarters; flooring, plastering, painting, fixing of doors and windows	900,000	-	
Kambinye Administration Police Line	Fencing to completion of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post	1,500,000		
Loglogo Police Post	Construction to completion of one double door pit latrines with one chamber for person with disability	250,000	250,000	
<b>Sub-Total</b>		<b>12,531,938</b>	<b>985,381</b>	
<b>Acquisition of assets</b>				



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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Laisamis NG-CDFC office	Construction of one storey Laisamis NG-CDFC/Constituency office block to completion : Ground floor plan- underground water tank,store,kitchen, 5 offices, boardroom, waiting bay, washrooms and stair-well. First floor- 6 offices, waiting bay, washrooms,stair-well,strong room and concrete slab	8,169,523	5,524,279	
<b>Oversight Committee Expenses(itemize)</b>				
Committee allowances	Payment of committee allowances	540,000	-	
Accommodation - Domestic Travel	Payment of Accommodation - Domestic Travel	300,000	-	
Daily Subsistence Allowance	Payment of Daily Subsistence Allowance	165,000	-	
Publishing and Printing Services	Payment of Publishing and Printing Services	145,876	-	
Refined Fuels and Lubricants for Transport	Purchase of Refined Fuels and Lubricants for Transport	300,000	-	
<b>Sub-Total</b>		<b>1,450,876</b>	-	
<b>Others (specify)</b>			-	
Laisamis NG-CDF Strategic Plan	To facilitate in preparation, facts collection designing, typesetting and printing of Laisamis Constituency Strategic plan for the period between 2023-2027	4,000,000	-	
ICT Hub	Installation of ICT equipment at 2 sites in the constituency	2,338,514	2,338,514	
<b>Sub-Total</b>		<b>6,338,514</b>	<b>7,862,792</b>	
Funds pending approval				
<b>Grand Total</b>		<b>98,699,554</b>	<b>10,454,538</b>	

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

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures				
Transport equipment	9,925,000			9,925,000
Office equipment, furniture and fittings	287,000			287,000
ICT Equipment, Software and Other ICT Assets	1,029,508			1,029,508
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>11,241,508</b>			<b>11,241,508</b>

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

PMC	Bank	Account number	Bank Balance Current FY 2022- 2023	Bank Balance Previous FY 2021- 2022
Amalio Primary School	KCB	1239233736	8,308	8,182
Arapal AP Post	KCB	1266817859	10,738	10,612
Balah Primary School	KCB	1239971761	299,514	299,388
Faith Primary School	KCB	1239536119	972	696
Farakoren primary School	KCB	1127935127	1,013	887
Gangeisa Primary School	KCB	1239556063	158,167	1,343
Gatab Primary School	KCB	1267525355	2,034	1,908
Guuram Primary School	KCB	1240288018	644	401
Hadad Primary School	KCB	1240018657	1,500,000	254
Jiija Primary School	KCB	1254913556	2,000,872	1,932
Kamboe Primary School	KCB	1267666846	329	329
Kargi AP Line	KCB	1252310323	5,861	5,861
Kargi Primary School	KCB	1249754291	3,225	3,085
Korolle Boys Secondary School	KCB	1149510730	6,199	6,199
Korr AP Line	KCB	1271960133	4,099	4,099
Korr Day Mixed Secondary School	KCB	1259723771	801,161	503,041
Kulal Girls Secondary School	KCB	1252511949	1,494	1,494
Laisamis Primary School	KCB	1266559639	729	1,609

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/UERO/AUD/LAISAMIS-NG-CDF/2021/2022(19)	<p>Non-Acknowledgement of Bursaries Receipts</p> <p>Note 7 to the financial statements for the year ended 30 June 2022 reflects Kshs. 78,940,119 in respect of other grants and other payments out of which Kshs. 19,498,466. and Kshs. 17,865,652 were disbursed as bursaries to secondary schools and tertiary institutions respectively both totalling to Kshs. 37,364,118. However, records provided for audit review revealed that out of the total bursary disbursed, bursaries totalling Kshs. 19,542,000 or (52%) were acknowledged by the respective beneficiary schools and institutions through issuance of acknowledgement receipts while bursaries totalling to Kshs. 17,822,118 or (48%) were not</p>	<p>Laisamis NG-CDFC have contract agreement with postal corporation of Kenya to deliver bursary and return acknowledgement receipt to CDF office.</p>	<p>Partially resolved 87% acknowledged of bursary</p>	<p>30<sup>th</sup> June 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	acknowledged or accounted for by the Fund.			
OAG/UERO/AUD/LAISAMIS-NG-CDF/2021/2022(19)	<p>Irregular Procurement Method for Sports Kits</p> <p>Note 7 to the financial statements reflects Kshs. 78,940,119 in respect to other grants and other transfers, which includes Kshs. 2,411,000 in respect to transfers to sports projects for purchase and distribute sports kits, balls, uniforms, and trophies to schools and registered football clubs through request for quotation. However, the three suppliers requested to quote for the supply were not in the list of prequalified suppliers in the year under review contrary to section 106(2)(a) that requires that the accounting officer of a procuring entity shall give the request to such persons as are registered by the procuring entity.</p> <p>In addition, there was no evidence that the sports project management committee (PMC) conducted a</p>		Not Resolved	30 <sup>th</sup> June 2024



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PMC	Bank	Account number	Bank Balance Current FY 2022- 2023	Bank Balance Previous FY 2021- 2022
Laisamis Sport Activities	KCB	1246856883	353	353
Lbaarok Primary School	KCB	1261423267	1,924	1,924
Lependera Primary School	KCB	1240270003	4,868	4,865
Loglogo Muslim Primary School	KCB	1258915499	143,818	143,818
Loglogo Primary School	KCB	1254931287	1,000,724	1,304
Loiyangalani DCC	KCB	1281606189	502,394	502,394
Losikiriachi Primary School	KCB	1286633761	500,754	1,634
Marti Primary School	KCB	1249923034	153,698	3,578
Merille Mixed Day Secondary School	KCB	1259948129	1,026	10,900
Merille primary School	KCB	1286403928	3,474	496
Ndikir Primary School	KCB	1252146531	1,502,161	0
Ngororoi Primary School	KCB	1239868367	501,843	2,353
Oltorot AP Line	KCB	1285185560	514	514
St. Dominic Savio Primary School	KCB	1141410664	668,698	361
Ulauli Primary School	KCB	1265720037	968	716
<b>TOTAL</b>			<b>9,792,577</b>	<b>1,526,531</b>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	market survey before awarding the quotation contrary to Section 91(4) of the Public Procurement and Assets Disposal Regulation, 2020 that states that before any decision to award a procurement under request for quotation the head of a procurement function shall by way of a professional opinion make a recommendation based on a market survey.			
OAG/UERO/AUD/LAISAMIS-NG-CDF/2021/2022(19)	Expenditure not within mandate Note 7 to the financial statement reflects Kshs. 78,940,118.53 in respect to Other Grants and Other Payments which include Kshs. 28,150,000, spent on security projects. Included in the Kshs. 28,150,000 was Kshs. 13,000,000 utilized on opening of new roads which is a devolved function of the County government. The expenditure on construction and opening of new roads is contrary to Section 24(a) of the National Government Constituencies		Not Resolved	30 <sup>th</sup> June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Development Fund Act 2015, which requires all projects under this Act shall only be in respect to works and services falling within the functions of the national government under the Constitution. Even though a non-objection letter was issued by the relevant department of roads, the spending of NGCDF funds on a devolved function remained contrary to section 24(a) of the NGCDF Act 2015.</p> <p>In the circumstances, the Fund was in breach of the law.</p>			
OAG/UERO/AUD/LAISAMIS-NG-CDF/2021/2022(19)	<p>Kamatonyi Primary School A transfer of Kshs. 1,500,000 was made to the school for construction of one classroom, supply of 20 metal frame desk, installation of piping &amp; gutters, supply, and installation of 10,000 liters water tank with a concrete slab at Kamatonyi primary. Although the project was complete, the Gutters were installed on one side of the building, the water tank was not fitted with an outlet tap, and was</p>	<p>The gutters that was meant for one classroom, shared and installed at the back of two classrooms. Desk was supplied and in use, in another classroom as per Sub County works officer report.</p>	Not Resolved	30 <sup>th</sup> June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	not labelled, and no metal frame desks were supplied to the school which was a material deviation from the priced bill of quantities.			

.....  
  
**Salim Hassan Hussein**  
**Fund Account Manager.**