

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY

OF DATE: 22 NOV 2022

DAY
Tuesday

TABLED
BY:

LOM

CLERK AT

Kenya

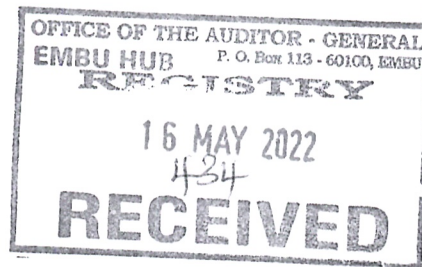
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**





LAISAMIS CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| Table of Content | Page |
|--|------|
| I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT | 2 |
| II. NG-CDFC CHAIRPERSON'S REPORT | 5 |
| III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES | 7 |
| IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING | 8 |
| V. STATEMENT OF MANAGEMENT RESPONSIBILITIES | 11 |
| VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- LAISAMIS CONSTITUENCY..... | 12 |
| VII. STATEMENT OF RECEIPTS AND PAYMENTS..... | 13 |
| VIII. STATEMENT OF ASSETS AND LIABILITIES..... | 14 |
| IX. STATEMENT OF CASHFLOW | 15 |
| X. SUMMARY STATEMENT OF APPROPRIATION..... | 16 |
| XI. BUDGET EXECUTION BY SECTORS AND PROJECTS | 19 |
| XII. SIGNIFICANT ACCOUNTING POLICIES | 23 |
| XIII. NOTES TO THE FINANCIAL STATEMENTS..... | 27 |
| XIV. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE | 37 |
| XV. ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES | 38 |
| XVI. ANNEX 3 – UNUTILIZED FUND | 39 |
| XVII. ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER | 42 |
| XVIII. ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021 | 43 |
| XIX. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS | 44 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

I. 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 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

| No | Designation | Name |
|-----------|-----------------------|-----------------------------|
| 1. | A.I.E holder | SALIM HASSAN HUSSEIN |
| 2. | Sub-County Accountant | PAUL ABADE |
| 3. | Chairman NGCDFC | ALICE HAWO LESEPEN |
| 4. | Member NGCDFC | EDWARD LESUKAT |

(d) Fiduciary Oversight Arrangements

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

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

(f) Laisamis Constituency NGCDF Contacts

Telephone: (254) 720 108 050
E-mail: cdflaisamis@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Laisamis Constituency NGCDF Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

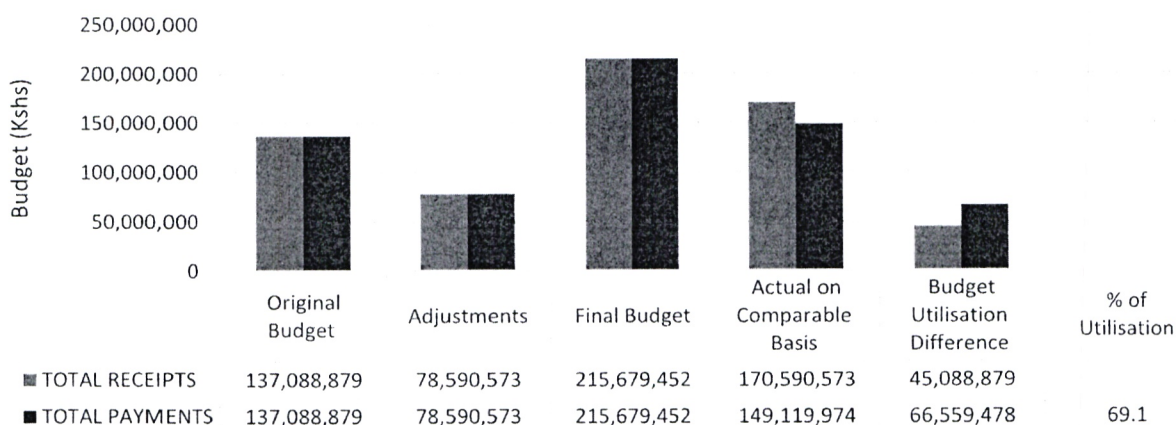
II. NG-CDFC CHAIRPERSON'S REPORT



Laisamis NG-CDFC has made tremendous achievements since its inception in 2003 towards poverty eradication in the constituency and more so in promotion of education standards in this marginalised part of the country. I really thank my NG-CDFC for showing confidence in me to be their Chairperson from December 2017.

During the financial year, the Laisamis NG-CDF had been allocated Ksh. 137,088,879 out of which, Ksh.92,000,000.00 had been received by 30th June 2021. This resulted to low uptake of the funds as they were received in portion toward the end of the financial year. The reports also indicate the funds have not been utilised 100% as 33% that is equivalent to Ksh. 45,088,879.31 of total allocation for financial year 2020/2021 is yet to be received as at 30th June 2021

LAISAMIS NG-CDF FY: 2020/2021 EXPENDITURE



Laisamis constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary that was allocated a budget of Ksh. 34,272,219.83 translating to 25% of the total annual budget.

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

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

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

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

NG-CDF is making critical investments in public projects and the demands for NG-CDF projects is rising day by day. Laisamis NG-CDFC has paid over Khs 45 Million in Bursary during the Financial year.

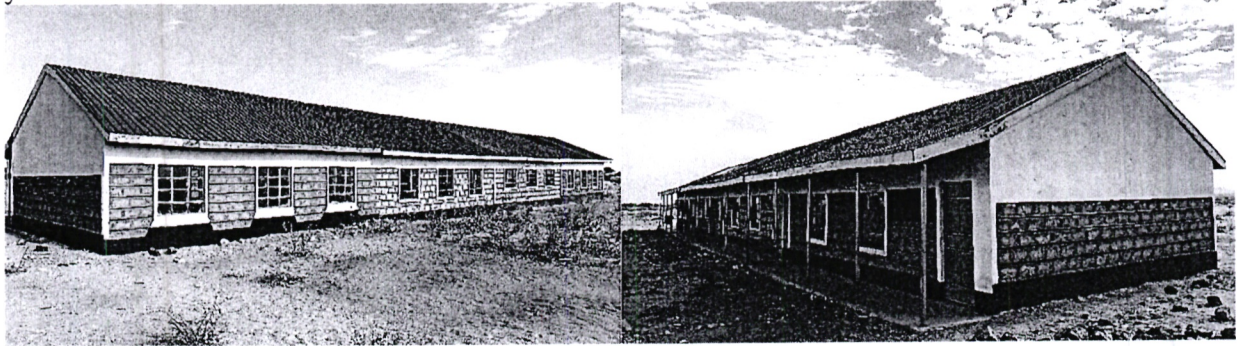


Figure 1: Amalio Primary School - Construction of Classrooms to Completion

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

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

Through proper planning, NG-CDF Laisamis is able to balance the needs of the projects and ensure key and priority projects that have maximum impact on the community are financed.

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

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

Signature

**CHAIRPERSON
NGCDF COMMITTEE**

III. 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 Laisamis Constituency 2018-2022 plan are to:

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

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:

| | Strategic Objectives/goals | Outcomes |
|---|---|--|
| 1 | Build a stronger education sector in Laisamis to support children and youth | <ul style="list-style-type: none"> • Improved school infrastructure in the constituency • Sustained provision of bursary for needy students • Improved support services in schools • Improve performance at primary and secondary levels |
| 2 | Support security agencies in the Constituency for enhanced security | <ul style="list-style-type: none"> • Improved housing conditions for security agencies • Improved security monitoring • Improved response time to security agencies |
| 3 | Strengthen social protection measures in the Constituency through increased registration into existing social protection programs | <ul style="list-style-type: none"> • Increased enrollment and benefits from NHIF registration • Increased awareness of available social protection programs |
| 4 | Key stakeholders are working in harmony for a coordinated development interventions in the Constituency | <ul style="list-style-type: none"> • Stakeholder-owned, evidence based good practice is developed and disseminated • All actors adopt and implement evidence based |

| | | |
|--|--|--|
| | | <p>good practice in policies and programs</p> <ul style="list-style-type: none"> • Consultation and monitoring by communities for all initiatives • Stakeholders are working in synergy towards a coherent community owned vision of development in the drylands |
|--|--|--|

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Laisamis NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Protection of the environment in which we live and operate is part of Laisamis NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

3. Employee welfare

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

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

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

4. Market place practices-

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

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

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

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 interests

5. Community Engagements-

LAISAMIS 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 gives full consideration to public input in making that decision.

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

Public Awareness

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF- Laisamis Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Laisamis Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Laisamis Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- Laisamis Constituency financial statements were approved and signed by the Accounting Officer on **30th August 2021**.



Chairperson NGCDF Committee
Name: Alice Hawo Lesepe



Fund Account Manager
Name: Salim Hassan Hussein

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 - LAISAMIS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laisamis Constituency set out on pages 13 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Laisamis Constituency as at 30 June, 2021, 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.

Basis for Qualified Opinion

Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.21,470,599 as disclosed in Note 10A to the financial statements. Review of bank reconciliation statement revealed un-presented cheques totalling to Kshs.40,740,164 out of which an amount of Kshs.165,000 were stale cheques. However, the cheques had not been reversed in the cash book or replaced.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.165,000 could not be confirmed.

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

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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.215,679,452 and Kshs.170,590,573 respectively, resulting in an under-funding of Kshs.45,088,879 or 21% of the budget. Similarly, the Fund spent an amount of Kshs.151,226,339 out of the approved expenditure budget of Kshs.215,679,452, resulting in an under expenditure of Kshs.64,453,113 or 30% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delay in Implementation of Projects

The Project Implementation Status Report provided for audit indicated that ninety-seven (97) projects worth Kshs.257,255,508 were budgeted to be implemented. However, seventy-six (76) projects worth Kshs.194,794,055 were completed, eight (8) projects worth Kshs.31,950,000 were ongoing while thirteen (13) projects worth Kshs.30,511,453 had not started.

In the circumstances, value for money for ongoing and projects not started may not have been realized by the public.

2. Irregular Implementation of Project

The statement of receipts and payments reflects acquisition of assets of Kshs.21,063,649 as disclosed in Note 8 to the financial statements. The amount relates to construction of the constituency offices awarded at a contract sum of Kshs.30,358,750. However, review of records indicated that the construction used 150mm thick machine dressed stones instead of 200mm thick stones provided in the bill of quantities. Further, the project had not been included in the annual procurement plan contrary to Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

3. Unsatisfactory Implementation of Projects

The statement of receipts and payments reflects transfer to other Government units of Kshs.48,475,000 as disclosed in Note 6 to the financial statements. The amount includes transfers to primary schools of Kshs.39,475,000 and transfers to secondary schools of Kshs.9,000,000. However, the following unsatisfactory matters were noted during physical verification;

- i. In Marti Primary School with project costs of Kshs.1,200,000 twenty-five (25) window panes were not been fitted.

- ii. An amount of Kshs.1,500,000 was disbursed for the construction of staff quarters in Faith Primary School at a project cost of Kshs.1,500,000. However, window seals were not fitted.
- iii. A transfer to Korolle Secondary School of Kshs.1,560,000 was for the renovation of three (3) classrooms. However, rain water gutters provided at Kshs.64,800 and 4mm thick clear sheet glass and glazing provided at Kshs.45,600 were not fitted.

In the circumstances, the value for money from expenditure on the above projects could not be confirmed.

4. Incomplete Project

The statement of receipts and payments reflects other grants and other payments of Kshs.68,788,947 as disclosed Note 7 to the financial statements. The amount includes environmental projects of Kshs.2,000,000 which includes Kshs.500,000 transferred to Lekuchula Primary for construction of one double pit latrines. However, physical verification revealed that excavation, loading and cut away of debris, foundation base with thick slabbing reinforcement, wood form work and substructure with natural stone walling provided at Kshs.210,050 were not done.

In the circumstances, value for money for the expenditure on the project may not have been realized.

5. Failure to Establish Ward Bursary Committee

The statement of receipts and payments reflects other grants and other payments of Kshs.68,788,947 as disclosed Note 7 to the financial statements. The amount includes bursaries to secondary schools and tertiary institutions of Kshs.45,765,662. However, Ward Bursary Committees were not established. This was contrary to the Constituency Development Fund Board Circulars VOL1/111 dated 13 September, 2010 which states that a bursary committee shall exist to vet, identify and categorize needy students using established criteria.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

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

Basis for Conclusion

1. Failure to Update Fixed Asset Register

The statement of receipts and payments reflects acquisition of assets of Kshs.21,063,649 as disclosed in Note 8 to the financial statements. However, these assets have not been included in Annex 4 on summary of fixed assets register or updated in fixed assets register. This was contrary to Section 72(1) (a) of the Public Finance Management Act, 2012 which states that the accounting officer for a national government entity shall be responsible for the management of the entity's assets and liabilities. In addition, Annex 4 reflects transport equipment balance of Kshs.9,925,000 while casting revealed Kshs.10,921,508 resulting to an unexplained variance of Kshs.996,508. The Annex also reflects office equipment, furniture and fittings at Kshs.287,000 and ICT equipment, software and other ICT assets at Kshs.709,800 instead of nil balances

In the circumstances, the effectiveness of controls of fixed assets could not be confirmed.

2. Lack of Internal Audit Function

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

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

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 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 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 its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intentions 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

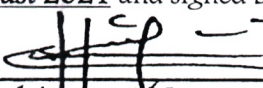
08 September, 2022

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2020 – 2021 | 2019 - 2020 |
|-------------------------------------|------|--------------------|--------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NGCDF Board | 1 | 161,367,724 | 122,840,876 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| TOTAL RECEIPTS | | 161,367,724 | 122,840,876 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 2,792,912 | 2,607,428 |
| Use of goods and services | 5 | 10,105,831 | 7,011,802 |
| Transfers to Other Government Units | 6 | 48,475,000 | 66,228,386 |
| Other grants and transfers | 7 | 68,788,947 | 40,847,984 |
| Acquisition of Assets | 8 | 21,063,649 | 9,925,000 |
| Other Payments | 9 | - | - |
| TOTAL PAYMENTS | | 151,226,339 | 126,620,600 |
| SURPLUS/(DEFICIT) | | 10,141,385 | (3,779,725) |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Laisamis Constituency financial statements were approved on 30th August 2021 and signed by:



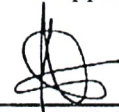
Fund Account Manager

Name: Salim Hassan Hussein



National Sub-County
Accountant

Name: Paul Abade
ICPAK M/No: 19621



Chair NG-CDF Committee

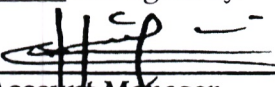
Name: Alice Hawo Lesepe

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

VIII. STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2021


| | Note | 2020-2021 | 2019-2020 |
|--|-----------|-------------------|------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 21,470,599 | 9,222,849 |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 21,470,599 | 9,222,849 |
| Accounts Receivable | | | |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 21,470,599 | 9,222,849 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 12A | 2,106,365 | - |
| Gratuity | 12B | - | - |
| TOTAL FINANCIAL LIABILITES | | | |
| NET FINANCIAL ASSETS | | 19,364,234 | 9,222,849 |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July 2020 | 13 | 9,222,849 | 13,002,573 |
| Prior year adjustments | 14 | - | - |
| Surplus/Deficit for the year | | 10,141,385 | (3,779,725) |
| NET FINANCIAL POSITION | | 19,364,234 | 9,222,848 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Laisamis Constituency financial statements were approved on 30th August 2021 and signed by:




Fund Account Manager

Name: Salim Hassan Hussein



National Sub-County
Accountant

Name: Paul Abade
ICPAK M/No: 19621



Chair NG-CDF Committee


Name: Alice Hawo Lesepe


*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

IX. STATEMENT OF CASHFLOW AS AT JUNE 30, 2021

| | | 2020 - 2021 | 2019 - 2020 |
|--|-----------|---------------------|--------------------|
| | | Kshs | Kshs |
| Receipts from operating activities | | | |
| Transfers from NGCDF Board | 1 | 161,367,724 | 122,840,876 |
| Other Receipts | 3 | - | - |
| Total receipts | | 161,367,724 | 122,840,876 |
| Payments for operating activities | | | |
| Compensation of Employees | 4 | 2,792,912 | 2,607,428 |
| Use of goods and services | 5 | 10,105,831 | 7,011,802 |
| Transfers to Other Government Units | 6 | 48,475,000 | 66,228,386 |
| Other grants and transfers | 7 | 68,788,947 | 40,847,984 |
| Other Payments | 9 | - | - |
| Total payments | | 130,162,690 | 116,695,600 |
| Total Receipts Less Total Payments | | | |
| Adjusted for: | | - | - |
| Decrease/ (Increase) in Accounts receivable: (outstanding imprest) | 15 | - | - |
| Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention) | 16 | - | - |
| Prior year adjustments | 14 | - | - |
| | | | |
| Net cash flow from operating activities | | 31,205,034 | 6,145,275 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | (18,957,284) | 9,925,000 |
| Net cash flows from Investing Activities | | (18,957,284) | 9,925,000 |
| | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 12,247,750 | (3,779,725) |
| Cash and cash equivalent at BEGINNING of the year | 10 | 9,222,848 | 13,002,573 |
| Cash and cash equivalent at END of the year | | 21,470,599 | 9,222,848 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Laisamis Constituency financial statements were approved on 30th August 2021 and signed by:


Fund Account Manager
Name: Salim Hassan Hussein


National Sub-County
Accountant
Name: Paul Abade
ICPAK M/No: 19621


Chair NG-CDF Committee
Name: Alice Hawo Lesepe

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED JUNE 30, 2021

| Receipts/Payments | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|-------------------------------------|--------------------|--------------------------------|---|--------------------|----------------------------|-------------------------------|------------------|
| | a | b | | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | 2020/2021 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | 2020/2021 | 30/06/2021 | | |
| | Kshs | | Kshs | Kshs | Kshs | Kshs | |
| Transfers from NGCDF Board | 137,088,879 | 9,222,849 | 69,367,724 | 215,679,452 | 170,590,573 | 45,088,879 | 79.1% |
| Proceeds from Sale of Assets | | | | 0 | - | - | 0.0% |
| Other Receipts | | | | 0 | - | - | 0.0% |
| TOTALS | 137,088,879 | 9,222,849 | 69,367,724 | 215,679,452 | 170,590,573 | 45,088,879 | 79.1% |
| PAYMENTS | | | | | | | - |
| Compensation of Employees | 2,160,000.00 | 1,220,085.55 | 1,900,000.00 | 5,280,086 | 2,792,912 | 2,487,174 | 52.9% |
| Use of goods and services | 10,177,999.14 | 1,089,237.45 | 1,500,000.00 | 12,767,237 | 10,105,831 | 2,661,406 | 79.2% |
| Transfers to Other Government Units | 49,475,000.00 | 911,657.00 | 11,078,386.21 | 61,465,043 | 48,475,000 | 12,990,043 | 78.9% |
| Other grants and transfers | 75,275,880.17 | 6,001,868.50 | 32,439,337.93 | 113,717,087 | 68,788,947 | 44,928,139 | 60.5% |
| Acquisition of Assets | 0 | - | 22,450,000.00 | 22,450,000 | 21,063,649 | 1,386,351 | 93.8% |
| Other Payments | 0 | - | - | 0 | - | - | 0.0% |
| TOTALS | 137,088,879 | 9,222,849 | 69,367,724 | 215,679,452 | 151,226,339 | 64,453,113 | 70.1% |

(a) The revenue items exclude the AIA for the Year 2020/2021. The Constituency did not realise any AIA. The adjustments comprise of funds for the Fiscal Year 2019/2020 not received as at 30th June 2020 Kshs. 69,367,724 and the Balance of the funds received but not utilised (Opening Cash Book Balance as 1st July 2020) Total: 9,222,849.

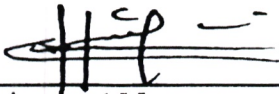
Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

- (b) The adjustments comprise of funds for the Fiscal Year 2019/2020 not received as at 30th June 2019 (Kshs 69,367,724) and the Balance of the funds received but not utilised (Kshs. 9,222,849 Cash Book Balance).
- (c) The Constituency did not have over utilization during the year.
- (d) The total utilization of the Annual budget stood at 71% depicted by improved fund disbursement by NG-CDF board as compared to previous year.
- The Compensation of Employees scored a utilization percentage of 53% for the year. This result from a balance brought forward from previous years.
 - Use of goods and services had a utilization of 79% for the year. This is also as a result of balance brought forward and late receipt of funds that did not allow the Committee to disburse all the received funds.
 - Transfer to other Government Entities had a utilization of 79% and this originated from fund yet to be received as at 30th June 2020.
 - Other Grants and Transfers stood at 61% and this resulted from the delay in receipt of funds from the Board and closure of school due to Covid-19 affected bursary disbursement for secondary schools.

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|--|-------------------|
| Description | Amount |
| Budget utilisation difference totals | 66,559,478 |
| Less undisbursed funds receivable from the Board as at 30 th June 2021 | 45,088,879 |
| | 21,470,599 |
| Add Accounts payable | 0 |
| Less Accounts Receivable | 0 |
| Add/Less Prior Year Adjustments | 0 |
| Cash and Cash Equivalents at the end of the FY 2020/2021 | 21,470,599 |

The NGCDF- Laisamis Constituency financial statements were approved on 30th August 2021 and signed by:



Fund Account Manager

Name: Salim Hassan Hussein



National Sub-County
Accountant

Name: Paul Abade
ICPAK M/No: 19621



Chair NG-CDF Committee

Name: Alice Hawo Lesepe

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

| Programme/Sub-programme | Original Budget(a) | Adjustments(b) | | Final Budget c = (a+b) | Actual on comparable basis(d) | Budget utilization difference(e = c-d) |
|---|---------------------|--------------------------------|--|------------------------|-------------------------------|--|
| | 2020/2021 | Opening Balance (C/Bk) and AIA | Previous years Outstanding Disbursements | 2020/2021 | 30/06/2021 | |
| | Kshs | | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 2,160,000 | 1,220,085.55 | 1,900,000.00 | 5,280,086 | 2,792,911.90 | 2,487,174 |
| 1.2 Committee allowances | 3,265,332.76 | 7,330.00 | - | 3,272,663 | 3,257,800.00 | 14,862.76 |
| 1.3 Use of goods and services | 2,800,000.00 | 113,170.00 | - | 2,913,170 | 1,893,031.00 | 1,020,139.00 |
| Total | 8,225,333 | 1,340,586 | 1,900,000 | 11,465,918 | 7,943,743 | 3,522,175 |
| 2.0 Monitoring and evaluation | | | | | | - |
| 2.1 Capacity building | 1,400,000.00 | 609,896.50 | 1,200,000.00 | 3,209,897 | 2,205,000.00 | 1,004,896.50 |
| 2.2 Committee allowances | 1,212,666.38 | - | - | 1,212,666 | 1,190,000.00 | 22,666.38 |
| 2.3 Use of goods and services | 1,500,000.00 | 423,739.15 | - | 1,923,739 | 1,560,000.00 | 363,739.15 |
| Total | 4,112,666 | 1,033,636 | 1,200,000 | 6,346,302 | 4,955,000 | 1,391,302 |
| 3.0 Emergency | 7,192,206.90 | 1,798,170.83 | - | 8,990,378 | 6,663,900.00 | 2,326,478 |
| 3.1 Primary Schools | - | 911,457.00 | - | 911,457 | - | 911,457 |
| 3.2 Secondary schools | - | 200.00 | - | 200 | - | 200 |
| 3.3 Tertiary institutions | - | - | - | - | - | - |
| 3.4 Security projects | - | 40,000.00 | - | 40,000 | - | 40,000 |
| 3.5 Strategic Plan | - | 501,700.00 | - | 501,700 | - | 501,700 |
| ICT HUB | - | 2,338,513.60 | - | 2,338,514 | - | 2,338,514 |
| Other Projects | - | 10,169.30 | - | 10,169 | - | 10,169 |
| Total | 7,192,207 | 5,600,211 | - | 12,792,418 | 6,663,900 | 6,128,518 |
| 4.0 Bursary and Social Security | | | | | | - |
| 4.1 Secondary Schools | 19,000,000.00 | 610,856.57 | 11,488,021.89 | 31,098,878 | 24,323,000.00 | 6,775,878 |
| 4.2 Tertiary Institutions | 15,272,219.83 | 600,000 | 14,341,931.04 | 30,214,151 | 21,442,662.20 | 8,771,489 |
| 4.3 Social Security | - | - | - | - | - | - |
| 4.4 Special Needs | - | - | - | - | - | - |
| Total | 34,272,220 | 1,210,857 | 25,829,953 | 61,313,029 | 45,765,662 | 15,547,367 |
| 5.0 Sports | | | | | | - |
| Laisamis Sports Activities | 2,411,453.44 | 3,011.00 | 2,459,385.00 | 4,873,849 | 2,459,385.00 | 2,414,464 |
| Total | 2,411,453 | 3,011 | 2,459,385 | 4,873,849 | 2,459,385 | 2,414,464 |
| | - | - | - | - | - | - |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | | | | |
|--|------------------|------------------|----------------|------------------|------------------|----------------|
| 6.0 Environment | - | 34,549.00 | - | 34,549 | - | 34,549 |
| 6.1 | - | - | - | - | - | - |
| Merille Police Road Block | 500,000.00 | - | - | 500,000 | - | 500,000 |
| Korr AP Line | 500,000.00 | - | - | 500,000 | 500,000 | - |
| Kargi AP Line | 500,000.00 | - | - | 500,000 | 500,000 | - |
| Lekuchula Primary School | 500,000.00 | - | - | 500,000 | 500,000 | - |
| Jijja Primary School | | | 500,000.00 | 500,000 | 500,000 | - |
| Total | 2,000,000 | 34,549 | 500,000 | 2,534,549 | 2,000,000 | 534,549 |
| 7.0 Primary Schools Projects | | | - | | | - |
| Proposed Gaborre Primary School (Amalio PMC) | 1,500,000.00 | - | - | 1,500,000 | - | 1,500,000 |
| Loiyangalani Primary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Ngororoi Primary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Gatab Primary School | 300,000.00 | - | - | 300,000 | 300,000 | - |
| St. Dominic Savio Primary School | 2,000,000.00 | - | - | 2,000,000 | 2,000,000 | - |
| Lependera Primary School | 2,000,000.00 | - | - | 2,000,000 | 2,000,000 | - |
| Proposed Burri Aramia primary School (Amalio PMC) | 2,000,000.00 | - | - | 2,000,000 | - | 2,000,000 |
| Proposed Hafare Primary School (Korr PMC) | 2,000,000.00 | - | - | 2,000,000 | - | 2,000,000 |
| Tirrim Primary School | 1,500,000.00 | - | - | 1,500,000 | - | 1,500,000 |
| Balah Primary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Merille Primary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Ulauli Primary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Ulauli Primary School | 1,000,000.00 | - | - | 1,000,000 | 1,000,000 | - |
| Ndikir Primary School | 2,000,000.00 | - | - | 2,000,000 | 2,000,000 | - |
| Laisamis Primary School | 300,000.00 | - | - | 300,000 | 300,000 | - |
| Losidan Primary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Proposed Dadab Timalab Primary School (Gangeisa PMC) | 1,500,000.00 | - | - | 1,500,000 | - | 1,500,000 |
| Arge Primary School | 2,000,000.00 | - | - | 2,000,000 | - | 2,000,000 |
| Proposed Bagasi Primary School (Gangeisa PMC) | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Proposed Bagasi Primary School (Gangeisa PMC) | 1,500,000.00 | - | - | 1,500,000 | - | 1,500,000 |
| Proposed Bagasi Primary School (Gangeisa PMC) | 1,000,000.00 | - | - | 1,000,000 | - | 1,000,000 |
| Marti Primary School | 2,000,000.00 | - | - | 2,000,000 | 1,750,000 | 250,000 |
| Proposed Gudas Primary School (Marti PMC) | 1,500,000.00 | - | - | 1,500,000 | 1,200,000 | 300,000 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | | | | |
|---|-------------------|---|-------------------|-------------------|-------------------|------------------|
| Loglogo Muslim Primary School | 375,000.00 | - | - | 375,000 | 375,000 | - |
| Proposed Kambinye Primary School | 500,000.00 | - | - | 500,000 | - | 500,000 |
| Faith Primary School | | - | 1,350,000.00 | 1,350,000 | 1,350,000 | - |
| Guuram Primary School | | - | 1,550,000.00 | 1,550,000 | 1,550,000 | - |
| Ngurunit Primary School | | - | 428,386.21 | 428,386 | 400,000 | 28,386 |
| Farakoren pri. School | | - | 5,000,000.00 | 5,000,000 | 5,000,000 | - |
| Gangeisa Primary School | | - | 150,000.00 | 150,000 | 150,000 | - |
| Jija Primary School | | - | 300,000.00 | 300,000 | 300,000 | - |
| Lbaarok Primary School | | - | 150,000.00 | 150,000 | 150,000 | - |
| Lekuchula Primary School | | - | 150,000.00 | 150,000 | 150,000 | - |
| Gangeisa Primary School | | - | 150,000.00 | 150,000 | 150,000 | - |
| Hadad Primary School | | - | 150,000.00 | 150,000 | 150,000 | - |
| Loglogo Muslim Pri. School | | - | 1,200,000.00 | 1,200,000 | 1,200,000 | - |
| Faith Primary School | | - | | | 1,500,000.00 | (1,500,000) |
| Farakoren pri. School | | - | | | 1,500,000.00 | (1,500,000) |
| Losikiriachi Pri. School | | - | | | 1,500,000.00 | (1,500,000) |
| Kamboe Pri. School | | - | | | 1,500,000.00 | (1,500,000) |
| Loglogo Pri. School | | - | | | 1,500,000.00 | (1,500,000) |
| Total | 35,475,000 | - | 10,578,386 | 46,053,386 | 39,475,000 | 6,578,386 |
| 8.0 Secondary Schools Projects | | - | - | - | | - |
| Korr Mixed Day Secondary School | 2,000,000.00 | - | - | 2,000,000 | 2,000,000 | - |
| Korr Day Mixed Secondary School | 1,500,000.00 | - | - | 1,500,000 | 1,500,000 | - |
| Ngurunit Secondary School | 1,000,000.00 | - | - | 1,000,000 | 1,000,000 | - |
| Merille Day Mixed Secondary School | 4,500,000.00 | - | - | 4,500,000 | 4,500,000 | - |
| Loglogo Mixed Day Secondary School (New School) | 5,000,000.00 | - | - | 5,000,000 | - | 5,000,000 |
| Merille Mixed Day Secondary School | - | - | 800,000 | 800,000 | - | 800,000 |
| Total | 14,000,000 | - | 800,000 | 14,800,000 | 9,000,000 | 5,800,000 |
| 9.0 Tertiary institutions Projects | | - | - | - | | - |
| | | - | - | - | | - |
| Total | | - | - | - | | - |
| 10.0 Security Projects | | - | - | - | | - |
| Arapal Administration Police Post | 5,800,000.00 | - | - | 5,800,000 | 5,800,000 | - |
| Arapal Administration Police Post | 500,000.00 | - | - | 500,000 | 500,000 | - |
| Larachi Administration Police Post | 2,000,000.00 | - | - | 2,000,000 | 2,000,000 | - |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | | | | | |
|--|--------------------|------------------|-------------------|--------------------|--------------------|-------------------|
| Namarei Police Post | 2,000,000.00 | - | - | 2,000,000 | - | 2,000,000 |
| Merille Police Road Block | 500,000.00 | - | - | 500,000 | - | 500,000 |
| Gudas Administration Police Post | 2,000,000.00 | - | - | 2,000,000 | - | 2,000,000 |
| Gatab Chiefs Office | 3,600,000.00 | - | - | 3,600,000 | - | 3,600,000 |
| Kurkum-Yell Security Road | 4,500,000.00 | - | - | 4,500,000 | - | 4,500,000 |
| Yell-Olturot Security Road | 3,000,000.00 | - | - | 3,000,000 | - | 3,000,000 |
| Ogicho-Kambinye Security Road | 3,000,000.00 | - | - | 3,000,000 | - | 3,000,000 |
| Larachi-Sarima Security Road | 2,500,000.00 | - | - | 2,500,000 | - | 2,500,000 |
| Loiyangalani DCC | - | - | 600,000 | 600,000 | 600,000 | - |
| Kargi AP Line | - | - | 1,500,000 | 1,500,000 | 1,500,000 | - |
| Oltorot AP Line | - | - | 1,550,000 | 1,550,000 | 1,500,000 | 50,000 |
| Total | 29,400,000 | - | 3,650,000 | 33,050,000 | 11,900,000 | 21,150,000 |
| 11.0 Acquisition of assets | | - | | | | |
| 11.1 Motor Vehicles | - | - | - | - | - | - |
| 11.2 Construction of CDF office | - | - | 22,450,000.00 | 22,450,000 | 18,957,283.68 | 3,492,716 |
| 11.3 Purchase of furniture and equipment | - | - | - | - | - | - |
| 11.4 Purchase of computers | - | - | - | - | - | - |
| Total | - | - | 22,450,000 | 22,450,000 | 18,957,284 | 3,492,716 |
| 12.0 Other payments | | - | | | | |
| Laisamis NGCDF Office | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |
| 13.0 unallocated fund | | - | | | | |
| Unapproved projects | - | - | - | - | - | - |
| AIA | - | - | - | - | - | - |
| PMC savings | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |
| | 137,088,879 | 9,222,849 | 69,367,724 | 215,679,452 | 149,119,974 | 66,559,478 |

(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)

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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.

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.

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 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 (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.

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 11th June 2020 for the period 1st July 2020 to 30th June 2021 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.

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 2021.

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.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2020-2021 | 2019-2020 |
|------------------|---|--------------------|--------------------|
| | | Kshs | Kshs |
| NGCDF Board | | | |
| AIE NO. B047182 | 1 | | 50,440,875.50 |
| AIE NO. B104129 | 2 | | 4,400,000.00 |
| AIE NO. B041101 | 3 | | 4,000,000.00 |
| AIE NO. B041494 | 1 | | 20,000,000.00 |
| AIE NO. B047951 | 2 | | 6,000,000.00 |
| AIE NO. B049349 | 3 | | 14,000,000.00 |
| AIE NO. B104372 | | | 15,000,000.00 |
| AIE NO. B096593 | | | 9,000,000.00 |
| AIE NO. B 104732 | | 20,000,000.00 | |
| AIE NO. A 823663 | | 35,000,000.00 | |
| AIE NO. B 104822 | | 14,367,724.10 | |
| AIE NO. B 124585 | | 9,000,000.00 | |
| AIE NO. B 119536 | | 8,500,000.00 | |
| AIE NO. B 119926 | | 13,000,000.00 | |
| AIE NO. B 128167 | | 6,900,000.00 | |
| AIE NO. B 128480 | | 7,000,000.00 | |
| AIE NO. B 132224 | | 6,000,000.00 | |
| AIE NO. B 138892 | | 12,000,000.00 | |
| AIE NO. B 126186 | | 7,000,000.00 | |
| AIE NO. B 126481 | | 10,600,000.00 | |
| AIE NO. B 140624 | | 12,000,000.00 | |
| TOTAL | | 161,367,724 | 122,840,876 |

2. PROCEEDS FROM SALE OF ASSETS

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | 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 | - | - |
| | - | - |
| Total | - | - |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2020-2021 | 2019-2020 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Interest Received | - | - |
| Rents | - | - |
| Receipts from sale of tender documents | - | - |
| Hire of plant/equipment/facilities | - | - |
| Unutilized funds from PMCs | - | - |
| Other Receipts Not Classified Elsewhere | - | - |
| | - | - |
| Total | - | - |

4. COMPENSATION OF EMPLOYEES

| | 2020-2021 | 2019-2020 |
|--|------------------|------------------|
| | Kshs | Kshs |
| NG-CDFC Basic staff salaries | 1,452,016 | 2,385,258 |
| Personal allowances paid as part of salary | | |
| House Allowance | - | - |
| Transport Allowance | - | - |
| Leave allowance | - | - |
| Gratuity to contractual employees | 1,340,896 | - |
| Employer Contributions Compulsory national social security schemes | - | 222,170 |
| | | |
| Total | 2,792,912 | 2,607,428 |

Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| | 2020-2021 | 2019-2020 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 213,450 | 428,700 |
| Electricity | - | |
| Water & sewerage charges | - | |
| Office rent | 420,000 | 565,000 |
| Communication, supplies and services | - | |
| Domestic travel and subsistence | - | |
| Printing, advertising and information supplies & services | - | |
| Rentals of produced assets | | |
| Training expenses | 2,205,000 | 725,000 |
| Hospitality supplies and services | - | |
| Other committee expenses | 849,399 | |
| Committee allowance | 6,007,800 | 4,213,040 |
| Insurance costs | | |
| Specialised materials and services | | |
| Office and general supplies and services | - | 559,385 |
| Fuel , oil & lubricants | - | 500,000 |
| Other operating expenses | - | |
| Bank service commission and charges | 25,484 | 20,677 |
| Other Operating Expenses | - | - |
| Security operations | | - |
| Routine maintenance - vehicles and other transport equipment | 384,698 | - |
| Routine maintenance- other assets | | - |
| TOTAL | 10,105,831 | 7,011,802 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2020-2021 | 2019-2020 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to primary schools (see attached list) | 39,475,000 | 39,978,386 |
| Transfers to secondary schools (see attached list) | 9,000,000 | 26,250,000 |
| Transfers to tertiary institutions (see attached list) | | |
| TOTAL | 48,475,000 | 66,228,386 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2020-2021 | 2019-2020 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 24,323,000 | 12,525,000 |
| Bursary – tertiary institutions (see attached list) | 21,442,662 | 10,295,000 |
| Bursary – special schools (see attached list) | | - |
| Mock & CAT (see attached list) | | - |
| Social Security programmes (NHIF) | | |
| Security projects (see attached list) | 11,900,000 | 8,500,000 |
| Sports projects (see attached list) | 2,459,385 | 1,777,984 |
| Environment projects (see attached list) | 2,000,000 | 1,250,000 |
| Emergency projects (see attached list) | 6,663,900 | 6,500,000 |
| Total | 68,788,947 | 40,847,984 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

| | 2020-2021 | 2019-2020 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings (NG-CDFC OFFICE) | 21,063,649 | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles and Other Transport Equipment | - | 9,925,000 |
| Overhaul 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 Equip. | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Total | 21,063,649 | 9,925,000 |

9. OTHER PAYMENTS

| | 2020-2021 | 2019-2020 |
|----------------|------------------|------------------|
| | Kshs | Kshs |
| Strategic plan | - | - |
| ICT Hub | - | - |
| | - | - |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

| Name of Bank, Account No. & currency | 2020-2021 | 2019-2020 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| <i>Kenya Commercial Bank, Marsabit Branch. Laisamis NG-CDF A/C no.1102625191 KES</i> | 21,470,599 | 9,222,849 |
| | - | - |
| | - | - |
| | - | - |
| Total | 21,470,599 | 9,222,849 |
| | - | - |
| 10B: CASH IN HAND | - | - |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations (<i>specify</i>) | - | - |
| | - | - |
| Total | - | - |
| <i>[Provide cash count certificates for each]</i> | | |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

| <i>Name of Officer or Institution</i> | <i>Date Imprest Taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance</i> |
|---------------------------------------|---------------------------|---------------------|---------------------------|----------------|
| | | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> |
| <i>Name of Officer</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer</i> | dd/mm/yy | - | - | - |
| <i>Total</i> | | - | - | - |

[Include an annex if the list is longer than 1 page.]

12A. RETENTION

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | KShs | KShs |
| Retention as at 1 st July (A) | - | - |
| Retention held during the year (B) | 2,106,365 | - |
| Retention paid during the Year (C) | - | - |
| Closing Retention as at 30 th June D= A+B-C | 2,106,365 | - |

10 % Retention from construction of Laisamis NG-CDFC administration block at Laisamis Sub County Headquarter

12B. GRATUITY

| | 2020-2021 | 2019-2020 |
|---|-----------|-----------|
| | KShs | KShs |
| Gratuity as at 1 st July (A) | - | - |
| Gratuity held during the year (B) | - | - |
| Gratuity paid during the Year (C) | - | - |
| Closing Gratuity as at 30 th June D= A+B-C | - | - |

[Provide short appropriate explanations as necessary]

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

13. BALANCES BROUGHT FORWARD

| | 2020-2021 (1 st July 2020) | 2019-2020 (1 st July 2019) |
|---------------|--|--|
| | Kshs | Kshs |
| Bank accounts | 9,222,849 | 13,002,573 |
| Cash in hand | | |
| Imprest | | |
| Total | 9,222,849 | 13,002,573 |

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

| | Balance b/f FY 2019/2020 as per Audited Financial statements | Adjustments | Adjusted Balance** b/f FY 2019/2020 |
|---------------------------|--|-------------|---|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | - | - | - |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| TOTAL | - | - | - |

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST*

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | 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 | | |

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

| | 2020 – 2021 | 2019- 2020 |
|---|-------------|------------|
| | KShs | KShs |
| Deposit and Retentions as at 1 st July (A) | - | - |
| Deposit and Retentions held during the year (B) | - | - |
| Deposit and Retentions paid during the Year (C) | - | - |
| closing account payables D= A+B-C | - | - |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2020-2021 | 2019-2020 |
|-----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Construction of buildings | - | - |
| Construction of civil works | - | - |
| Supply of goods | - | - |
| Supply of services | - | - |
| | - | - |

17.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2020-2021 | 2019-2020 |
|---------------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | - | - |
| Others (<i>specify</i>) | - | - |
| | - | - |

17.3: UNUTILIZED FUND (See Annex 3)

| | 2020-2021 | 2019-2020 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | - | 1,900,000.00 |
| Use of goods and services | 1,100,000.00 | 1,500,000.00 |
| Amounts due to other Government entities (see attached list) | 19,172,219.83 | 11,078,386.21 |
| Amounts due to other grants and other transfers (see attached list) | 24,816,659.48 | 32,439,337.93 |
| Acquisition of assets | - | - |
| Others (<i>specify</i>) | - | 22,450,000.00 |
| Funds pending approval | - | - |
| | 45,088,879 | 69,367,724 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

| | 2020-2021 | 2019-2020 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 25,165,487 | 9,200,380 |
| | - | - |
| TOTAL | 25,165,486 | 9,200,380 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XIV. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2020 | 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. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
| Sub-Total | | | | | |
| Grand Total | | | | | |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XV. ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Designation | Date employed | Outstanding Balance 30 th June 2021 | Comments |
|--------------------|-------------|---------------|--|----------|
| NG-CDFC Staff | | | | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| Sub-Total | | | | |
| Grand Total | | | | |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XVI. ANNEX 3 – UNUTILIZED FUND

| Name | Brief Transaction Description | Outstanding Balance |
|--|--|---------------------|
| | | 2020/21 |
| | | 0.00 |
| Compensation of employees | | |
| Use of goods & services | NG-CDFC and PMC Capacity Building | 1,100,000.00 |
| Amounts due to other Government entities | | |
| Proposed Goborre Primary School (Amalio PMC) | Construction of one classroom @1.2M, supply of 20 metal frame desk @150,000, Installation of pipes, gutters @20,000 and water tank 10,000L with Septic concrete slap @130,000 to completion | 1,500,000.00 |
| Proposed Burri Aramia primary School(Amalio PMC) | Construction of one classroom @1.2M, supply of 20 metal frame desk @150,000, Installation of pipes, gutters @20,000 and water tank 10,000L@130,000, Construction of one double door toilet@500,000 to completion | 2,000,000.00 |
| Proposed Hafare Primary School (Korr PMC) | Construction of one classroom @1.2M, supply of 20 metal frame desk @150,000, Installation of pipes, gutters @20,000 and water tank 10,000L@130,000, Construction of one double door toilet@500,000 to completion | 2,000,000.00 |
| Tirrim Primary School | Fencing of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post to completion | 1,500,000.00 |
| Proposed Dadab Timalab Primary School | Fencing of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post to completion | 1,500,000.00 |
| Arge Primary School | Construction of one classroom @1.2M, supply of 20 metal frame desk @150,000, Installation of pipes, gutters @20,000 and water tank 10,000L@130,000, Construction of one double door toilet@500,000 to completion | 2,000,000.00 |
| Proposed Bagasi Primary School | Construction of one classroom @1.2M, supply of 20 metal frame desk @150,000, Installation of pipes, gutters @20,000 and water tank 10,000L with Septic concrete slap @130,000 to completion | 1,500,000.00 |
| Proposed Bagasi Primary School | Construction of 2 No. double door pit latrines for teachers and students to completion | 1,000,000.00 |
| Marti Primary School | Renovation of 5 classrooms :walling,Painting, Plastering,Flooring, installation of pipes,gutters and water | 250,000.00 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | |
|--|---|----------------------|
| | tank 10,000L to completion (school closed down due to poor infrastructure by Ministry of Education) | |
| Proposed Gudas Primary School | Construction of one classroom @1.2M, supply of 20 metal frame desk @150,000, Installation of pipes, gutters @20,000 and water tank 10,000L with Septic concrete slap @130,000 to completion | 300,000.00 |
| Proposed Kambinye Primary School | Construction of one double door pit latrines to completion | 122,219.83 |
| Loglogo Mixed Day Secondary School | Construction of administration block:Principal office,Deputy office, store and staff room @4,500,000 to completion | 4,500,000.00 |
| Ngurunit Secondary School | Installation of piping system 2KM distance @900,000 and water storage tank 10,000L @100,000 | 1,000,000.00 |
| | Sub-Total | 19,172,219.83 |
| Amounts due to other grants and other transfers | | |
| Emergency Reserve | To cater for any unforeseen occurrences in the constituency during the financial year | 805,206.04 |
| Sports Activities | Purchase of sports kits i.e.100 number Balls,10 number trophies, 300 piece full branded uniforms kit for the following registered team | 2,411,453.44 |
| Merille Police Road Block-Environment Activities | Construction of one double door pit latrines to completion | 500,000.00 |
| Namarei Police Post | Construction of 1 unit 3 rooms staff quarters @1.5M and one double door toilet @500,000 | 2,000,000.00 |
| Merille Police Road Block | Construction of one double door pit latrines to completion | 500,000.00 |
| Gudas Administration Police Post | Construction of 1 unit 3 rooms staff quarters @1.5M and one double door toilet to completion@500,000 | 2,000,000.00 |
| Gatab Chiefs Office | Construction of Gatab chiefs office with 3 offices including one boardroom,2,700,000, one double door pit latrines @550,000, Supply and deliver Executive Table and boardroom table,Executive Chairs.10 steel framed chairs with high density Cushion on seat cover and fix 3 wooded book cabinet@350,000 to completion | 3,600,000.00 |
| Kurkum-Yell Security Road | Opening Up of new Security Road covering 28 KM; Bush Clearing and Removal of Boulders to Completion. | 4,500,000.00 |
| Yell-Olturot Security Road | Opening Up of new Security Road covering 18 KM; Bush Clearing and Removal of Boulders to Completion. | 3,000,000.00 |
| Ogicho-Kambinye Security Road | Opening Up of new Security Road covering 18 KM; Bush Clearing and Removal of Boulders to Completion. | 3,000,000.00 |
| Larachi-Sarima Security Road | Opening Up of new Security Road covering 16 KM; Bush Clearing and Removal of Boulders to Completion. | 2,500,000.00 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

| | | |
|-------------|--|---------------|
| Sub-Total | | 24,816,659.48 |
| Grand Total | | 45,088,879.31 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XVII. ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2019/20 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2020/21 |
|--|---|---|---|---|
| Land | | | | |
| Buildings and structures | | | | |
| Transport equipment | 20,260,050 | | 9,338,542 | 9,925,000 |
| Office equipment, furniture and fittings | 121,500 | | 121,500 | 287,000 |
| ICT Equipment, Software and Other ICT Assets | 121,750 | | 121,750 | 709,508.00 |
| Other Machinery and Equipment | 31,300 | | 31,300 | |
| Heritage and cultural assets | | | | |
| Intangible assets | | | | |
| Total | 20,534,600 | | 9,613,092 | 10,921,508 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XVIII. ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

| PMC | Account number | Bank | Bank Balance | Bank Balance |
|-----------------------------------|----------------|------|-------------------|------------------|
| | | | 2020/2021 | 2019/2020 |
| Arapal AP Post | 1266817859 | KCB | 9,464.00 | |
| Amalio Primary School | 1239233736 | KCB | 1,920.00 | 1,356,350.00 |
| Arapal Primary School | 1267176539 | KCB | 0 | 1,036.00 |
| Balah Primary School | 1239971761 | KCB | 1,500,000.00 | |
| Faith Primary School | 1239536119 | KCB | 1,218.00 | 299,344.00 |
| Farakoren primary School | 1127935127 | KCB | 1,139.35 | |
| Gangeisa Primary School | 1239556063 | KCB | 151,714.00 | |
| Gatab Primary School | 1267525355 | KCB | 2,160.00 | |
| Guuram Primary School | 1240288018 | KCB | 770 | |
| Hadad Primary School | 1240018657 | KCB | 24 | |
| Jiija Primary School | 1254913556 | KCB | 500,998.00 | 1,724.00 |
| Kamatonyi Primary School | 1246843994 | KCB | 0 | 710.00 |
| Kamboe Primary School | 1267666846 | KCB | 201,175.00 | |
| Kargi AP Line | 1252310323 | KCB | 1,926,487.00 | 1,613.00 |
| Kargi Primary School | 1249754291 | KCB | 400 | |
| Korolle Boys Secondary School | 1149510730 | KCB | 6,445.00 | |
| Korr AP Line | 1271960133 | KCB | 502,634.00 | |
| Korr AP Line NG-CDF PMC | 1271960133 | KCB | 0 | 2,760.00 |
| Korr Day Mixed Secondary School | 1259723771 | KCB | 3,500,038.00 | 2,229,326.00 |
| Kulal Girls Secondary School | 1252511949 | KCB | 1,494.00 | 551,620.00 |
| Laisamis Primary School | 1266559639 | KCB | 855 | |
| Laisamis Sports NG-CDF PMC AC | 1246856883 | KCB | 1,679.00 | 1,805.00 |
| Lbaarok Primary School | 1261423267 | KCB | 290 | |
| Lependera Primary School | 1240270003 | KCB | 2,002,230.00 | |
| Loglogo Muslim Primary School | 1258915499 | KCB | 1,499,984.00 | 150,230.00 |
| Loglogo Muslim Primary School | 1258915499 | KCB | 0 | |
| Loglogo Primary School | 1254931287 | KCB | 230 | |
| Loiyangalani DCC | 1281606189 | KCB | 1,640.00 | |
| Losikiriachi Primary School | 1286633761 | KCB | 1,500,000.00 | |
| Marti Primary School | 1249923034 | KCB | 1,140.00 | |
| Merile Day Mixed Secondary School | 1259948129 | KCB | 4,502,208.00 | 3,857,010.00 |
| Merile Security Group | 1258922762 | KCB | 0 | 1,157.10 |
| Merille primary School | 1286403928 | KCB | 681,800.00 | |
| Ndikir Primary School | 1252146531 | KCB | 2,000,109.00 | 900.24 |
| Ngororoi Primary School | 1239868367 | KCB | 644,769.00 | 744,795.00 |
| Oltorot AP Line | 1285185560 | KCB | 1,500,000.00 | |
| St. Dominic Savio Primary School | 1141410664 | KCB | 2,023,778.40 | |
| Ulauli Primary School | 1265720037 | KCB | 496,694.00 | |
| TOTAL | | | 25,165,487 | 9,200,380 |

*Laisamis Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XIX. 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) |
|---|-----------------------------------|---------------------|--------------------------------------|---|
| <i>KENAO IS YET TO PRESENT FINAL CERFITICATE AUDITED REPORT FOR FY: 2018/2019 & 2019/2020 FOR LAISAMIS NG-CDF</i> | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

