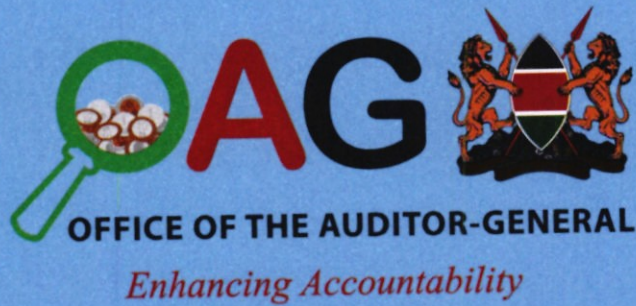


REPUBLIC OF KENYA

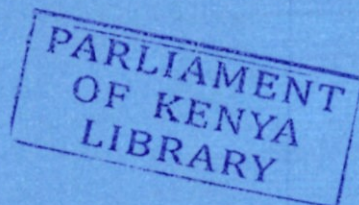


REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUL 2024	DAY: THURSDAY
TABLED BY:	Hon. Samuel Chepkonga, CBS
CLERK AT THE TABLE:	Anne Shibuko

THE AUDITOR-GENERAL

ON



**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
LAIKIPIA EAST CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE - ISIOLO
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LAIKIPIA EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

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***Laikipia East Constituency
National Government Constituencies Development Fund (NGCDF)
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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-

FY-Financial Year

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;

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- 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 Laikipia East Constituency NGCDF day-to-day management is under the following key organs:

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

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**Laikipia East Constituency
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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	NANCY MWANGI
2.	Sub-County Accountant	SOSPETER THUKU KIBOBO (20424)
3.	Chairman NGCDFC	WADAYANA BETH WAITHIRA
4.	Member NGCDFC	

(c) Fiduciary Oversight Arrangements

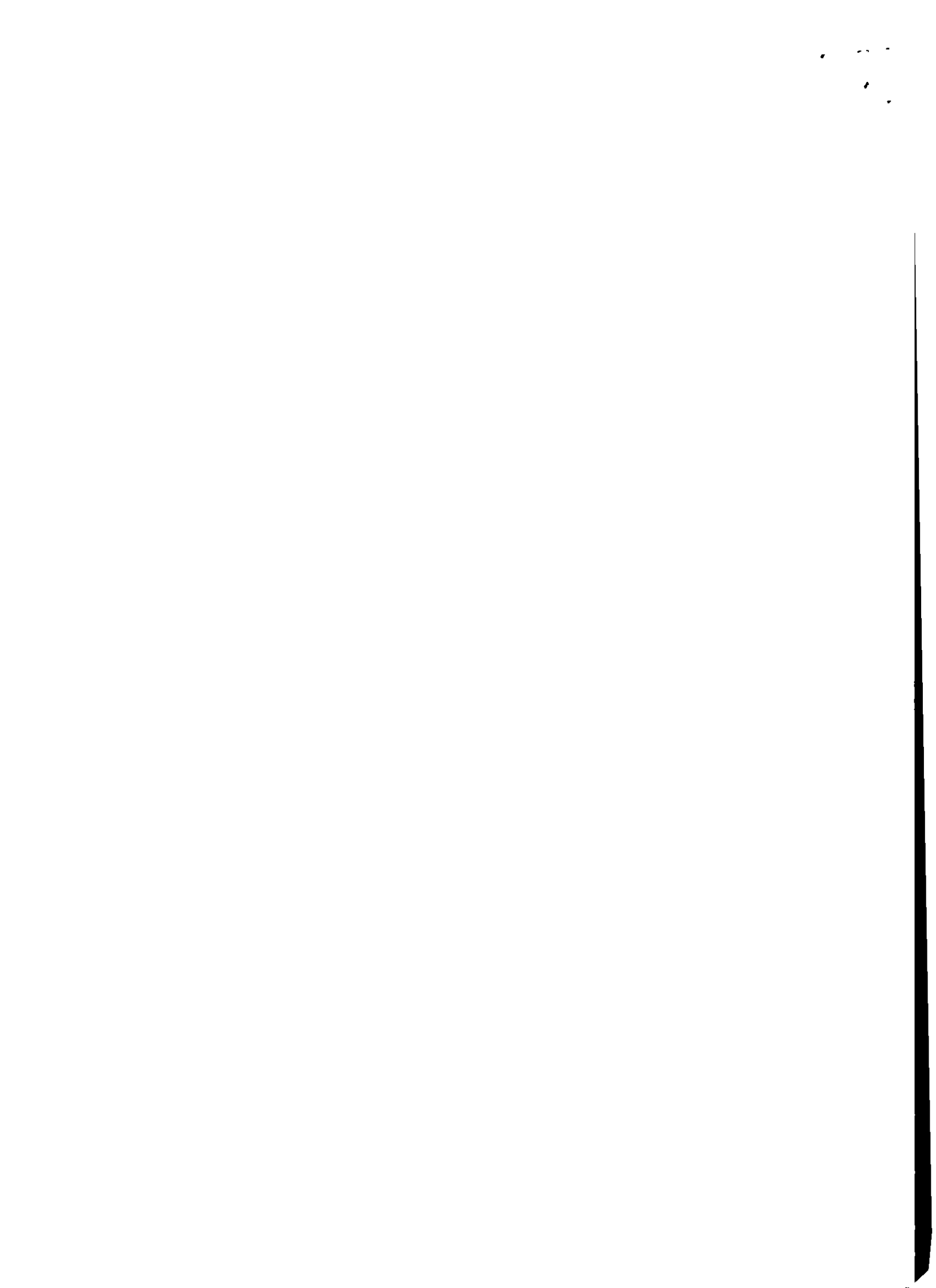
The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Laikipia East Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require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

(d) Laikipia East Constituency NGCDF Headquarters

P.O. Box 920 - 10400
Nanyuki

(e) Laikipia East Constituency NGCDF Contacts

E-mail: cdflaikipiaeastcdf.go.ke
Website: www.laikipiaeast.go.ke



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(f) Laikipia East Constituency NGCDF Bankers

Ac no.0270261969541
Equity Bank
Nanyuki Branch
P.O. Box 400- 10400
NANYUKI

(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

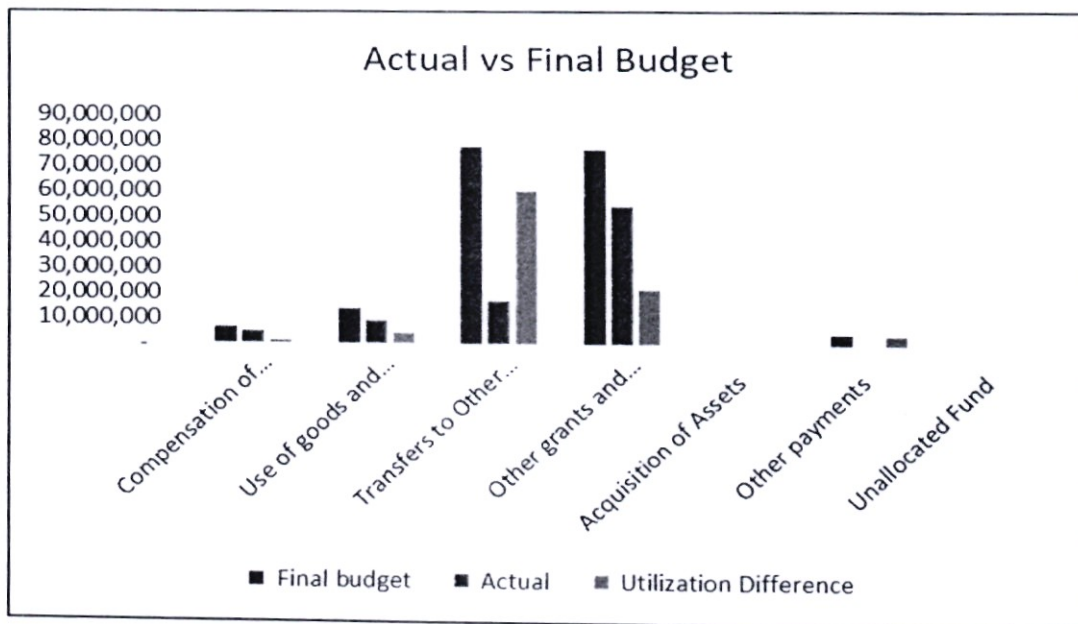
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

III. NG-CDFC Chairperson’s Report



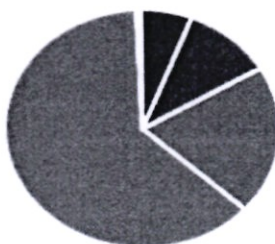
The National Government Constituency Development Fund Laikipia East has had a successful year other than for a few challenges here and there. The organization was able to receive Kshs 87,000,000 as funding from the board during the financial year. Together with the balance brought forward of Kshs. 18,797,919 and AIA of Kshs. 253,600 the organization had an actual funds available totalling to Kshs.106,051,519 out of which we successfully utilized Kshs 83,699,241 which is a 64% utilization rate. Specifically, compensation of employees amounted to Kshs. 3,497,759 ; committee expenses amounted to Kshs 3,025,000 use of goods and services amounted to Kshs.6,161,984; while Kshs.12,300,000 was transferred to other government units, other grants and transfers amounted to Kshs. 56,258,498 As compared to the final budget, however, the utilization rate was 51% which is due to the funds that have not been received from the board and funds which were received late as the financial year came to an end.

Below is a chart detailing the actual expenditure as compared to the final budget.



Below is a pie chart detailing the actual spend of the constituency per sector:

Actual Spend



- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers
- Acquisition of Assets
- Other payments
- Unallocated Fund

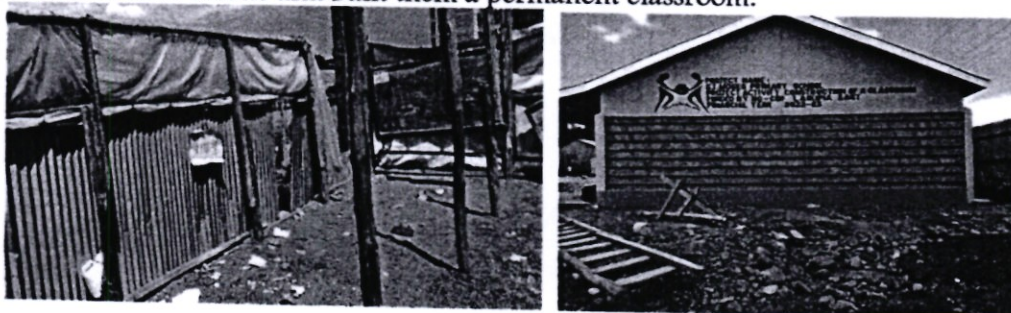
The fund was successful in that we were able to disburse bursary to needy students in the constituency and also disbursed bursary for short courses to youths in the constituency. We were able to support infrastructural growth in primary and secondary schools as well as infrastructure for security offices.

One of the main challenges that the constituency experienced during the implementation of projects during the financial year was the sudden increase in the cost of construction inputs such as cement and steel associated with the increase in fuel costs and general inflation in the economy. This was a challenge because the initial approved budget for projects could no longer suffice to implement projects as costs of inputs rose up. Going forward we are going to review the budgets of projects in line with the new costs for us to maintain the same project deliverables.

Some of the best projects implemented during the year were:

ST MOSES PRIMARY SCHOOL

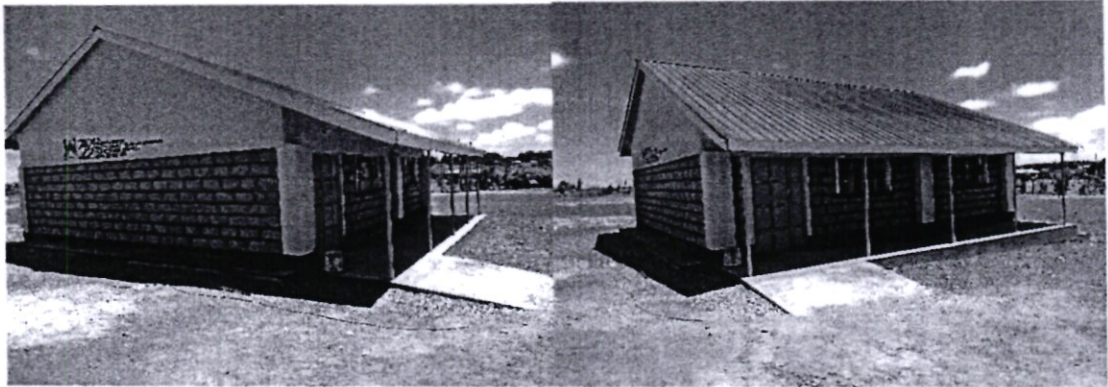
ST Moses primary school is a school in Laikipia county and in Laikipia East constituency, Nanyuki ward. In 2022, A disaster occurred at the school where a strong wind blew off a classroom which was temporary built. The school holds over 900 hence was in dire need of a classroom. The NG-CDF came to their rescue and built them a permanent classroom.



TEMMAKIS PRIMARY SCHOOL

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Temmakis primary school is a school in Laikipia East constituency, Thingithu ward. It holds over 300 pupils and had a shortage of classes specially to cater for the JSS classes. NG-CDF constructed a permanent classroom for the school.



MUGUMO PRIMARY SCHOOL

Mugumo primary school is a school in Laikipia East constituency, Umande ward. It holds over 500 students and had a shortage of classes specially to cater for the Junior Secondary School. The NG-CDF Constructed a permanent classroom for the school.





.....
**Name: Wadayana Beth Waithira
CHAIRMAN NGCDF COMMITTEE**

***Laikipia East Constituency
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IV. Statement of Performance Against Predetermined Objectives for FY2022/23

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 *Laikipia East Constituency 2023-2027 plan* are to:

- a) To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.
- b) To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration
- c) To empower and develop youth and special groups to reduce dependency by nurturing talents and sports
- d) To support building of capacity and capability for timely response and management of disaster risks

Progress on attainment of Strategic development objectives

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

s	Objective	Outcome	Indicator	Performance
Education	To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.	Increased enrolment in primary schools and tertiary institutions. Better grades leading to improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary and tertiary institutions, number of schools and students. % increase in the number of students joining secondary schools and tertiary institutions.	Number of physical infrastructures in schools has increased. Number of bursary beneficiaries increases as number of students joining secondary schools, special schools and tertiary institutions increased.
Constituency Sector	Objective	Outcome	Indicator	Performance
Security	To support the	Less crime in the area	Number of crimes reported, number of	3 Assistant Chief's, Chief's offices,

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	creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration		security projects completed.	police station have been constructed to completion. Also, funds have been allocated for construction of Assistant County Commissioners office.
Sports	To empower and develop youth and special groups to reduce dependency by nurturing talents and sports	Nurture talents and support youths in the area	Sport activities and events organized	Constituency sports activities organized and winning teams awarded.
Emergency	To support building of capacity and capability for timely response and management of disaster risks	Better built projects with a greater impact	Number of completed projects in use	NGCDFC and PMC training has been undertaken and timely responded to emergencies



V. Statement of Governance

a) Appointment and Removal of NGCDFC Members

The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee. A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee. Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel. The selection panel referred to in paragraph (1) shall consist of— 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; the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and two persons, one of either gender, nominated by the Constituency office.

The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board. The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act. The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

The Board shall co-opt the person referred to in section 43(2) (g) of the Act to ensure equitable representation in the membership of a Constituency Committee. The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency. The Board shall submit the names of the seven persons selected from each Constituency in accordance with section 43(2)(b), (c), (d) and (e) of the Act to the National Assembly for approval. The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

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The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee. The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing. A member of a Constituency Committee who is appointed under section 43 (2) (b), (c), (d), (e) and (g) may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43(2)(b)(c) or (d) shall be a mandatory signatory to the Constituency accounts.

The members of a Constituency Committee may be removed in accordance with section 43 (13) and (14) of the Act upon a receipt of a complaint against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5). The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complaint is made may call witnesses. If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter. Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available.

A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting

documents. The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties. A member against whom a complaint is made shall not, participate in the deliberations and activities of a Constituency Committee from the time the Constituency Committee starts considering the complaint. If a member against whom a complaint is made responds to the allegations to the satisfaction of a Constituency Committee and the committee makes a determination in favour of such member, the member shall resume duties as a member of the Committee.

A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively. A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard. A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

b) Roles and functions of the NGCDFC Committee

The functions of a Constituency Committee shall be to;

- i. Build the capacity of project management committees and Committee.
- ii. 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.
- iii. 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.
- iv. 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



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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.

- v. 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.
- vi. 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.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year 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.
- viii. Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status, and a list of all projects approved, funded and commenced during previous financial years, 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.
- ix. Receive returns from project management committees in accordance with regulation 15, maintain a database of project management committees and reports from the respective committees, and perform any other function assigned to it by the Board.

VI. Environmental and Sustainability Reporting

Laikipia East 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 Laikipia East NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Laikipia East NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NGCDF Laikipia East is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organisation has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices.

3. Employee welfare

We invest in providing the best working environment for our employees. Laikipia east 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. Laikipia East 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-

Laikipia East NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and considers 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.

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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.

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



.....
Name: NANCY MWANGI

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- Laikipia East 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, 202X. 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- Laikipia East 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, 202X, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Laikipia East 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 Laikipia East 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


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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Laikipia East Constituency financial statements were approved and signed by the Accounting Officer on 14/9 2023.

.....

Name: Wadayana Beth Waithira
Chairperson – NGCDF Committee

.....

Name: Nancy Mwangi
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

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 control 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 control, 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 - Laikipia East Constituency, set out on pages 1 to 48,

which comprise of the statement of assets and liabilities as at 30 June 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 - Laikipia East 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

Unaccounted for Bursary Expenses

The statement of receipts and payments reflects other grants and other transfers of Kshs.56,258,498 as disclosed in Note 8 to the financial statements. Included in this amount is Kshs.31,853,789 and Kshs.10,734,457 totalling Kshs.42,588,246 in respect of bursaries to Secondary Schools and Tertiary Institutions respectively. However, audit review of bursary payment vouchers indicated that bursaries amounting to Kshs.658,210 disbursed to various Institutions were not supported by a list of the beneficiaries.

In the circumstances, accuracy and completeness of bursaries amounting to Kshs.658,210 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Laikipia East Constituency Management in accordance with ISSAI 130 on the 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 receipts budget and actual amounts on comparable basis of Kshs.164,705,492 and Kshs.106,051,519 respectively, resulting to under-funding of Kshs.58,653,973 or 36% of the budget. Similarly, the Fund spent Kshs.83,699,241 against actual receipts of Kshs.106,051,519 resulting to an under-expenditure of Kshs.22,352,278 or 21% of the actual receipts.

The under-funding and under- expenditure affected the planned activities of the Fund 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 judgement, 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, issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Control and Governance. However, Management's report on the progress made in resolving the issues, at Annex 6 of other important disclosures indicates that issues relating to the financial statements were not resolved as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, and 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. Unsupported Procurement of Office and General Supplies

The statement of receipts and payments reflects use of goods and services amount of Kshs.6,161,984 as disclosed in Note 6 to the financial statements. Included in this amount is Kshs.1,008,983 in respect of office and general supplies and services. Audit review of payment vouchers and the supporting documents indicates that an amount of Kshs.431,036 paid to a supplier was not supported by requisitions from the user department and procurement records indicating how the Fund Management competitively identified the supplier. This is contrary to Regulation 158 of the Public Procurement and Asset Disposal Regulations, 2020 which states that procurement of goods, works and services under these Regulations shall be competitive in accordance with the provisions of Section 157(3)(b) of the Act.

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

2. Project Implementation Status

The statement of receipts and payments reflects transfers to other government units, other grants and other transfers and other payments of Kshs.12,300,000, Kshs.56,258,498 and Kshs.2,456,000 respectively totalling Kshs.71,014,498 which was spent on projects implementation during the year.

The project implementation status report as at 30 June, 2023 indicated that the Fund budgeted an amount of Kshs.134,687,942 for implementation of forty-four (44) projects. However, audit review of the report indicated that nine (9) projects worth Kshs.13,201,752 were completed, six (6) projects worth Kshs.65,786,190 were on-going and twenty-nine (29) projects worth Kshs.55,700,000 had not started.

In the circumstances, the Fund denied the residents of Laikipia East the expected benefits from implementation of thirty-five (35) projects not completed as planned.

3. Projects Physical Verification

The statement of receipt and payments reflects transfers to other government units of Kshs.12,300,000 as disclosed in Note 7 to the financial statement. Included in this amount is Kshs.10,300,000 transferred to primary schools for construction of classrooms and pit latrines. Physical inspection of the projects done in the month of March, 2024 revealed the following anomalies;

- i. Construction of one classroom to completion at Kihato Primary School at a contract amount of Kshs.1,191,030 indicated that, the classroom had cracks, some of which were covered with wall filters, iron sheets used were gauge 30 while the bill of quantities quoted gauge 28 iron sheets.
- ii. Construction of one classroom to completion at Ol-Tafeta Primary School at a contract sum of Kshs.1,196,621 revealed that the project was branded as for F/Y 2023/2024 instead of F/Y 2022/2023, the classroom had cracks on the wall and floor. Further, the diameter bars installed were four in number instead of nine as quoted in the bill of quantities.
- iii. Construction of one classroom to completion at Rutunguru Primary School at a cost of Kshs.1,186,227 indicated that the project was complete but was being used as a laboratory. The classroom had cracks on the wall and the floor had cracks around the foundation level slightly disjoining from the walls being evidence of poor workmanship.

In the circumstances, value for money may not have been achieved and may expose the users of the projects to hazard from the poor workmanship.

The audit was conducted in accordance ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 CONTROL, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing 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

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 the International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of 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 control that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2024



Laikipia East 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
Receipts			
Transfers from NGCDF Board	1	87,000,000	183,777,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	253,600	29,000
Total Receipts		87,253,600	183,806,758
Payments			
Compensation of Employees	4	3,497,759	4,628,490
Committee expenses	5	3,025,000	2,947,500
Use of Goods and Services	6	6,161,984	5,020,393
Transfers to Other Government Units	7	12,300,000	42,760,000
Other Grants and Transfers	8	56,258,498	66,198,664
Acquisition of Assets	9	-	38,218,186
Other Payments	10	2,456,000	38,721,000
Total Payments		83,699,241	198,494,233
Surplus/(Deficit)		3,554,359	(14,687,475)

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 NGCDFC on 14/9 2023 and signed by:

 _____ Fund Account Manager	 _____ National Sub-County Accountant	 _____ Chairperson NG-CDF Committee
Name: Nancy mwangi	Name: Sospeter Thuku ICPAK M/No: 20424	Name: Wadayana Beth Waithira

Laikipia East Constituency
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X. Statement of Assets and Liabilities as at 30th June, 2023


	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	20,074,993	18,797,919
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		20,074,993	18,797,919
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		20,074,993	18,797,919
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13		2,277,285
Gratuity	14		-
Total Financial Liabilities			2,277,285
Net Financial Assets		20,074,993	16,520,634
Represented By			
Fund Balance B/Fwd	15	16,520,634	31,208,108
Prior Year Adjustments	16		
Surplus/Deficit for The Year		3,554,359	(14,687,475)
Net Financial Position		20,074,993	16,520,634

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 14/9 2023 and signed by:


 Fund Account Manager

Name: Nancy mwangi


 National Sub-County
 Accountant

Name: Sospeter Thuku
 ICPAK M/No: 20424


 Chairman NG-CDF
 Committee

Name: Wadayana Beth
 Waithira

Laikipia East Constituency
National Government Constituencies Development Fund (NGCDF)
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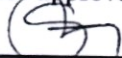
XI. Statement of Cash Flows for The Year Ended 30th June 2023


	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts from Operating Activities			
Transfers from NGCDF Board	1	87,000,000	183,777,758
Other Receipts	3	253,600	29,000
Total Receipts		87,253,600	183,806,758
Payments			
Compensation of Employees	4	3,497,759	4,628,490
Committee Expenses	5	3,025,000	2,947,500
Use of Goods and Services	6	6,161,984	5,020,393
Transfers to Other Government Units	7	12,300,000	42,760,000
Other Grants and Transfers	8	56,258,498	66,198,664
Other Payments	10	2,456,000	38,721,000
Total Payments		83,699,241	160,276,047
Total Receipts Less Total Payments		3,554,359	23,530,712
Adjusted For:			
Prior Year Adjustments	16	-	
Increase/(Decrease) In Accounts Payable (Gratuity)	14		(434,000)
Increase/(Decrease) In Accounts Payable (Retention)	18	(2,277,285)	1,566,677
Net Cash Flow from Operating Activities		1,277,074	24,663,389
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(38,218,186)
Net Cash Flows from Investing Activities		-	(38,218,186)
Net Increase in Cash and Cash Equivalent		1,277,074	(13,554,797)
Cash & Cash Equivalent at Start of The Year	11	18,797,919	32,352,716
Cash & Cash Equivalent at End of The Year	11	20,074,993	18,797,919

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 14/9 2023 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairperson NG-CDF
 Committee

Name: Nancy mwangi

Name: Sospeter Thuku

Name: Wadayana Beth
 Waithira

ICPAK M/No: 20424

*Laikipia East Constituency
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XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget			Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		Adjustments					
	a	b		c=a+b	d	e=c-d	f=d/c %
Receipts	Insert current FY	Opening Balance (C/Bk) and AIA	Previous	Insert current FY	Insert current FY		
			Years' Outstanding disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	145,087,603	18,797,919	566,370	164,451,892	105,797,919	58,653,973	64%
Other Receipts AIA	253,600			253,600	253,600	-	100%
TOTAL RECEIPTS	145,341,203	18,797,919	566,370	164,705,492	106,051,519	58,653,973	64%
PAYMENTS							
Compensation of Employees	3,915,360	41,120	-	3,956,480	3,497,759	458,721	88%
committee expenses	2,724,451	1,530,000	-	4,254,451	3,025,000	1,229,451	71%
Use of goods and services	6,308,974	1,923,279	-	8,232,253	6,161,984	2,070,269	75%
Transfers to Other Government Units	57,900,000	304,393	-	58,204,393	12,300,000	45,904,393	21%
Other grants and transfers	68,487,942	10,133,509	-	78,621,451	56,258,498	22,362,953	72%
Acquisition of Assets	-	7,332	566,370	573,702	-	573,702	0%
Other Payments	3,750,876	4,706,285	0	8,457,161	2,456,000	6,001,161	29%
unapproved funds	2,253,600	152,000	-	2,405,600	-	2,405,600	0%
TOTAL	145,341,203	18,797,918	566,370	164,705,491	83,699,241	81,006,250	51%

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

**Laikipia East Constituency
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Explanatory Notes.

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]*
- (b) On compensation of employees The Fund could not utilize 100% because the Fund was still recruiting new staff.*
- (c) On committee expenses the Fund was still setting relevant structures such as NGCDFC hence low absorption of funds.*
- (d) On use of goods and services there was low office operations as the Fund was not fully operational. The Fund was constituting NGCDF Committee.*
- (e) On transfer to other government entities there was low absorption of funds due to delayed disbursement of funds.*
- (f) On other grants and transfers the Fund was in the process of identifying beneficiaries under the social security program.*
- (g) On acquisition of assets the Fund was in the process of planning the tender process.*
- (h) Oversight committee the Fund was still setting relevant structures such as COC hence low absorption of funds.*
- (i) On other payments the Fund was in the process of planning the tender process.*
- (j) On unapproved funds the Fund was in the process of approving the NGCDFC projects.*

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

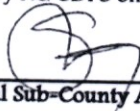
(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IFSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	81,006,250
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,653,973
	22,352,277
Increase/(decrease) Accounts payable	(2,277,285)
(Decrease)/Increase Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the 30 th June 2023	20,074,992

The Constituency financial statements were approved by NG CDFC on 14/9 2023 and signed by:


 Fund Account Manager

Name: Nancy Mwangi


 National Sub-County Accountant

Name: Sospeter Thuku
 ICPAK M/No: 20424


 Chairperson NG-CDF Committee

Name: Wadayana Beth Waitira

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XIII. Budget Execution By Sectors And Projects For The Year Ended 30th 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
1.0 Administration and Recurrent						
1.1 Compensation of employees						
Contractual Employees	2,787,360			2,787,360	2,147,910	639,450
Casual Labour and Internship	180,000			180,000	150,850	29,150
NSSF	24,000	5,120		29,120	118,680	(89,560)
Gratuity-Contractual Employees	864,000			864,000	1,080,319	(216,319)
Medical Insurance	60,000	36,000		96,000	-	96,000
	3,915,360	41,120	-	3,956,480	3,497,759	458,721
1.3 Use of goods and services						
Electricity charges	60,000			60,000	57,162	2,838
Water & Sewerage Charges	48,000			48,000	41,250	6,750

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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			
Telephone, Telex, Facsimile and Mobile Phone Service	160,000			160,000	78,599	81,401
Internet connection.	100,000			100,000	34,964	65,036
Courier and Postal Services	20,000			20,000	20,000	-
Travel Costs (Airlines, Bus, Railway, Mileage Allowances, etc.)	120,000			120,000	120,000	-
Accommodation - Domestic Travel	300,000			300,000	300,000	-
Daily Subsistence Allowance	504,000	164,000		668,000	659,400	8,600
Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	360,000	155,069		515,069	442,210	72,859
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)	450,661	100,566		551,227	550,000	1,227
Supplies and Accessories for Computers and Printers	400,000	140,000		540,000	406,608	133,392
Sanitary and Cleaning Materials, Supplies and Services	150,000	183,700		333,700	52,375	281,325
Refined Fuels and Lubricants for Transport	900,000	5,000		905,000	862,600	42,400
Bank Service Commission and	19,896					



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*Laikipia East Constituency
National Government Constituencies Development Fund (NGCDF)
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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			
Charges				19,896	19,896	-
Publishing and printing		104,882		104,882	53,000	51,882
Advertising and awareness		201,000		201,000	149,450	51,550
				-		-
Totals	3,592,557	1,054,217	-	4,646,774	3,847,514	799,260
2.0 Monitoring and evaluation				-		-
2.1 Capacity building				-		-
Remuneration of facilitators and Contract Based Training Services- Drug and HIV trainings are mandatory.	150,000			150,000	150,000	-
Hire of Training Facilities and Equipment	280,000	786,195		1,066,195	1,008,070	58,125
Accommodation Allowance	500,000			500,000	495,400	4,600
Travel Allowance	220,000			220,000		220,000
	1,150,000	786,195	-	1,936,195	1,653,470	282,725
2.2 Committee allowances				-		-

*Laikipia East Constituency
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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			
NGCDFC Allowance	1,128,000			1,128,000	1,128,000	-
Other Committee Expenses	416,451	1,530,000		1,946,451	1,897,000	49,451
NGCDFC Allowance	1,180,000			1,180,000		1,180,000
	2,724,451	1,530,000	-	4,254,451	3,025,000	1,229,451
2.3 Use of goods and services				-		-
Telephone, Telex, Facsimile and Mobile Phone Service	20,000			20,000		20,000
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)	100,000			100,000		100,000
Supplies and Accessories for Computers and Printers	140,000			140,000		140,000
Refined Fuels and Lubricants for Transport	450,000			450,000	200,000	250,000
Maintenance Expenses- Motor Vehicles	150,000			150,000		150,000
Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	706,417	82,867		789,284	461,000	328,284
				-		-
Total	1,566,417	82,867	-	1,649,284	661,000	988,284

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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			
3.0 Emergency						
Emergency	7,636,190	5,183,607		12,819,797	5,904,500	6,915,297
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
Total	7,636,190	5,183,607	-	12,819,797	5,904,500	6,915,297
4.0 Bursary and Social Security						
Bursary - Secondary Schools	33,500,000			33,500,000	31,853,789	1,646,211
Bursary -Tertiary Institutions	11,250,000	770,453		12,020,453	10,734,457	1,285,996
Social Security Program- NHIF	6,000,000			6,000,000	2,364,000	3,636,000
Total	50,750,000	770,453		51,520,453	44,952,246	6,568,207
5.0 Sports						
Constituency Sports Tournament	2,601,752			2,601,752	2,601,752	-
South Rift Regional Sports	300,000					

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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			
Tournament				300,000	300,000	-
Total	2,901,752	-	-	2,901,752	2,901,752	-
6.0 Environment				-		-
Kabanga Primary School	1,500,000			1,500,000		1,500,000
Mwihoko Primary school	700,000			700,000		700,000
Total	2,200,000	-	-	2,200,000	-	2,200,000
7.0 Primary Schools Projects				-		-
Tigithi Primary School	2,000,000			2,000,000		2,000,000
Makadamia Primary School	3,000,000			3,000,000		3,000,000
Mitero Primary School	2,400,000			2,400,000		2,400,000
Weruini Primary School	1,200,000			1,200,000		1,200,000
Kihato Primary School	1,200,000			1,200,000	1,200,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Blk) and AIA	Previous Years' Outstanding Disbursements			
Tetu Primary School	2,400,000			2,400,000		2,400,000
Mugumo primary school	700,000			700,000		700,000
Mugumo primary school	1,200,000			1,200,000	700,000	500,000
Murungai Primary School	1,200,000			1,200,000		1,200,000
Kalalu Primary School	1,200,000			1,200,000		1,200,000
Imenti Primary School	2,400,000			2,400,000		2,400,000
Wiyumiriririe Primary School	1,200,000			1,200,000		1,200,000
Sirma Primary School	1,200,000			1,200,000		1,200,000
Rutunguru Primary School	1,200,000			1,200,000	1,200,000	-
Oltafeta Primary school	1,200,000			1,200,000	1,200,000	-
Mutaro Primary School	1,200,000			1,200,000		1,200,000
Bahati Primary School	1,200,000			1,200,000		1,200,000
Munyaka Primary School	1,200,000			1,200,000		1,200,000
Matanya Primary School	2,400,000			1,200,000		1,200,000

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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			
				2,400,000		2,400,000
Sweet Waters Primary School	1,200,000			1,200,000		1,200,000
Mirera Primary School	2,400,000	659		2,400,659	2,400,000	659
Njoguini Primary School	1,200,000			1,200,000		1,200,000
Tamakis Primary School	1,200,000			1,200,000		1,200,000
Nkando Primary School	1,200,000			1,200,000	1,200,000	-
Nturukuma Primary School	1,200,000			1,200,000		1,200,000
Mt. Kenya Primary School	2,400,000			2,400,000	2,400,000	-
Garison Primary School	1,200,000			1,200,000		1,200,000
Ngobit primary school		320		320		320
Wathituga primary school		300,000		300,000		300,000
Total	41,700,000	300,979	-	42,000,979	10,300,000	31,700,979
8.0 Secondary Schools Projects						
St. Jude Secondary School	2,400,000			2,400,000	2,000,000	400,000

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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			
Tharua Secondary School	4,700,000			4,700,000		4,700,000
Nyariginu Secondary School	3,000,000			3,000,000		3,000,000
Ngobit Boys Secondary School	1,500,000			1,500,000		1,500,000
Withare Secondary School	4,600,000			4,600,000		4,600,000
Kalalu secondary school						
		3,414		3,414		3,414
Total	16,200,000	3,414	-	16,203,414	2,000,000	14,203,414
9.0 Tertiary institutions Projects						
				-		-
				-		-
Total				-		-
10.0 Security Projects						
Castle Police Post	2,500,000			2,500,000		2,500,000
Nyariginu Police Post	2,500,000			2,500,000	2,500,000	-
Thingithu chiefs office		240,000		240,000		240,000
Solio village ACCs office		2,300,000		2,300,000		2,300,000
Solio village ACCs office		1,400,000		1,400,000		1,400,000

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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			
Chuma police post		239,449		239,449		239,449
Total	5,000,000	4,179,449	-	9,179,449	2,500,000	6,679,449
11.0 Acquisition of assets						
Purchase of office furniture			266,370	266,370		266,370
construction of laikipia east NCGDF gate house			300,000	300,000		300,000
Purchase of motor bike		7,332		7,332		7,332
Total	-	7,332	566,370	573,702	-	573,702
12.0 Other payments						
MT KENYA HARDROCK	-	2,277,285	-	2,277,285	-	2,277,285
Laikipia East NG-CDF Strategic Plan	2,200,000			2,200,000		2,200,000
Huduma centre makutano		2,429,000		2,429,000	2,429,000	-
	2,200,000	4,706,285	-	6,906,285	2,429,000	4,477,285
13. Oversight Committee						
Committee allowances	375,000			375,000		375,000
Payment of travel allowance for 5 members	20,000			20,000		20,000

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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			
Payment of instructors	100,000			100,000	27,000	73,000
Hire of training facilities	180,000			180,000		180,000
Daily Subsistence Allowance	100,000			100,000		100,000
Monitoring and Evaluation	375,000			375,000		375,000
Payment of catering services	100,876			100,876		100,876
Purchase of fuel and lubricants	300,000			300,000		300,000
Purchase of NGCDFC Office computers				-		-
	1,550,876	-	-	1,550,876	27,000	1,523,876
13.0 unallocated fund						
Unapproved projects	2,000,000			2,000,000		2,000,000
AIA	253,600	152,000		405,600		405,600
PMC savings						
Total	2,253,600	152,000		2,405,600		2,405,600
Total	145,341,203	18,797,918	566,370	164,705,491	83,699,241	81,006,250

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

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-Laikipia East 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.

***Laikipia East Constituency
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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 1st June 2022 for the period 1st July 2022 to 30th 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.

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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 30th 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.

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO B 185139	7,000,000	
AIE NO B 185542	6,000,000	
AIE NO B 185675	15,000,000	
AIE NO B 206174	5,000,000	
AIE NO B 206440	12,000,000	
AIE NO B 205950	12,000,000	
AIE NO B 207670	15,000,000	
AIE NO B 207830	15,000,000	
AIE NO B 140972		33,000,000
AIE NO B 105489		44,000,000
AIE NO B 105836		22,000,000
AIE NO B 128583		5,000,000
AIE NO B 128895		12,000,000
AIE NO B 164428		18,000,000
AIE NO B 154092		12,000,000
AIE NO B 155864		10,288,879
AIE NO B 155980		13,688,879
AIE NO B 155989		13,800,000
TOTAL	87,000,000	183,777,758

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2. Proceeds from Sale of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	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)	-	-
Total	-	-

3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	223,600	29,000
Hire of plant/equipment/facilities	30,000	
Other Receipts Not Classified Elsewhere		
Total	253,600	29,000

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2022/2023	2021/2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,147,910	3,360,000
Casual Wages	150,850	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,080,319	1,151,850
Employer Contributions Compulsory national social security schemes	118,680	116,640
Total	3,497,759	4,628,490

5. Committee Expenses

	2022/2023	2021/2022
	Kshs	Kshs
Sitting allowance	1,128,000	1,502,500
Other committee expenses	1,897,000	1,445,000
Total	3,025,000	2,947,500

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6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	164,952	0
Communication, supplies and services	133,563	84,247
Domestic travel and subsistence	1,574,800	336,000
Printing, advertising and information supplies & services	202,450	0
Rentals of produced assets	1,008,070	0
Training expenses	-	0
Hospitality supplies and services	836,670	1,717,800
Insurance costs	-	0
Specialized materials and services	-	1,842,906
Office and general supplies and services	1,008,983	1,000,000
Fuel, oil & lubricants	1,062,600	0
Other operating expenses	19,896	0
Routine maintenance – vehicles and other transport equipment	150,000	39,440
Routine maintenance – other assets	-	0
Total	6,161,984	5,020,393

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Notes to The Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers to Primary Schools (See Attached List)	10,300,000	26,660,000
Transfers to Secondary Schools (See Attached List)	2,000,000	13,000,000
Transfers to Tertiary Institutions (See Attached List)		3,100,000
Total	12,300,000	42,760,000

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	31,853,789	29,071,400
Bursary – tertiary institutions (see attached list)	10,734,457	14,243,200
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)		-
Social Security programmes (NHIF)	2,364,000	6,000,000
Security projects (see attached list)	2,500,000	8,700,000
Sports projects (see attached list)	2,901,752	3,484,064
Environment projects (see attached list)	-	2,700,000
Emergency projects (see attached list)	5,904,500	2,000,000
Roads projects (see attached list)		
Total	56,258,498	66,198,664

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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		38,218,185
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		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and renovation of plant, machinery and equipment		
Acquisition of Land		
Acquisition Intangible Assets		
Total		38,218,185

10. Other Payments

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Huduma Centre		
Laikipia East KNLS	2,429,000	36,571,000
Laikipia East Gender Office		2,000,000
		150,000
Constituency Oversight Committee	27,000	
Total	2,456,000	38,721,000

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11. Cash Book Bank Balance

Name of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Name of Bank, Account No. (Main account)</i>	20,074,993	18,797,919
<i>Name of Bank, account No. (Deposits account)</i>	0	0
Total	20,074,993	18,797,919
11 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

12. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Total				

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Notes to the Financial Statement Continued

13. Retention

	2022/2023	2021/2022
	KShs	KShs
Retention as at 1 st July (A)	2,277,285	710,608
Retention held during the year (B)		2,407,906
Retention paid during the Year (C)	2,277,285	841,229
Closing Retention as at 30 th June D= A+B-C	0	2,277,285

14. Gratuity

	2022/2023	2021/2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	434,000
Gratuity held during the year (B)	415,269	-
Gratuity paid during the Year (C)	415,269	434,000
Closing Gratuity as at 30 th June D= A+B-C	-	

15. Fund Balance B/F

	(1st July 2022-3)	(1st July 2021-2)
	Kshs	Kshs
Bank accounts	18,797,919	18,797,919
Cash in hand	-	-
Imprest	-	-
Total	18,797,919	18,797,919
Less		
Payables: - Retention	2,277,285	
Payables - Gratuity	-	
Fund Balance Brought Forward	16,520,634	

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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>)			
Total			

17. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	Kshs	Kshs
Outstanding Imprest as at 1 st 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 st July (A)	2,277,285	
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)	2,277,285	
closing account payables D= A+B-C	-	
Net changes in accounts payables D-A	(2,277,285)	

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022/2023	2021/2022
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
Total		

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022/2023	2021/2022
	Kshs	Kshs
Compensation of employees	458,721	41,120
Committee expense	1,229,451	
Use of goods and services	2,070,269	2,084,053
Amounts due to other Government entities (see attached list)	45,904,393	3,646,668
Amounts due to other grants and other transfers (see attached list)	22,362,953	1,520,373
Acquisition of assets	573,702	2,307,333
Oversight committee	1,523,876	-
Other Payments (specify)	2,200,000	6,769,086
Funds pending approval	2,405,600	152,000
Total	78,728,965	16,520,633

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18.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	3,075,361	16,862,219
Total	3,075,361	16,862,219

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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	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	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 FY 2022-2023	Outstanding Balance FY 2021-2022	Comments
Compensation of employees				
NSSF	For purpose of payment of staff salary	6,440	-	In the process of utilization
Medical Insurance	For purpose of payment of staff salary	-	-	In the process of utilization
Casual Labour and Internship	For purpose of payment of staff salary	3,650	-	In the process of utilization
Gratuity-Contractual Employees	For purpose of payment of staff salary	448,631	41,120	In the process of utilization
Remuneration of facilitators and Contract Based Training Services- Drug and HIV trainings are mandatory.				fully utilization
Hire of Training Facilities and Equipment	Capacity building of members of PMC	58,125	-	In the process of utilization
Accommodation Allowance	For the purpose of payment of DSA	4,600	-	In the process of utilization
Travel Allowance	For the purpose of payment of DSA	220,000		In the process of utilization
2.2 Committee allowances				
NGCDFC Allowance	For the purpose of operation cost	49,451	584,053	In the process of utilization
Other Committee Expenses	For the purpose of operation cost	1,180,000	1,503,600	In the process of utilization
1.3 Use of goods and services				
Telephone, Telex, Facsimile and Mobile Phone Service	For the purpose of operation cost	20,000	-	In the process of utilization
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)	For the purpose of operation cost	100,000	-	In the process of utilization
Supplies and Accessories for Computers and	For the purpose of operation		-	In the process of

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Name	Brief Transaction Description	Outstandin g Balance FY 2022- 2023	Outstandin g Balance FY 2021- 2022	Comments
Printers	cost	140,000		utilization
Refined Fuels and Lubricants for Transport	For the purpose of operation cost	250,000	-	In the process of utilization
Maintenance Expenses- Motor Vehicles	For the purpose of operation cost	150,000	-	In the process of utilization
Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	For the purpose of operation cost	328,284	-	In the process of utilization
Electricity charges	For the purpose of operation cost	2,838	-	In the process of utilization
Water & Sewerage Charges	For the purpose of operation cost	6,750	-	In the process of utilization
Telephone, Telex, Facsimile and Mobile Phone Service	For the purpose of operation cost	81,401	-	In the process of utilization
Internet connection.	For the purpose of operation cost	65,036	-	In the process of utilization
Daily Subsistence Allowance	For the purpose of operation cost	8,600	-	In the process of utilization
Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	For the purpose of operation cost	72,859	-	In the process of utilization
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment etc.)	For the purpose of operation cost	1,227	-	In the process of utilization
Supplies and Accessories for Computers and Printers	For the purpose of operation cost	133,392	-	In the process of utilization
Sanitary and Cleaning Materials, Supplies and Services	For the purpose of operation cost	281,325	-	In the process of utilization
Refined Fuels and Lubricants for Transport	For the purpose of operation cost	42,400	-	In the process of utilization
Publishing and printing	For the purpose of operation cost	51,882	-	In the process of utilization
Advertising and awereness	For the purpose of operation cost	51,550	-	In the process of utilization
Amounts due to other Government entities				

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Name	Brief Transaction Description	Outstandin g Balance FY 2022- 2023	Outstandin g Balance FY 2021- 2022	Comments
7.0 Primary Schools Projects				
Tigithi Primary School	Renovation of 4 classrooms	2,000,000	-	Waiting disbursement from the board
Makadamia Primary School	Construction to completion of administration block with 4 offices	3,000,000	-	Waiting disbursement from the board
Mitero Primary School	Construction of 2 classrooms	2,400,000	-	Waiting disbursement from the board
Weruini Primary School	Construction of 1 classroom	1,200,000	-	Waiting disbursement from the board
Tetu Primary School	Construction of 2 classrooms	2,400,000	-	Waiting disbursement from the board
Mugumo primary school	Construction to completion of one block of 3 doors pit latrine for boys with one chamber catering for the needs of persons with disability	700,000	-	Waiting disbursement from the board
Mugumo primary school	Construction of 1 classroom	500,000	-	Waiting disbursement from the board
Murungai Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Kalalu Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Imenti Primary School	Construction to completion of 2 classroom	2,400,000	-	Waiting disbursement from the board
Wiyumiriririe Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Sirma Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Mutaro Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Bahati Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022- 2023	Outstandin g Balance FY 2021- 2022	Comments
Munyaka Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Matanya Primary School	Construction to completion of 2 classroom	2,400,000	-	Waiting disbursement from the board
Sweet Waters Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Mirera Primary School	Construction to completion of 2 classroom	659	-	Waiting disbursement from the board
Njoguini Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Tamakis Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Nturukuma Primary School	Construction to completion of 1 classroom	1,200,000	-	
Garison Primary School	Construction to completion of 1 classroom	1,200,000	-	Waiting disbursement from the board
Ngobit primary school	Balances bf	320	-	Waiting disbursement from the board
Wathituga primary school	Balances bf	300,000	-	Waiting disbursement from the board
Kabanga Primary School	Construction to completion of 2 blocks of 8 doors of pit latrines,4 doors for girls with 1 chamber for PWDS and 4 doors for boys with a chamber for PWDS	1,500,000	-	Waiting disbursement from the board
Mwihoko Primary school	Construction to completion of one block of 3 doors pit latrine for girls with one chamber catering for the needs of persons with disability	700,000	-	Waiting disbursement from the board
St. Jude Secondary School	Construction to completion of 2 classroom	400,000	-	Waiting disbursement from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022- 2023	Outstandin g Balance FY 2021- 2022	Comments
Tharua Secondary School	Construction to completion of 40 student capacity single laboratory	4,700,000	-	Waiting disbursement from the board
Nyariginu Secondary School	Construction to completion of administration block with 3 offices and staff room	3,000,000	-	Waiting disbursement from the board
Ngobit Boys Secondary School	Fencing to completion of 5 acres school compound with concrete poles and chain link	1,500,000	-	Waiting disbursement from the board
Withare Secondary School	Construction to completion of 40 student capacity single laboratory	4,600,000	-	Waiting disbursement from the board
Kalalu secondary school		3,414	-	Waiting disbursement from the board
Sub-Total				Waiting disbursement from the board
3.0 Emergency		-	-	Waiting disbursement from the board
Emergency	To cater for unforeseen events	6,915,297	5,843,819	Waiting disbursement from the board
Bursary - Secondary Schools	Payment of bursary to needy students	1,600,173	1,520,373	Waiting disbursement from the board
Bursary -Tertiary Institutions	Payment of bursary to needy students	1,332,034	-	Waiting disbursement from the board
Social Security Program- NHIF	Payment of NHIF	3,636,000	-	Waiting disbursement from the board
Amounts due to other grants and other transfers				
10.0 Security Projects				
Castle Police Post	Construction to completion of a police post with 3 offices 2 cells and reporting office	2,500,000	-	Waiting disbursement from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022- 2023	Outstandin g Balance FY 2021- 2022	Comments
Thingithu chiefs office	Purchase of furniture	240,000	-	Waiting disbursement from the board
Solio village ACCs office	Construction of building	2,300,000	-	Waiting disbursement from the board
Solio village ACCs office	Construction of building	1,400,000	-	Waiting disbursement from the board
Chuma police post	Purchase of furniture	239,449	-	Waiting disbursement from the board
NG-CDF Office	Construction of NG-CDF Office	-	600,000	Waiting disbursement from the board
Laikipia East NG-CDF Strategic Plan	Designing of strategic plan	2,200,000	200,000	Waiting disbursement from the board
Constituency Chiefs office furniture	Purchase of furniture		246,668	
13. Oversight Committee		-	-	
Committee allowances	payment of allowances	375,000	-	Waiting disbursement from the board
Payment of travel allowance for 5 members	payment of travel cost	20,000	-	Waiting disbursement from the board
Payment of instructors	Payment of instructors	73,000	-	Waiting disbursement from the board
Hire of training facilities	Payment of training facilities	180,000	-	Waiting disbursement from the board
Daily Subsistence Allowance	Payment of DSA	100,000	-	Waiting disbursement from the board
Monitoring and Evaluation	Payment of M&E allowances	375,000	-	Waiting disbursement from the board
Payment of catering services	Payment of catering services	100,876	-	Waiting disbursement from the board
Purchase of fuel and lubricants	Purchase of fuel and lubricants	300,000	-	Waiting disbursement from the board
Solio Village 4 ICT Hall	Construction of ICT Hall	-	3,400,000	

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Name	Brief Transaction Description	Outstandin g Balance FY 2022- 2023	Outstandin g Balance FY 2021- 2022	Comments
Purchase of motor bike	Purchase of motor bike	7,332	-	Waiting disbursement from the board
Huduma centre makutano		-	2,429,000	Waiting disbursement from the board
Purchase of office furniture	Purchase of office furniture	266,370	-	Waiting disbursement from the board
construction of laikipia east NCGDF gate house	Construction of Laikipia east NGCDF office gate house	300,000	-	Waiting disbursement from the board
13.0 unallocated fund		-	-	
Unapproved projects	For bigwa primary school for construction of school dining hall	2,000,000	152,000	Waiting disbursement from the board
AIA	For hall hire and sale of tenders	405,600		Waiting reallocation board
Grand Total		78,728,965	16,520,633	

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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	45,400,314			45,400,314
Transport equipment	4,217,921			4,217,921
Office equipment, furniture and fittings	429,000			429,000
ICT Equipment, Software and Other ICT Assets	810,000			810,000
Other Machinery and Equipment	12,441,332			12,441,332
Heritage and cultural assets				
Intangible assets	0			0
Total	63,298,567			63,298,567

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Annex 5 –PMC Bank Balances as at 30th June 2023*

PMC	Bank	Account number	Bank Balance FY 2022/2023	Bank Balance FY 2021/2022
Bungoma Primary School	EQUITY	270278693125	6,000	2,700,000.00
Chuma Police Post	EQUITY	270965123900	900	230.00
Deputy County Commissioner	SIDIAN	270605344128	530	530.00
Huduma Centre Makutano	EQUITY	270280794986	1,021,226	799,800.00
Ihigaini Mixed Day Secondary	EQUITY	270281202479	136	242,655.00
Ihigaini Mixed Secondary School	EQUITY	270251969541	4,567	4,567.00
Iriuko Primary School-Ngcdf	EQUITY	270282775109	1,400	2,700,000.00
Laikipia East Kenya National Library	EQUITY	270866943120	70,196	679.00
Likii Primary School - Cdf Account	EQUITY	270277343603	1,760	1,760.00
Likii Secondary School-Ngcdf	EQUITY	270277398796	41,850	3,738,050.00
Male Primary School-Pmc	EQUITY	270282189150	120	20,700.00
Muhonia Primary School- Cdf	EQUITY	270277777756	347	2,401,820.00
Mwihoko Secondary School	EQUITY	270238957654	1,880	1,200.00
Mwituria Chiefs Office	EQUITY	270279424864	654	500,000.00
Nanyuki Township Mixed Day	EQUITY	270278556791	75,942	660,124.00
Mirera primary school pmc	EQUITY	270277331119	1,630,703	6,430.00
Nkando Primary School	EQUITY	270192993648	118,023	1,137,655.00

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PMC	Bank	Account number	Bank Balance FY 2022/2023	Bank Balance FY 2021/2022
St Moses Primary School	EQUITY	270282734871	97,073	1,697,775.00
Sweetwaters Mixed Day Secondary	EQUITY	270281216062	2,054	248,244.00
			3,075,361	16,862,219.00

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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)
Basis for qualified 1.	Cash and Cash equivalents – Stale cheques	Reversed back to the cash book	<i>Not Resolved</i>	When NA committee invites
Basis for qualified 2.	Unaccounted for Retention Funds	Ledgers prepared	<i>Not Resolved</i>	When NA committee invites
Basis for qualified 3.	In accurate gratuity	Adjustments made	<i>Not Resolved</i>	When NA committee invites
Other Matter 1.	Budgetary Controls and performance	Measures put place to absorb.	<i>Not Resolved</i>	When NA committee invites
Other Matter 2.	Project Implementation Status	Measures put place to monitor implementation	<i>Not Resolved</i>	When NA committee invites
Other Matter 3.	Prior Year unresolved issues	Awaiting NA committee	<i>Not Resolved</i>	When NA committee invites
Lawfulness & Effectiveness 1.	Single sourcing in procurement of construction Materials	Records for competitive bidding put together.	<i>Not Resolved</i>	When NA committee invites
Lawfulness & Effectiveness 2.	Unconfirmed procurements of primary schools	Documents put together for review.	<i>Not Resolved</i>	When NA committee invites
Lawfulness & Effectiveness 3.1	Transfer to primary schools	Documents put together for review.	<i>Not Resolved</i>	When NA committee

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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)
				invites
Lawfulness & Effectiveness 3.2	Transfer to secondary schools	Documents put together for review.	<i>Not Resolved</i>	When NA committee invites
Lawfulness & Effectiveness 4.	Huduma center Makutano in Ngobit	Documents put together for review.	<i>Not Resolved</i>	When NA committee invites
Lawfulness & Effectiveness 5.	Improper administration of bursaries	Documents put together for review.	<i>Not Resolved</i>	When NA committee invites
Internal Controls 1.	Lack of internal audit arrangements	The Board requested to carry out in good time	<i>Not Resolved</i>	When NA committee invites



.....
Name: Nancy Mwangi
Fund Account Manager.

