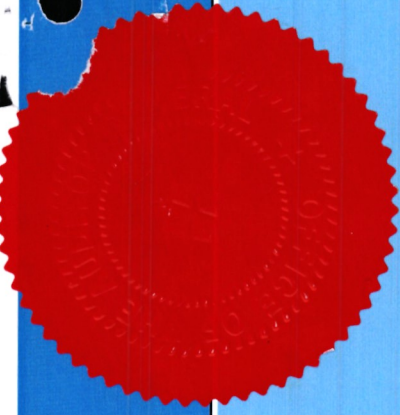
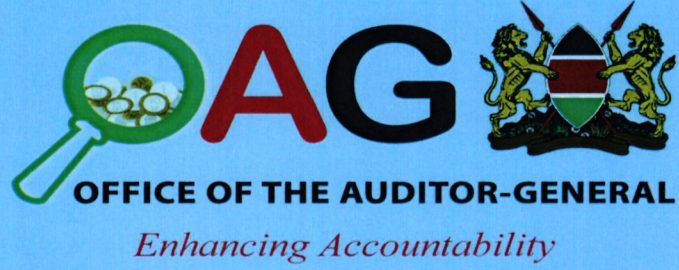


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THE NATIONAL ASSEMBLY REPORT

DATE: 23 MAR 2022

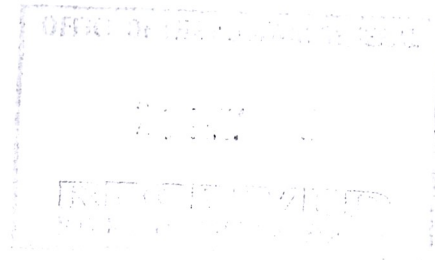
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THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

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

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.

(b) Key Management

The NGCDF Lagdera Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Hassan Billow Ismail
2.	Sub-County Accountant	Joshua M. Meeme
3.	Chairman NGCDFC	Adan Mohamed Ahmed
4.	Member NGCDFC	Sundus Ali Samow

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Lagdera Constituency Headquarters

P.O. Box 659 - 70100
GARISSA, KENYA

LAGDERA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF Lagdera Constituency Contacts

Telephone: (254) 0723 283 423
E-mail: cdflAGDERA@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Lagdera Constituency Bankers

1. First Community Bank
Garissa Branch
Account Number: 0009576701
P.O. Box 659 - 70100
Garissa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Lagdera constituency is one among the constituencies in Garissa County with approximate population of 92,636 with sq.km (approx) 8,389.80

In this constituency, Lagdera national government constituency development fund managed to improve school infrastructures and security situation for the last two years by giving priority to project proposals especially in these sectors. The main economic activity of the residence of the Lagdera constituency is livestock rearing i.e camels, cattle, sheep and goats due to the drought that occurs simultaneously.

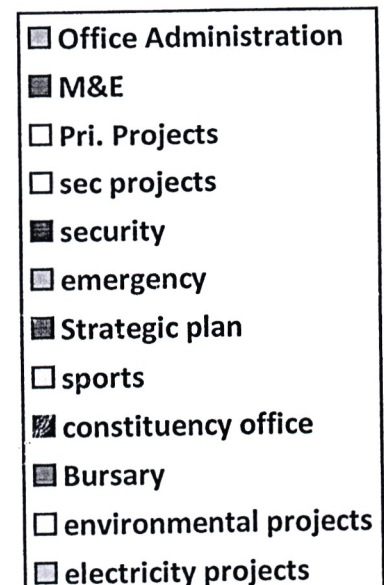
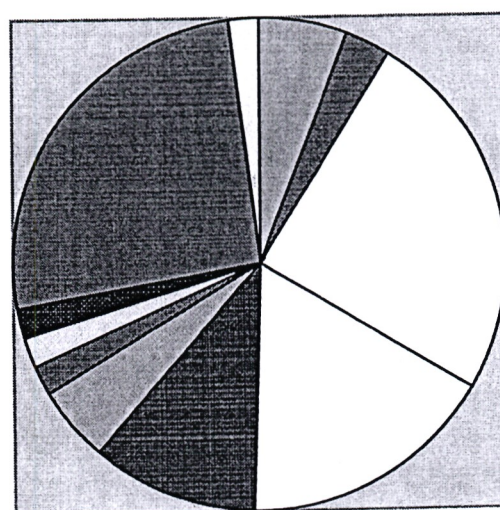
Lagdera national government constituency development funds as mandated by NG-cdf act, prioritized on projects for funding during the financial year 2019/2020.

The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval.

The following is the summary breakdown of proposed projects for funding during the financial year 2019/2020.

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
1.	Office administration	8,242,063.45	6
2.	Monitoring and evaluation	4,121,031.72	3
3.	Bursary	34,400,000	26
4.	Primary projects	36,690,000	27
5.	Secondary school projects	21,020,000	15
6.	Security projects	14,350,000	10
7.	Emergency reserve	7,198,241.38	5
8.	Strategic Plan	2,500,000	2
9.	Sports activities	2,747,354.48	2
10.	Environmental projects	2,747,354.48	2
11.	Electricity projects	351678.63	0
12.	Constituency office	3,000,000	2
	TOTAL	137,367,724.14	100

Percentage of sector allocation



During the financial year the committee received amount of Kshs.122, 740,876 from the board that includes balances during last financial year 2018/19 and half of the allocation for 2019/20. The committee further managed to disburse funds to both pmcs and other contractors and the expenditure is as follows:

ITEM	AMOUNT SPENT
Compensation of employees	2,491,097
Use of goods and services	10,261,159
Transfers to Other Government Units	54,574,577
Other grants and transfers	31,872,921
Acquisition of Assets	3,000,000
NG-CDFC Office	7,000,000
TOTAL PAYMENTS	109,199,754

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

Achievements during the financial year

1. NGCDFC Lagdera constructed almost 30 classrooms and purchased lockers in both primary and secondary schools and thus increased enrolments in the institutions.
2. Motivated staff by building staff quarters in several schools within the constituency.
3. Made several emergency interventions that affected several schools within the constituency.

Challenges during the financial year

Health:

Due to the outbreak of covid19, it was difficult to go for monitoring and evaluation of projects or even hold tournaments for the youth..

Drought:

Lack of water in most of the settlements established through ngcdf funds might be closed thus affecting the learning programs in schools within these settlements.

Poor road infrastructure:

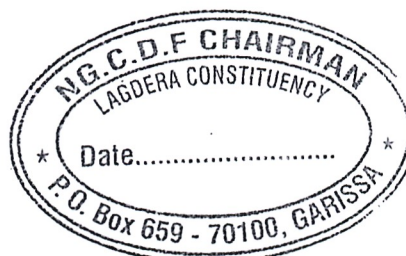
The committee experienced difficulties in monitoring process during the rainy season thus affecting implementation period of projects.

Recommendations

- The government to clearly educate youths on protective measures on covid19
- NG-CDFC to liase with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will reduce the migration of communities leaving in those areas.
- Implement road projects in areas where ng-cdf projects are proposed to be implemented so that monitoring can be done easily.



CHAIRMAN NGCDF COMMITTEE



III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF- Lagdera Constituency is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the fund for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (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 fund; (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- Lagdera Constituency accepts responsibility for the fund'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 fund's financial statements give a true and fair view of the state of fund's transactions during the financial year ended June 30, 2020, and of the fund's financial position as at that date. The Accounting Officer charge of the NGCDF- Lagdera Constituency further confirms the completeness of the accounting records maintained for the fund, which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.

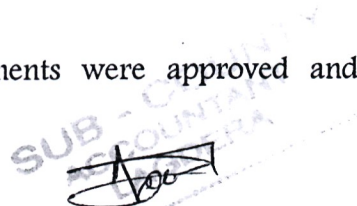
The Accounting Officer in charge of the NGCDF- Lagdera Constituency confirms that the fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the fund's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the fund'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- Lagdera Constituency financial statements were approved and signed by the Accounting Officer on 25/8/2020.



Fund Account Manager
Name: Hassan Billow Ismail



Sub-County Accountant
Name: Joshua M.Meeme
ICPAK Member Number: 7739

IV. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of NGCDF-LAGDERA Constituency's 2018-2022 plans are to:

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

Progress on attainment of Strategic development objectives

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

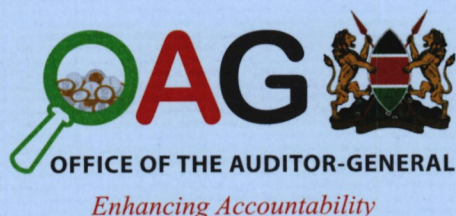
Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 -we increased the number of classrooms, multipurpose halls, dormitories, staff houses, libraries, laboratories in various schools/institutions - provision of revision books, bursary and laboratory equipments
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs'	-we constructed additional number of chiefs' offices, rehabilitation of police stations, AP and police offices

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

			offices	and houses. -NG-CDF office fenced and ACC offices constructed
Environment	To promote environmental sustainability	Increase in the number of trees and proper collection of garbage and disposal of sewerage waste	Conservation of soil by trees and usable pit latrines	We constructed additional number of pit latrines and planted trees
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among then youth and increase in the number of forums held. Ease of access on devolved funds	We create awareness among the youth on the establishment of youth groups and allow ease of access to devolved funds
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	We set aside funds for any emergencies
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We organise capacity building programmes for NGCDFC'S and PMC's -we organise regular projects monitoring field visits
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipments Employee satisfaction and availability of reports	We purchase working tools and equipments to make work easy and of quality We strategically plan for the future

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lagdera Constituency set out on pages 10 to 44, which comprise the statement of financial assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Lagdera Constituency as at 30 June, 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Cash and Cash Equivalents

As disclosed in Note 9 to the financial statement, the statement of financial position reflects cash and cash equivalents balance of Kshs.28,604,563 as at 30 June, 2020. Included in the balance is unrepresented cheques of 1,751,654 out of which Kshs.82,677 were stale cheques that had not been cancelled and reversed in the cash book.

In the circumstances, the accuracy of the cash and cash equivalent balance of Kshs.28,604,563 could not be confirmed.

2.0 Other Grants and Transfers

As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.31,872,921. Included in the transfers is an amount of Kshs.964,000 and Kshs.5,200,000 disbursed to various secondary schools and tertiary institutions respectively, as bursaries to needy students. However, disbursements totalling Kshs.803,000 were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions, making it difficult to confirm if the needy students benefited from the bursaries.

In addition, the Fund did not maintain a cheque's register to records issuance of cheques.

Consequently, the accuracy and propriety of expenditure on bursaries of Kshs.803,000 on bursaries could not be confirmed.

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

Key Audit Matters

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

Other Matter

Basis for Conclusion

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reveals that the Fund had an approved budget of Kshs.207,172,040 while the actual receipts were Kshs.122,740,876 resulting to under-funding of Kshs.84,431,164 representing 40% of the budgeted.

Similarly, the Fund spent an amount of Kshs109,199,754 against a budgeted amount of Kshs.207,172,040 resulting to under expenditure of Kshs.97,972,286 representing 47% of the approved budget.

Failure to fully absorb the budget and utilize funds approved for development projects may have negatively affected service delivery to the constituents of Lagdera.

2.0 Project Implementation Status

The project implementation status report provided for audit review indicated that a total of Kshs.125,004,628 was allocated to fifty-five (55) projects, out of which ten (10) worth Kshs.26,372,950 were complete, six (6) amounting to Kshs.7,410,000 were ongoing and thirty-nine (39) amounting to Kshs.91,221,678 had not been implemented by the end of the year.

Failure to implement projects to completion within the stipulated period may have denied the constituents of Lagdera the desired service delivery.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Basis for Conclusion on Compliance 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 money has not been applied lawfully and in an effective way.

Basis for Conclusion

Project Management Committee Bank Balances

Annex 5 to the financial statements reflects twenty-seven (27) Project Management Committees (PMC) bank balances amounting to Kshs.3,316,482. However, the Management did not provide the relevant bank reconciliations and bank certificates for audit verification. Further, the fund did not disclose additional eleven (11) PMC bank balances in its financial statements. The financial reporting template provided by the National Treasury requires, National Government Constituency Funds to disclose in their financial statements under Annex 5 the bank balances of the accounts held by PMC.

Consequently, the Fund was in breach of the financial reporting template provided by The National Treasury.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

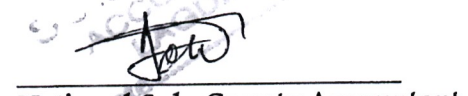
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAGDERA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	122,740,876	108,784,483
Other Receipts	2	-	510,750
TOTAL RECEIPTS		122,740,876	109,295,233
PAYMENTS			
Compensation of employees	3	2,491,097	1,949,082
Use of goods and services	4	7,761,159	6,511,493
Transfers to Other Government Units	5	54,574,577	48,214,292
Other grants and transfers	6	31,872,921	44,717,886
Acquisition of Assets	7	10,000,000	1,076,421
Other Payments	8	2,500,000	-
TOTAL PAYMENTS		109,199,754	102,469,174
SURPLUS/(DEFICIT)		13,541,122	6,826,059

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Lagdera Constituency financial statements were approved on 25/8/ 2020 and signed by:


Fund Account Manager
Name: Hassan Billow Ismail

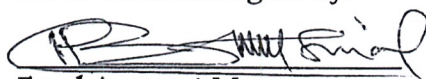

National Sub-County Accountant
Name: Joshua M.Meeme
ICPAK Member Number: 7739

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


VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9	28,604,563	15,063,441
Total Cash and Cash Equivalents		28,604,563	15,063,441
Current Receivables			
Outstanding Imprests		-	-
TOTAL FINANCIAL ASSETS		28,604,563	15,063,441
FINANCIAL LIABILITIES			
Accounts Payable			
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		28,604,563	15,063,441
REPRESENTED BY			
Fund balance b/fwd	10	15,063,441	8,237,382
Surplus/Deficit for the year		13,541,122	6,826,059
NET FINANCIAL POSITION		28,604,563	15,063,441

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Lagdera Constituency financial statements were approved on 25/8/ 2020 and signed by:



Fund Account Manager
Name: Hassan Billow Ismail

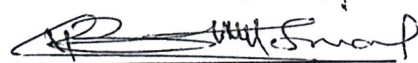


National Sub-County Accountant
Name: Joshua M.Meeme
ICPAK Member Number: 7739

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**LAGDERA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	122,740,876	108,784,483
Other Receipts	2	-	510,750
Total receipts		122,740,876	109,295,233
Payments for operating expenses			
Compensation of Employees	3	2,491,097	1,949,082
Use of goods and services	4	7,761,159	6,511,493
Transfers to Other Government Units	5	54,574,577	48,214,292
Other grants and transfers	6	31,872,921	44,717,886
Other Payments	8	2,500,000	-
Total payments		99,199,754	101,392,753
Total Receipts Less Total Payments		23,541,122	7,902,480
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)		-	-
Net cash flow from operating activities		13,541,122	6,826,059
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	10,000,000	1,076,421
Net cash flows from Investing Activities		(10,000,000)	(1,076,421)
NET INCREASE IN CASH AND CASH EQUIVALENT		13,541,122	6,826,059
Cash and cash equivalent at BEGINNING of the year	10	15,063,441	8,237,382
Cash and cash equivalent at END of the year		28,604,563	15,063,441

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Lagdera Constituency financial statements were approved on 25/8/ 2020 and signed by:



Fund Account Manager
Name: Hassan Billow Ismail



National Sub-County Accountant
Name: Joshua M.Meeme
ICPAK Member Number: 7739

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

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	137,367,724	69,804,316	207,172,040	122,740,876	84,431,164	59.3%
TOTAL RECEIPTS	137,367,724	69,804,316	207,172,040	122,740,876	84,431,164	59.3%
PAYMENTS						
Compensation of Employees	2,595,782	1,206,106	3,801,888	2,491,097	1,310,791	65.5%
Use of goods and services	12,267,313	7,012,308	19,279,621	7,761,159	11,518,462	40.3%
Transfers to Other Government Units	58,695,596	46,238,877	104,934,473	54,574,577	50,359,896	52.0%
Other grants and transfers	60,809,033	5,847,025	66,656,058	31,872,921	34,783,137	47.8%
Acquisition of Assets	3,000,000	7,000,000	10,000,000	10,000,000	-	100%
Other Payments	-	2,500,000	2,500,000	2,500,000	-	100%
TOTAL	137,367,724	69,804,316	207,172,040	109,199,754	97,972,286	46.3%

The NGCDF-Lagdera Constituency financial statements were approved on 25/08/ 2020 and signed by:


Fund Account Manager

Name: Hassan Billow Ismail



Sub-County Accountant
 Name: Joshua M.Meeme ICPAK
 Member Number: 7739

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

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 2019/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
Compensation of employees	2,595,782	1,206,106	3,801,888	2,491,097	1,310,791
Subtotals	2,595,782	1,206,106	3,801,888	2,491,097	1,310,791
Use of goods and services	12,267,313	7,012,308	19,279,621	7,761,159	11,518,462
Subtotals	12,267,313	7,012,308	19,279,621	7,761,159	11,518,462
7.0 Primary Schools Projects					
7.1 Baraki Primary School	2,000,000	-	2,000,000	-	2,000,000
7.2 Benane Primary School	2,000,000	-	2,000,000	-	2,000,000
7.3dalehele Primary School	850,000	-	850,000	-	850,000
7.4 Elan Primary School	680,000	-	680,000	680,000	-
7.5 Elan Primary School	1,800,000	-	1,800,000	1,800,000	-
7.6garse Primary School	1,000,000	-	1,000,000	-	1,000,000
7.8 Barfin Primary School	1,800,000	-	1,800,000	-	1,800,000
7.9 Dihle Noor Primary School	1,200,000	-	1,200,000	1,200,000	-
7.10 Geylab Primary School	3,500,000	-	3,500,000	1,500,000	2,000,000
7.11 Hadun Primary School	500,000	-	500,000	-	500,000

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

7.12 Atweine Primary School	1,500,000	-	1,500,000	1,500,000	-
7.13 Gurufa Primary School	1,000,000	-	1,000,000	-	1,000,000
7.14 Jilango Primary School	3,500,000	-	3,500,000	-	3,500,000
7.15 Maalimin Primary School	1,000,000	-	1,000,000	-	1,000,000
7.16 Maalimin Primary School	680,000	-	680,000	680,000	-
7.17 Maalimin Primary School	1,500,000	-	1,500,000	-	1,500,000
7.18 Barkuke Primary School	1,800,000	-	1,800,000	-	1,800,000
7.19 Madina Primary School	2,000,000	-	2,000,000	-	2,000,000
7.20 Janju Primary School	500,000	-	500,000	-	500,000
7.21 shabel DuLa Primary School	750,000	-	750,000	-	750,000
7.22 Sheikh Hajir Primary School	2,000,000	-	2,000,000	-	2,000,000
7.23 Skansa Primary School	1,800,000	-	1,800,000	-	1,800,000
7.24 Tokojo Primary School	1,000,000	-	1,000,000	-	1,000,000
7.25 Wayamo Jibril Primary School	1,200,000	-	1,200,000	-	1,200,000
7.26 Madina Primary School	680,000	-	680,000	680,000	-
7.27 Baraki Primary School	1,435,596	-	1,435,596	-	1,435,596
7.28 Barfin Primary School	-	500,000	500,000	500,000	-
7.29 Barfin Primary School	-	-	445,000	445,000	-

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

	-	445,000					
7.3 Dihle Nur Primary School	-	920,000	920,000	920,000	920,000		-
7.31 Maalimin Primary School	-	500,000	500,000	500,000	500,000		-
7.32 Maalimin Primary School	-	445,000	445,000	445,000	445,000		-
7.33 Maalimin Primary School	-	25,000	25,000	25,000	25,000		-
7.34 Maalimin Primary School	-	500,000	500,000	500,000	500,000		-
7.35 Maalimin Primary School	-	445,000	445,000	445,000	445,000		-
7.36 Maalimin Primary School	-	25,000	25,000	25,000	25,000		-
7.37 Afweine Primary School	-	920,000	920,000				920,000
7.38 Afweine Primary School	-	50,000	50,000	50,000	50,000		-
7.39 Gurufa Primary School	-	500,000	500,000	500,000	500,000		-
7.4 Gurufa Primary School	-	445,000	445,000	445,000	445,000		-
7.41 Jilango Primary School	-	1,000,000	1,000,000	1,000,000	1,000,000		-
7.41 Jilango Primary School	-	920,000	920,000	920,000	920,000		-
7.43 Kanbi Samaki Primary School	-	375,000	375,000	375,000	375,000		-
7.44 Kanbi Samaki Primary School	-	355,000	355,000	355,000	355,000		-
7.45 Illanle Primary School	-	1,000,000	1,000,000	1,000,000	1,000,000		-
7.46 Illanle Primary School	-	920,000	920,000	920,000	920,000		-

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

7.47 Skansa Primary School	-	500,000	500,000	500,000	-
7.48 Skansa Primary School	-	445,000	445,000	445,000	-
7.49 Barkuke Primary School	-	375,000	375,000	375,000	-
7.5 Barkuke Primary School	-	355,000	355,000	355,000	-
7.51 Janju Primary School	-	1,000,000	1,000,000	1,000,000	-
7.52 Janju Primary School	-	720,000	720,000	720,000	-
7.53 Lagdera Primary Schools	-	3,177,027	3,177,027	2,397,027	780,000
7.54 Barkuke Primary School	-	48,350	48,350	48,350	-
7.55 Tokojo Primary School	-	48,350	48,350	48,350	-
7.56 Jilango Primary School	-	123,350	123,350	123,350	-
7.57 Maalmin Primary School	-	48,350	48,350	48,350	-
7.58 Elan Primary School	-	500,000	500,000	500,000	-
7.59 Elan Primary School	-	60,850	60,850	60,850	-
7.6 Baraki Primary School	-	40,000	40,000	40,000	-
7.61 Shanta Abaq Primary School	-	200,000	200,000	200,000	-
7.62 Hagar Jareer Primary School	-	1,000,000	1,000,000	1,000,000	-
7.63 Hagar Jareer Primary School	-	920,000	920,000	920,000	-
7.64 Madina Primary School	-	1,000,000	1,000,000		-

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

	-	1,000,000		1,000,000		1,000,000		
7.65 Madina Primary School	-	920,000		920,000		920,000		-
7.66 Geylab Primary School	-	1,000,000		1,000,000		1,000,000		-
7.67 Geylab Primary School	-	920,000		920,000		920,000		-
7.68 Elan Primary School	-	250,000		250,000		250,000		-
7.69 Elan Primary School	-	55,000		55,000		55,000		-
7.7 Garse Primary School	-	48,350		48,350		48,350		-
7.71 Atweine Primary School	-	1,000,000		1,000,000		1,000,000		-
7.72 Dihle Nur Primary School	-	1,000,000		1,000,000		1,000,000		-
7.73 Elan Primary School	-	230,000		230,000		230,000		-
7.74 Barfin Primary School	-	38,250		38,250		38,250		-
7.75 Hagar Jareer Primary School	-	50,000		50,000		50,000		50,000
7.76 Barkuke Primary School	-	81,350		81,350		81,350		81,350
7.77 Garse Primary School	-	81,350		81,350		81,350		81,350
7.78 Tokojo Primary School	-	81,350		81,350		81,350		81,350
7.79 Jilango Primary School	-	156,350		156,350		156,350		156,350
7.80 Maalinnin Primary School	-	81,350		81,350		81,350		81,350
7.81 Elan Primary School	-	93,850		93,850		93,850		93,850

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

7.82 Medina Primary School	-	50,000	50,000	-	50,000
7.83 Geylab Primary School	-	50,000	50,000	-	50,000
7.84 Barfin Primary School	-	25,000	25,000	-	25,000
7.85 Dihle Nur Primary School	-	50,000	50,000	-	50,000
7.86 Afweine Primary School	-	50,000	50,000	-	50,000
7.87 Gurufa Primary School	-	25,000	25,000	-	25,000
7.88 Jilango Primary School	-	50,000	50,000	-	50,000
7.89 Kanbi Samaki Primary School	-	20,000	20,000	-	20,000
7.9 Illenle Primary School	-	50,000	50,000	-	50,000
7.91 Skansa Primary School	-	25,000	25,000	-	25,000
7.92 Barkuke Primary School	-	20,000	20,000	-	20,000
7.93 Janju Primary School	-	50,000	50,000	-	50,000
7.94 Geylab Primary School	-	33,000	33,000	-	33,000
7.95 Afweine Primary School	-	30,000	30,000	-	30,000
7.96 Afweine Primary School	-	30,000	30,000	-	30,000
7.97 Benane Primary School	-	33,000	33,000	-	33,000
7.98 Togdub Primary School	-	50,000	50,000	-	50,000

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

8.0 Secondary Schools Projects								
8.1 Modogashe Secondary School	3,000,000			3,000,000		-	3,000,000	-
8.2 Modogashe Girls Secondary School	1,800,000			1,800,000		1,500,000	300,000	
8.3 Modogashe Secondary School	2,000,000			2,000,000		1,920,000	80,000	
8.4 Modogashe Secondary School	480,000			480,000		480,000	-	
8.5 Modogashe Girls Secondary School	2,000,000			2,000,000		-	2,000,000	
8.6 Modogashe Girls Secondary School	480,000			480,000		480,000	-	
8.7 Benane Secondary School	2,000,000			2,000,000		-	2,000,000	
8.8 Shantabak Sec Sch	480,000			480,000		480,000	-	
8.9 Shanta Abaq Sec Sch	2,500,000			2,500,000		2,500,000	-	
9.0 Shantabak Sec Sch	1,800,000			1,800,000		-	1,800,000	
9.1 Benane Sec Sch	480,000			480,000		480,000	-	
9.2 Modogashe Girls Sec Sch	4,000,000			4,000,000		4,000,000	-	
9.3 Modogashe Secondary School	-			2,500,000		-	2,500,000	
9.4 Modogashe Secondary School	-			2,450,000		2,450,000	-	
9.5 Modogashe Girls Secondary School	-			2,500,000		2,500,000	-	
9.6 Modogashe Girls Secondary School	-			2,450,000		-	2,450,000	
9.7 Shanta Abaq Secondary School	-			1,000,000		1,000,000	-	
9.8 Benane Secondary School	-			2,000,000		2,000,000	-	
9.9 Benane Secondary School	-			1,960,000		1,960,000	-	
9.1 Shanta Abaq Secondary School	-			123,350		123,350	-	
9.1.1 Modogashe Secondary School				48,350		48,350		-

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

9.12 Modogashe Secondary School			50,000	50,000	-	50,000
9.13 Modogashe Girls Secondary School		50,000	50,000	-	50,000	
9.14 Shanta Abaq Secondary School		1,000,000	1,000,000	-	1,000,000	
9.15 Benane Secondary School		40,000	40,000	-	40,000	
9.16 Shanta Abaq Secondary School		156,350	156,350	-	156,350	
9.17 Modogashe Secondary School		81,350	81,350	-	81,350	
9.18 Benane Secondary School		750,000	750,000	-	750,000	
9.19 Modogashe Girls Secondary School		1,500,000	1,500,000	-	1,500,000	
Sub-total	58,695,596	46,238,877	104,934,473	54,574,577	50,359,896	
3.0 Emergency						
3.1 Emergency	7,198,241	14,339	7,212,580	7,198,241	14,339	
4.0 Bursary And Social Security						
4.2 Secondary Schools	15,000,000	359,457	15,359,457	964,000	14,395,457	
4.3 Tertiary Institutions	19,400,000	49,012	19,449,012	5,200,000	14,249,012	
5.0 Sports						
5.1 Sport Activities	2,747,354	-	2,747,354	2,747,354	-	
6.0 Environment						
6.1 Modogashe Girls Secondary School	750,000	-	750,000	750,000	-	
6.2 Modogashe Secondary School	750,000	-	750,000	750,000	-	
6.3 Lagdera Deputy Sub-county Commissioners Office	497,354	-	497,354	497,354	-	
6.4 Ngcdic Office	750,000	-	750,000	750,000	-	
10.0 Security Projects						
10.1 Modogashe Police Station	3,500,000	-	3,500,000	-	3,500,000	

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

10.2 Afweine Chief's Office	2,500,000	-	2,500,000	2,410,818	89,183
10.3 Benane Police Post	1,200,000	-	1,200,000	1,200,000	-
10.4 Modogashe Police Station	4,300,000	-	4,300,000	4,300,000	-
10.5 Shantaabak Administration Police Post	750,000	-	750,000	319,183	430,817
10.6 Shantaabak Assistant Sub-county Commissioner Residence	1,200,000	-	1,200,000	-	1,200,000
10.7 Modogashe Police Station	266,083	-	266,083	-	266,083
10.8 Lagdera District Headquarters	-	-	-	-	-
10.9 Modogashe Police Station	-	200,000	200,000	-	200,000
10.1 Kambi Samaki Chief's Office	-	38,400	38,400	38,400	-
10.11 Modogashe Chief's Office	-	900,000	900,000	900,000	-
10.12 Modogashe Chief's Office	-	825,000	825,000	825,000	-
10.13 Barkuke Chief's Office	-	1,000,000	1,000,000	1,000,000	-
10.14 Barkuke Chief's Office	-	640,817	640,817	640,817	-
10.15 Shanta Abaq Administration Police	-	480,000	480,000	449,753	30,247
10.16 Eldere Chief's Office	-	932,000	932,000	932,000	-
10.17 Modogashe Chief's Office	-	50,000	50,000	-	50,000
10.18 Barkuke Chief's Office	-	40,000	40,000	-	40,000
10.19 Shanta Abaq Adm Police	-	20,000	20,000	-	20,000
10.2 Modogashe Police Station	-	33,000	33,000	-	33,000
10.21 Eldere Chief's Office	-	33,000	33,000	-	33,000
10.22 Kambi Samaki Chief's Office	-	32,000	32,000	-	32,000
10.23 Shanta Abaq Police Station	-	200,000	200,000	-	200,000

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

		200,000				
Sub-total	60,809,033	5,847,025	66,656,058	31,872,921	34,783,137	
11.0 Acquisition Of Assets						
11.1 Fencing of Office	3,000,000	-	3,000,000	3,000,000	-	
11.2 Construction Of Cdf Office		7,000,000	7,000,000	7,000,000	-	
Sub-total	3,000,000	7,000,000	10,000,000	10,000,000	-	
13.0 Others						
13.1 Strategic Plan		2,500,000	2,500,000	2,500,000	-	
Sub-Total	-	2,500,000	2,500,000	2,500,000	-	
GRAND TOTALS	137,367,725	69,804,316	207,172,040	109,199,754	97,972,286	

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
LAGDERA CONSTITUENCY**
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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDF Board		
AIE NO.B005113		50,784,483
AIE NO.B030033		4,000,000
AIE NO.B030308		10,000,000
AIE NO.B030469		12,000,000
AIE NO.B006416		8,000,000
AIE NO.B047019		24,000,000
AIE NO.B047180	54,740,876	
AIE NO.B047497	4,000,000	
AIE NO.B047811	28,000,000	
AIE NO.B049344	14,000,000	
AIE NO.B104368	22,000,000	
TOTAL	122,740,875	108,784,483.15

2. OTHER RECEIPTS(SEE ANNEX 6)

	2019-2020	2018-2019
	Kshs	Kshs
Other Receipts Not Classified Elsewhere(Unpresented cheques)	-	510,750
Total	-	510,750

3. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,290,297	1,913,882
Employer Contributions Compulsory national social security schemes	200,800	35,200
Total	2,491,097.00	1,949,082.00

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

4. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Electricity	9,008	12,500
Office rent	500,000	500,000
Fuel, oils and lubricants	7,200	96,000
Bank service commission and charges	66,625	69,093
Committee Expenses	5,742,680	4,514,000
Communication, supplies and services	63,000	-
Domestic travel and subsistence	-	93,700
Training expenses	-	56,000
Hospitality supplies and services	454,810	86,600
Office and general supplies and services	898,810	1,011,200
Other operating expenses-Postal corporation	19,026	72,400
Total	7,761,159	6,511,492.57

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to primary schools	31,652,877.00	33,522,999.00
Transfers to secondary schools	22,921,700.00	12,352,300.00
TOTAL	54,574,577.00	45,875,299.00

6. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	964,000.00	11,702,469.00
Bursary – tertiary institutions	5,200,000.00	17,803,000.00
Security projects (see attached list)	10,835,400.00	8,796,600.00
Sports projects (see attached list)	4,928,167.00	–
Environment projects (see attached list)	2,747,354.00	2,180,817.00
Emergency projects (see attached list)	7,198,000.00	6,573,993.45
Total	31,872,921.00	47,056,879.45

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

7. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Construction of Buildings	7,000,000	
Construction of Civil Works	3,000,000	
Purchase of Office Furniture and General Equipment	-	1,076,421
Total	10,000,000	1,076,421

8. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic Plan	2,500,000	-
	2,500,000	-

9. BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019-2020	2018-2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
<i>First Community Bank-Garissa Branch</i>	A/c no.95767	28,604,563	15,063,441
Total		28,604,563	15,063,441

10. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	28,604,563	15,065,222
Total	28,604,563	15,065,222

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,310,791	1,554,715
Use of goods and services	11,518,462	4,767,126
Amounts due to other Government entities	50,359,896	47,319,578
Amounts due to other grants and other transfers	34,783,137	8,952,148
Acquisition of assets	-	-
Others (<i>specify</i>)	-	7,000,000
	97,972,286	69,593,567

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

12. PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances	3,316,482	91,081
Total	3,316,482	91,081

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

There were no pending accounts payables as at 30 June 2020

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES
There were no pending staff payables as at 30 June 2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAGDERA CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Programme/Sub-programme	Brief Transaction Description	Outstanding Balance		Comments
		2019/2020 Kshs	2018/2019 Kshs	
1.0 Administration and Recurrent				
Compensation of employees		1,310,791		Pending Disbursement
Subtotals		1,310,791		
Use of goods and services		11,518,462		Pending Disbursement
Subtotals		11,518,462		
7.0 Primary Schools Projects				
7.1 Baraki Primary School		2,000,000		Pending Disbursement
7.2 Benane Primary School		2,000,000		Pending Disbursement
7.3dalehele Primary School		850,000		Pending Disbursement
7.6garse Primary School		1,000,000		Pending Disbursement
7.8 Barfin Primary School		1,800,000		Pending Disbursement
7.10 Geylab Primary School		2,000,000		Pending Disbursement
7.11 Hadun Primary School		500,000		Pending Disbursement
7.13 Gurufa Primary School		1,000,000		Pending Disbursement
7.14 Jilango Primary School		3,500,000		Pending Disbursement
7.15 Maalimin Primary School		1,000,000		Pending Disbursement
7.17 Maalimin Primary School				Pending

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAGDERA CONSTITUENCY
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			1,500,000		Disbursement
7.18 Barkuke Primary School			1,800,000		Pending Disbursement
7.19 Madina Primary School			2,000,000		Pending Disbursement
7.20 Jarju Primary School			500,000		Pending Disbursement
7.21shabel Dula Primary School			750,000		Pending Disbursement
7.22 Sheikh Hajir Primary School			2,000,000		Pending Disbursement
7.23 Skansa Primary School			1,800,000		Pending Disbursement
7.24 Tokojo Primary School			1,000,000		Pending Disbursement
7.25 Wayamo Jibril Primary School			1,200,000		Pending Disbursement
7.27 Baraki Primay School			1,435,596		Pending Disbursement
7.37 Afweine Primary School			920,000		Pending Disbursement
7.53 Lagdera Primary Schools			780,000		Pending Disbursement
7.75 Hagar Jareer Primary School			50,000		Pending Disbursement
7.76 Barkuke Primary School			81,350		Pending Disbursement
7.77 Garse Primary School			81,350		Pending Disbursement
7.78 Tokojo Primary School			81,350		Pending Disbursement
7.79 Jilango Primary School			156,350		Pending Disbursement
7.80 Maalimin Primary School			81,350		Pending Disbursement
7.81 Elan Primary School			93,850		Pending Disbursement

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7.82	Madina Primary School		50,000	Pending Disbursement
7.83	Geylab Primary School		50,000	Pending Disbursement
7.84	Barfin Primary School		25,000	Pending Disbursement
7.85	Dihle Nur Primary School		50,000	Pending Disbursement
7.86	Afweine Primary School		50,000	Pending Disbursement
7.87	Gurufa Primary School		25,000	Pending Disbursement
7.88	Jilango Primary School		50,000	Pending Disbursement
7.89	Kambi Samaki Primary School		20,000	Pending Disbursement
7.9	Illenle Primary School		50,000	Pending Disbursement
7.91	Skansa Primary School		25,000	Pending Disbursement
7.92	Barkuke Primary School		20,000	Pending Disbursement
7.93	Janju Primary School		50,000	Pending Disbursement
7.94	Geylab Primary School		33,000	Pending Disbursement
7.95	Afweine Primary School		30,000	Pending Disbursement
7.96	Afweine Primary School		30,000	Pending Disbursement
7.97	Benane Primary School		33,000	Pending Disbursement
7.98	Togdub Primary School		50,000	Pending Disbursement
8.0	Secondary Schools Projects			Pending Disbursement
8.1	Modogashe Secondary School			Pending Disbursement

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			3,000,000		Disbursement
8.2 Modogashe Girls Secondary School			300,000		Pending Disbursement
8.3 Modogashe Secondary School			80,000		Pending Disbursement
8.5 Modogashe Girls Secondary School			2,000,000		Pending Disbursement
8.7 Benane Secondary School			2,000,000		Pending Disbursement
9.0 Shantaabak Sec Sch			1,800,000		Pending Disbursement
9.3 Modogashe Secondary School			2,500,000		Pending Disbursement
9.6 Modogashe Girls Secondary School			2,450,000		Pending Disbursement
9.12 Modogashe Secondary School			50,000		Pending Disbursement
9.13 Modogashe Girls Secondary School			50,000		Pending Disbursement
9.14 Shanta Abaq Secondary School			1,000,000		Pending Disbursement
9.15 Benane Secondary School			40,000		Pending Disbursement
9.16 Shanta Abaq Secondary School			156,350		Pending Disbursement
9.17 Modogashe Secondary School			81,350		Pending Disbursement
9.18 Benane Secondary School			750,000		Pending Disbursement
9.19 Modogashe Girls Secondary School			1,500,000		Pending Disbursement
Sub-total			50,359,896		
3.0 Emergency					
3.1 Emergency			14,339		Pending Disbursement

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAGDERA CONSTITUENCY
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4.0 Bursary And Social Security					
4.2 Secondary Schools			14,395,457		Pending Disbursement
4.3 Tertiary Institutions			14,249,012		Pending Disbursement
10.0 Security Projects					
10.1 Modogashe Police Station			3,500,000		Pending Disbursement
10.2 Afweine Chief's Office			89,183		Pending Disbursement
10.5 Shantaabak Administration Police Post			750,000		Pending Disbursement
10.6 Shantaabak Assistant Sub-county Commissioner Residence			1,200,000		Pending Disbursement
10.7 Modogashe Police Station			266,083		Pending Disbursement
10.9 Modogashe Police Station			200,000		Pending Disbursement
10.15 Shanta Abaq Administration Police			30,247		Pending Disbursement
10.17 Modogashe Chief's Office			50,000		Pending Disbursement
10.18 Barkuke Chief's Office			40,000		Pending Disbursement
10.19 Shanta Abaq Adm Police			20,000		Pending Disbursement
10.2 Modogashe Police Station			33,000		Pending Disbursement
10.21 Eldere Chief's Office			33,000		Pending Disbursement
10.22 Kambi Samaki Chief's Office			32,000		Pending Disbursement
10.23 Shanta Abaq Police Station			200,000		Pending Disbursement
Sub-total			34,783,137		
GRAND TOTALS			97,972,286		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAGDERA CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Buildings and structures	-	10,000,000	-	10,000,000
Office equipment, furniture and fittings	1,376,421	-	-	1,376,421
ICT Equipment, Software and Other ICT Assets	79,000	-	-	79,000
Other Machinery and Equipment	21,000	-	-	21,000
Total	1,476,421	10,000,000	-	11,476,421

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
Gurufa Primary Sch	First Community Bank	2987917301	-	-
Maalimin Primary Sch	First Community Bank	2987890401	-	-
Barkuke Primary Sch	First Community Bank	2987886601	-	-
Illanle Primary Sch	First Community Bank	2987886901	-	10,605
Modogashe Chief's Office	First Community Bank	2987882801	-	45,000
Elan Primary Sch	First Community Bank	2987888301	-	-
Skansa Primary Sch	First Community Bank	2987883201	-	-
Kambi Samaki Primary Sch	First Community Bank	2987889201	-	2,750
Hagar Jareer Primary Sch	First Community Bank	2977224503	-	-
Madina Primary Sch	First Community Bank	2987884601	-	-
Afweine Primary Sch	First Community Bank	2987857101	-	650
Janju Primary Sch	Equity Bank	580279388912	-	8,707
Geylab Primary Sch	First Community Bank	2987888201	-	-
Dihle Nur Primary Sch	First Community Bank	2977352702	-	569
Barfin Primary Sch	First Community Bank	2977533702	-	-
Jilango Boarding Primary Sch	Equity Bank	580262728712	2,292	-
Benane Police Post Pmc	First Community Bank	2987919701	-	-
Modogashe Police Station Pmc	First Community Bank	2987929501	2,000,000	-
Modogashe Administration Police Pmc	First Community Bank	2987920501	1,000	-
Modogashe Secondary Sch	First Community Bank	2977000704	1,300,000	-

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

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Warsan Community Development Initiative	National Bank	1553225851800	2,100	-
Modogashe Boarding Primary Sch	First Community Bank	2987921501	11,090	-
Shanta Abaq Secondary Sch	First Community Bank	2977278503	-	-
Benane Secondary Sch	Kcb Bank	1270560662	-	2,400
Modogashe Girls Secondary Sch	Kcb Bank	1267341092	-	9,400
Shanta Abaq Ap Post Pmc	First Community Bank	2987920801	-	11,000
Pastrolists Self Help Group	Equity Bank	580179760198	-	-
Total			3,316,482	91,081

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

I. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- LAGDERA CONSTITUENCY

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Transfer to Other Government Entities	Supporting documents will be provided	FAM	Not Resolved	30 June 2021
2	Unsupported Other Grants and Other Payments	Supporting documents will be provided	FAM	Not Resolved	30 June 2021
Other Matters					
1	Budget Control and Performance	The under absorption was due to delay in receiving funds	FAM	Not Resolved	30 June 2021
2	Project Implementation and Management	The under absorption was due to delay in receiving funds	FAM	Not Resolved	30 June 2021