


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PARTICULARS	
REPORT	
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



OFFICE OF THE AUDITOR - GENERAL
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Revised Template 30th June 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
LAISAMIS CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAISAMIS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

15 FEB 2020

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1. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAISAMIS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Salim Hassan Hussein
2.	Sub-County Accountant	Stephen Mwangi
3.	Chairman NGCDFC	Alice Ilawo Lesepu
4.	Member NGCDFC	Edward Lesukar

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Laisamis Constituency Headquarters

Laisamis NGCDF
P.O. Box 71-60500,
Marsabit Central Sub-County Treasury
Marsabit, KENYA.

LAISAMIS CONSTITUENCY
Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF Laisamis Constituency Contacts

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

(g) NGCDF Laisamis Constituency Bankers

Kenya Commercial Bank
Marsabit Branch,
A/C No. 1102625191

(h) Independent Auditors

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

(i) Principal Legal Adviser

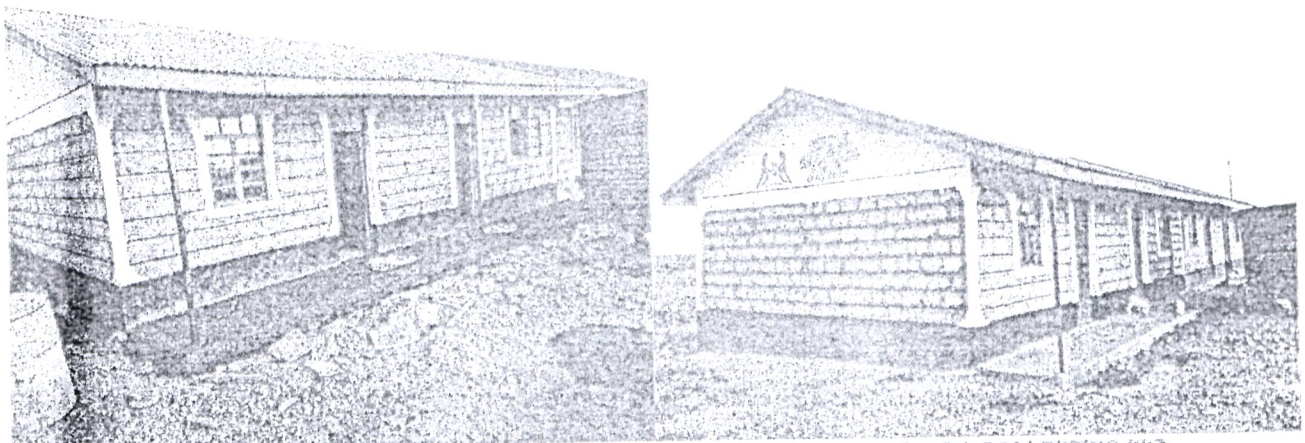
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II.FORWARD BY THE CHAIRPERSON NGCDF COMMITTEE

LAISAMIS NG-CDF 2018/2019



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.

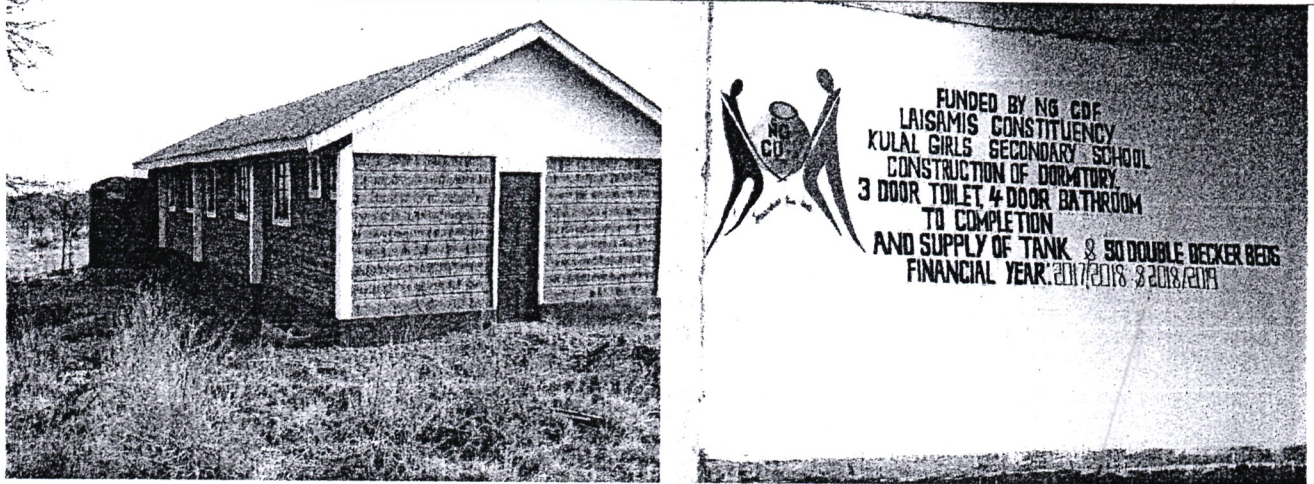


LOGOLOGO SECONDARY SCHOOL-CONSTRUCTION OF STAFF HOUSE QUARTERS TO COMPLETION FY: 2017/2018 & 2018/2019

During the financial year, the Laisamis NG-CDF had been allocated Ksh.109, 040,875.52 out of which, Ksh.54, 000,000.00 had been received by 30th June 2019. This resulted to low uptake of the funds as they were received in portion toward the end of the financial year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF),
LAISAMIS CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**



KULAL GIRLS SECONDARY SCHOOL-CONSTRUCTION OF DORMITORY-FY: 2017/2018 & 2018/2019

Laisamis constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary which was allocated a budget of Ksh.27,260,218.88 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 which 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 refurbish them. The NG-CDFC had also a big challenge in implementing/completing projects only one half of the annual budget had been received from NG-CDF Board by close of the year.

I wish to urge the NG-CDF Board/NASC to continually increase the NG-CDF allocations more projects uptake and also timely disbursement of funds to constituencies.


.....
Mrs. Alice Hawo Lesepe
NGCDFC Chairperson

wa
G-C
ron
Account
Salim H

US CONSTITUENCY

and Financial Statements

Year ended June 30, 2019

STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

Accounting Officer in charge of the NG-CDF Laisamis Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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 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 NG-CDF Laisamis Constituency accepts responsibility for the preparation of the financial statements, which have been prepared on the Cash Basis Method of Financial Accounting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NG-CDF Laisamis Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Laisamis Constituency financial statements were approved and signed by the Accounting Officer on 13th Sep 2019.

Manager
Hussein

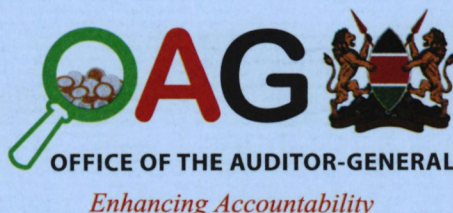


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MARSABIT CENTRAL

REPUBLIC OF KENYA

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



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Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAISAMIS CONSTITUENCY FOR THE YEAR ENDED 30 June, 2019

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 7 to 47, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Laisamis Constituency as at 30 June, 2019, 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

1.0 Presentation of the Financial Statements

The Fund financial statements for the year ending 30 June, 2019 revealed the following inconsistencies:

1.1 Inconsistency of the Chairman's Report and the Financial Statements

The chairman's report at page 4 of the financial statements reflects Kshs.54,000,000 as the money received by the Fund from the NG-CDF Board. However, the statement of receipts and payments reflects Kshs.108,784,483 as receipts from the Board during the year under review resulting to unexplained and unreconciled variance of Kshs.54,784,483.

Consequent, the accuracy of the chairman's report and the financial statements of the entity for the year ended 30 June, 2019 could not be ascertained.

1.2 Incomplete Report on Follow up of Auditor's Recommendations

Pages 42 to 47 of the financial statements reflects a progress on follow up of Auditor General recommendations. However, the Management comments, focal point person to resolve the issue, status of the issues and time frame when the issues are expected to be resolved are not reflected in the progress report.

Consequently, the status of the issues raised in 2017/2018 financial year could not be confirmed as at 30 June, 2019.

1.3 Failure to Indicate the Period end of the Financial Statement

The statement of assets and liabilities does not indicate the financial year is "as at 30 June, 2019".

Consequently, the period to which the financial statements relate could not be confirmed as at 30 June, 2019 contrary to the Public Sector Accounting Standard Board (PSASB) reporting template.

1.4 Missing Information in the Financial Statements

Note 6 and 7 to the financial statements refers to 'attached list' which are however not attached to the financial statements.

In the circumstance, the information contain in the notes are misleading to the users of financial statements.

2.0 Inaccuracies of the Financial Statements

2.1 Unsupported Prior Year Adjustments

As reported in the previous financial year, the statement of assets and liabilities and the statement of cash flows for the year under review both reflects a comparative 2017/2018 prior year adjustment balance of Kshs.36,561, which does not have respective supporting documentary evidence. This is contrary to Paragraph 47 of International Public Sector Accounting Standards No. 3.

In the circumstances, the regularity and accuracy of the Kshs.36,561 comparative adjustments reflected in the financial statements as at 30 June, 2019 could not be ascertained.

2.2 Unreconciled Cash and Cash Equivalents

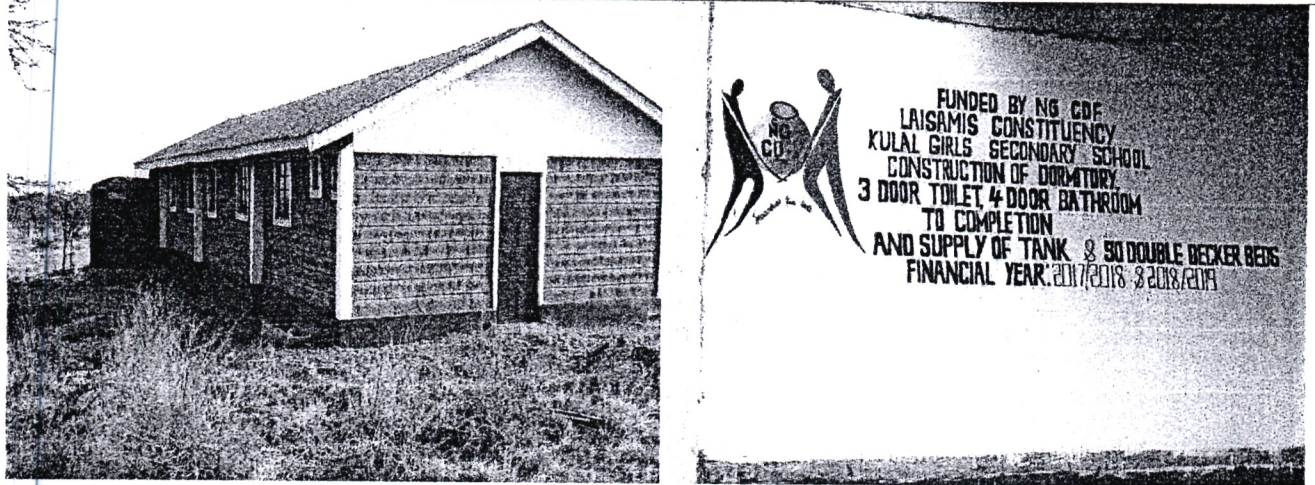
The statement of assets and liabilities for the year under review reflects Kshs.13,002,573 in respect to cash and cash equivalents. However, the bank reconciliation statement for the month of June, 2019 reflects Kshs.36,450 in respect to payments in bank statement not recorded in cash book resulting to over statement of cash book balance by the same amount.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LAISAMIS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019



KULAL GIRLS SECONDARY SCHOOL-CONSTRUCTION OF DORMITORY-FY: 2017/2018 & 2018/2019

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I wish to urge the NG-CDF Board/NASC to continually increase the NG-CDF allocations to enable more projects uptake and also timely disbursement of funds to constituencies.

.....
Mrs. Alice Hawo Lesepen
NGCDFC Chairperson

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

**Reports and Financial Statements
For the year ended June 30, 2019**

III. STATEMENT OF ENTITY 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.

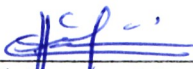
The Accounting Officer in charge of the NG-CDF Laisamis Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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.

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

Approval of the financial statements

The NG-CDF Laisamis Constituency financial statements were approved and signed by the Accounting Officer on 13th SEP 2019.



Fund Account Manager
Name: Salim H Hussein

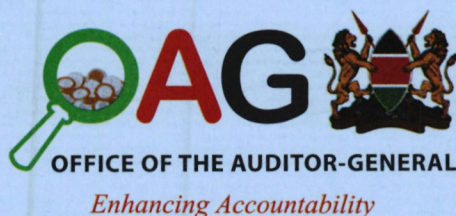


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MARSABIT CENTRAL

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAISAMIS CONSTITUENCY FOR THE YEAR ENDED 30 June, 2019

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 7 to 47, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Laisamis Constituency as at 30 June, 2019, 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

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1.4 Missing Information in the Financial Statements

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In the circumstance, the information contain in the notes are misleading to the users of financial statements.

2.0 Inaccuracies of the Financial Statements

2.1 Unsupported Prior Year Adjustments

As reported in the previous financial year, the statement of assets and liabilities and the statement of cash flows for the year under review both reflects a comparative 2017/2018 prior year adjustment balance of Kshs.36,561, which does not have respective supporting documentary evidence. This is contrary to Paragraph 47 of International Public Sector Accounting Standards No. 3.

In the circumstances, the regularity and accuracy of the Kshs.36,561 comparative adjustments reflected in the financial statements as at 30 June, 2019 could not be ascertained.

2.2 Unreconciled Cash and Cash Equivalents

The statement of assets and liabilities for the year under review reflects Kshs.13,002,573 in respect to cash and cash equivalents. However, the bank reconciliation statement for the month of June, 2019 reflects Kshs.36,450 in respect to payments in bank statement not recorded in cash book resulting to over statement of cash book balance by the same amount.

In the circumstance, the accuracy of cash and cash equivalents balance of Kshs.13,002,573 as at 30 June, 2019 could not be confirmed.

2.3 Unsupported Committee Expenses

Note 5 to the financial statements reflects Kshs.8,430,972 in respect to use of goods and services which includes Kshs.6,185,893 in respect to committee expenses which further includes Kshs.780,000 spent on monitoring and evaluation. However, supporting documents including the monitoring and evaluation reports, motor vehicle work-tickets, projects visited, and back to office report were not provided for audit review.

In the circumstance, the propriety and value for money for the Kshs.780,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

2.4 PMC Bank Accounts Listing Without Balances

Annex 5 to the financial statements reflects PMC bank balances as at 30 June, 2019 which includes a list of the twenty-two (22) PMCs bank name and account numbers. However, the list did not include the respective bank balances as at 30 June, 2019. Further, certificate of bank balance, cash books and bank reconciliation statements were not provided for audit review.

In the circumstances, it was not possible to ascertain the existence and accuracy of the PMC bank balances as at 30 June, 2019.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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

1. Budget Control and Performance

The Fund's summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 reflects an approved receipt budget of Kshs.197,483,414 while the actual receipts were Kshs.142,442,538 resulting to budget shortfall of Kshs.55,040,876 or 29% of the budget.

Similarly, the summary statement of appropriation - recurrent and development combined reflected approved budgeted expenditure of Kshs.197,483,414 and actual payments of Kshs.129,439,965 resulting in under expenditure of Kshs.68,043,449 or 34% of the budget.

Further, the Fund did not prepare separate statements of appropriation for development and recurrent contrary to the Public Sector Accounting Standard Board (PSASB) template issued in June, 2019 and Section 81(2) of the Public Finance Management Act, 2012.

In addition, the Fund's summary statement of appropriation - recurrent and development combined reflects an adjustment of Kshs.88,442,538 representing unutilized funds in the previous financial year. However, the audited financial statement for 2017/2018 reflects unutilized funds of Kshs.88,405,977 resulting to unexplained variance of Kshs.36,561.

2. Project Implementation Status

Note 6 and 7 to the financial statements reflects Kshs.71,959,416 and Kshs.46,628,321 in respect to transfers to other Government units and other grants and other payments respectively both totaling Kshs.118,587,737 which was transferred to various institutions to implement projects during the year ended 30 June, 2019. However, review of the project implementation status report as at 30 June, 2019 revealed that out of the one hundred and eleven (111) projects worth Kshs.169,460,809 budgeted to be undertaken during the year, eighty-seven (87) projects worth Kshs.118,587,737 were completed, no projects were on going while twenty-four (24) projects worth Kshs.50,873,072 were not implemented.

In the circumstances, the residents of Laisamis Constituency did not get the planned services equivalent to Kshs.50,873,072 being the budgeted projects that were not implemented during the year under review.

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. Unsatisfactorily Implemented Projects

1.1 Water Piping at Logologo Primary School

Note 6 to the financial statements reflects Kshs.71,959,416 in respect to transfer to other government entities which includes Kshs.49,459,816 in respect to transfer to primary schools which further includes Kshs.1,199,916 spent on water piping at Logologo Primary School. However, inspection and acceptance committee minutes and certificate of completion were not provided for audit review.

In the circumstance, the propriety and value for money for the Kshs.1,199,916 expenditure for the year ended 30 June, 2019 could not be confirmed.

1.2 Construction of Classroom and Supply of Metal Frame Desks at Kargi Primary School

Note 6 to the financial statements reflects Kshs.71,959,416 in respect to transfer to other government entities which includes Kshs.49,459,816 in respect to transfer to primary schools which further includes Kshs.1,400,000 spent on construction of a classroom and supply of twenty (20) desks at Kargi Primary School. However, physical verification done in December, 2019 revealed that the floors had major cracks which is indicative of poor workmanship. In addition, the supporting documents for Kshs.30,000 paid to a contractor as provisional sum for supervision works were not availed for audit review.

In the circumstance, the propriety and value for money for the Kshs.1,400,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

1.3 Construction of a Dormitory at Kulal Girls Secondary School

Note 6 of the notes to the financial statements reflects Kshs.71,959,416 in respect to transfer to other government entities which includes Kshs.22,499,600 in respect to transfer to secondary schools which further includes Kshs.6,400,000 spent on construction of phase I and II of a dormitory at Kulal Girls Secondary School. However, review of the records provided for audit in December, 2019 revealed that the contractor was paid Kshs.1,683,210 to undertake various works during the year under review but the same remained unimplemented as at the end of the financial year as follows;

No.	Works	Amount (Kshs.)
1	Pelmet Box	15,300
2	Curtain Tracks	1,224,000
3	Paving Slabs around Building	134,000
4	Electrical Works (all not done)	309,910
	Total	1,683,210

In the circumstance, the propriety and value for money for the Kshs.1,683,210 expenditure for the year ended 30 June, 2019 could not be confirmed.

1.4 Unverified Procurement Procedures for Security Projects

Note 7 to the financial statements reflects Kshs.46,628,321 spent on other grants and other payments which includes Kshs.4,940,000 on security projects. However, Mt Kulal Administration Police (AP) line bank statements were not made available for audit review. In addition, bank statements and project files for Mt Kulal AP line, Kargi AP line and Korr Chiefs Office which would have contained quotations, tenders, evaluation committee minutes and inspection and acceptance committee minutes, interim and final completion certificate from the Department of Public Works were not provided for audit review.

Consequently, the propriety and value for money of the Kshs.4,940,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

2.0 Excess Staff Levels

Note 4 to the financial statements for the year under review reflects Kshs.2,421,256 in respect to compensation of employees. However, review of the records including payrolls and personal files revealed that the Fund had a total of nine (9) employees contrary to National Government Constituencies Development Fund Board circular reference VOL 1.1 /166 which states that the committee may employ staff, not exceeding five (5) in number and such staff shall have knowledge in construction, basic accounting, information and communication Technology.

Further, review of the personal files, revealed that the Fund maintained incomplete files, since the engagement contracts, interview minutes, certified copies of educational certificates and copy of identification cards were not included in the personal files.

In the circumstances, the Fund is in breach of the law.

3.0 Emergency Projects

Note 7 to the financial statements reflects Kshs.46,628,321 in respect to other grants and other payments which includes Kshs.8,330,000 in respect to emergency projects. However, no evidence of an urgent and unforeseen situation was provided for audit review to warrant the expenditure to be classified as emergency projects, contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

In addition, the report on utilization of emergency reserve to the Board as required by Section 20 (2) of the National Government Constituencies Development Fund Act, 2015, was not provided for audit review.

In the circumstances, the Fund is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate 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.


Nancy Gathungu
AUDITOR-GENERAL

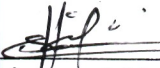
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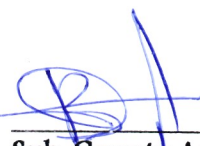
01 October, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**LAISAMIS CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,784,483	84,353,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	84,353,447
PAYMENTS			
Compensation of employees	4	2,421,256	1,433,299
Use of goods and services	5	8,430,972	7,802,300
Transfers to Other Government Units	6	71,959,416	18,370,704
Other grants and transfers	7	46,628,321	24,399,000
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		129,439,965	52,005,303
SURPLUS/(DEFICIT)		(20,655,482)	32,348,144

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Laisamis Constituency financial statements were approved on 13th sep 2019 2019 and signed by:


Fund Account Manager
Name: Salim H Hussein

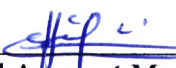

Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546


THE NATIONAL SUB-COUNTY
ACCOUNTANT
MARSABIT CENTRAL

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	13,002,573	33,658,055
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		13,002,573	33,658,055
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		13,002,573	33,658,055
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	
NET FINANCIAL ASSETS		13,002,573	33,658,055
REPRESENTED BY			
Fund balance b/fwd	13	33,658,055	1,273,350
Surplus/Deficit for the year		(20,655,482)	32,348,144
Prior year adjustments	14	-	36,561
NET FINANCIAL POSITION		<u>13,002,573</u>	<u>33,658,055</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Laisamis Constituency financial statements were approved on 12th sep 2019 and signed by:


 Fund Account Manager
 Name: Salim H Hussein


 Sub-County Accountant
 Name: Stephen Mwangi
 ICPAK Member Number: 16546

THE NATIONAL SUB-COUNTY
 ACCOUNTANT
 MARSABIT CENTRAL

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LAISAMIS CONSTITUENCY

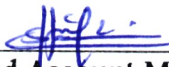
Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	108,784,483	84,353,447
Other Receipts	3	-	
Total receipts		108,784,483	84,353,447
Payments			
Compensation of Employees	4	2,421,256	1,433,299
Use of goods and services	5	8,430,972	7,802,300
Transfers to Other Government Units	6	71,959,416	18,370,704
Other grants and transfers	7	46,628,321	24,399,000
Other Payments	9	-	-
Total payments		129,439,965	52,005,303
Total Receipts Less Total Payments		(20,655,482)	32,348,144
Adjusted for:			
Prior year adjustments	14		(36,561)
Net Adjustments			
Net cash flow from operating activities		(20,655,482)	32,311,583
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(20,655,482)	32,311,583
Cash and cash equivalent at BEGINNING of the year	13	33,658,055	1,273,350
Cash and cash equivalent at END of the year		13,002,573	33,658,055

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Laisamis Constituency financial statements were approved on 13th Sep 2019 and signed by:


Fund Account Manager
Name: Salim H Hussein


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MARSABIT CENTRAL


VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	109,040,876	88,442,538	197,483,414	142,442,538	55,040,876	72.1%
Proceeds from Sale of Assets					-	
Other Receipts					-	
TOTAL RECEIPTS	109,040,876	88,442,538	197,483,414	142,442,538	55,040,876	72.1%
PAYMENTS						
Compensation of Employees	2,895,528.00	950,000.00	3,845,528	2,421,256	1,424,272	63.0%
Use of goods and services	6,918,150.80	1,981,896.93	8,900,048	8,430,972	469,076	94.7%
Transfers to Other Government Units	40,950,000.00	30,860,000.00	71,810,000	71,959,416	(149,416)	100.2%
Other grants and transfers	58,277,197	54,650,641.27	112,927,838	46,628,321	66,299,517	41.3%
Acquisition of Assets			-	-	-	
Other Payments			-	-	-	
TOTALS	109,040,876	88,442,538	197,483,414	129,439,965	68,043,449	65.5%

NOTES ON VARIANCES:-

- Transfer from NG-CDF board – During the financial year, the Laisamis NG-CDF had been allocated Ksh. 109,040,875.52, out of which, Ksh. 54,000,000.00 had been received by close of the financial year 2018/2019.
- Compensation of employees – the low uptake of 63% was due to the fact that the first disbursement from the NG-CDF board had been received in December 2018 which catered for education bursary.
- Other grant and transfer – the low uptake of 41.3% was due to the fact that the disbursement from the NG-CDF board was had been received in 30th April, 2019. There was also unapproved project that was resubmitted to the board for approval.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Laisamis Constituency financial statements were approved on 13th Sep 2019 and signed by:


Fund Account Manager
Name: Salim H. Hussein


Sub-County Accountant
Name: Stephen Mwanagi

THE NATIONAL SUB-COUNTY
ACCOUNTANT
CENTRAL
MARSABIT

ICPAK Member Number: 16546

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration					
Employees' Salaries	2,895,528.00	950,000.00	3,845,528.00	2,421,255.95	1,424,272.05
Goods and Services	1,665,724.53	682,759.27	2,348,483.80	1,712,993.00	635,490.80
Committee Expenses	1,848,000.00	-	1,848,000.00	3,267,065.00	-1,419,065.00
NSSF	48,200.00	27,600.00	75,800.00	0.00	75,800.00
NHIF	85,000.00	25,920.00	110,920.00	0.00	110,920.00
Sub-Total	6,542,452.53	1,686,279.27	8,228,731.80	7,401,313.95	827,417.85
2.0 Monitoring and Evaluation					
Goods and Services	1,071,226.27	545,617.66	1,616,843.93	1,867,240.00	-250,396.07
Committee Expenses	1,300,000.00	300,000.00	1,600,000.00	1,583,673.79	16,326.21
Capacity Building of NG-GDFs/PMCs	900,000.00	400,000.00	1,300,000.00	0.00	1,300,000.00
Sub-Total	3,271,226.27	1,245,617.66	4,516,843.93	3,450,913.79	1,065,930.14
3.0 Emergency					
Emergency	5,738,993.45	1,637,931.03	7,376,924.48	8,330,000.00	-953,075.52
Emergency		3,000,000.00	3,000,000.00		3,000,000.00
Sub-Total	5,738,993.45	4,637,931.03	10,376,924.48	8,330,000.00	2,046,924.48
4.0 Bursary and Social Security Programme					
Bursary Secondary Schools	14,760,218.88	10,481,206.89	25,241,425.77	18,465,400.00	6,776,025.77
Bursary Tertiary Schools	12,000,000.00	387,192.94	12,387,192.94	11,541,500.00	845,692.94
Social Security Programmes - NHIF	500,000.00		500,000.00		500,000.00
Sub-Total	27,260,218.88	10,868,399.83	38,128,618.71	30,006,900.00	8,121,718.71
5.0 Sports					
LAISAMIS Sport Tournament	1,777,984.39	1,351,421.12	3,129,405.51	1,351,421.12	1,777,984.39

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
6.0 Environment	1,777,984.39	1,351,421.12	3,129,405.51	1,351,421.12	1,777,984.39
Kargi Primary School		100,000.00	100,000.00	100,000.00	0.00
Olturot Primary School		100,000.00	100,000.00	100,000.00	0.00
Amalio Primary School		100,000.00	100,000.00	100,000.00	0.00
Faith Primary School		100,000.00	100,000.00	100,000.00	0.00
South Horr Primary school		100,000.00	100,000.00	100,000.00	0.00
Laisamis Primary School		100,000.00	100,000.00	100,000.00	0.00
Merille Primary School		100,000.00	100,000.00	100,000.00	0.00
Arapal Primary School		100,000.00	100,000.00	100,000.00	0.00
Ngurunit Primary School		100,000.00	100,000.00	100,000.00	0.00
Loglogo Primary school		100,000.00	100,000.00	100,000.00	0.00
Sub-Total	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
7.0 Primary School Projects					
Tirgamo Primary School	300,000.00		300,000.00	600,000.00	-300,000.00
Laisamis Primary School	300,000.00		300,000.00	1,400,000.00	-1,100,000.00
Kamatonyi Primary School	1,400,000.00		1,400,000.00	600,000.00	800,000.00
Lontolio Primary School	1,500,000.00		1,500,000.00	200,000.00	1,300,000.00
Sakardala Primary School	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Mercy Primary School	300,000.00		300,000.00	200,000.00	100,000.00
Ulauli Primary School	500,000.00		500,000.00	200,000.00	300,000.00
Lbaarok Primary School	1,200,000.00		1,200,000.00	300,000.00	900,000.00
Logologo Muslim Primary School	1,400,000.00		1,400,000.00	300,000.00	1,100,000.00
kamboye Primary School	1,500,000.00		1,500,000.00	600,000.00	900,000.00
Loglogo Primary School	300,000.00		300,000.00	600,000.00	-300,000.00
Korr Primary school	1,200,000.00		1,200,000.00	200,000.00	1,000,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Amalio Primary school	1,200,000.00		1,200,000.00	200,000.00	1,000,000.00
Balaah primary school	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Ngurunit Primary school	300,000.00		300,000.00	200,000.00	100,000.00
Namarei Primary school	300,000.00		300,000.00	200,000.00	100,000.00
Faith Primary school	300,000.00		300,000.00	200,000.00	100,000.00
Lekuchulia Primary school	1,200,000.00		1,200,000.00	200,000.00	1,000,000.00
Titus Ngoyoni Primary school	500,000.00		500,000.00	1,400,000.00	-900,000.00
Santur Primary school	1,200,000.00		1,200,000.00	1,500,000.00	-300,000.00
Loiyangalani Primary School	300,000.00		300,000.00	1,200,000.00	-900,000.00
Arapal Primary School	200,000.00		200,000.00	1,500,000.00	-1,300,000.00
Gatab Primary School	1,000,000.00		1,000,000.00	150,000.00	850,000.00
Oltorot Primary school	150,000.00		150,000.00	1,400,000.00	-1,250,000.00
Losikiriachi Primary school	1,200,000.00		1,200,000.00	1,400,000.00	-200,000.00
Lkijata Primary School	200,000.00		200,000.00	200,000.00	0.00
Larachi Primary School	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Ririma Primary school	1,200,000.00		1,200,000.00	1,399,900.00	-199,900.00
Dakhahe Primary school	1,200,000.00		1,200,000.00	1,199,916.00	84.00
Dadab Timalab Primary school	1,200,000.00		1,200,000.00	1,400,000.00	-200,000.00
Jija Primary school	1,200,000.00		1,200,000.00	1,200,000.00	0.00
Loglogo Primary School	400,000.00		400,000.00	400,000.00	0.00
Kurungu Primary school	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Silapani Primary SCH		1,400,000.00	1,400,000.00	2,500,000.00	-1,100,000.00
Sakardala Primary SCH		220,000.00	220,000.00	400,000.00	-180,000.00
Nairibi Primary SCH		1,200,000.00	1,200,000.00	1,400,000.00	-200,000.00
Lontolio Primary SCH		400,000.00	400,000.00	1,400,000.00	-1,000,000.00
Kamatonyi Primary SCH		1,500,000.00	1,500,000.00	500,000.00	1,000,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Loglogo Primary SCH		4,440,000.00	4,440,000.00	400,000.00	4,040,000.00
Marti Primary SCH		1,840,000.00	1,840,000.00	800,000.00	1,040,000.00
Kamboe Primary SCH		500,000.00	500,000.00	200,000.00	300,000.00
Balah Primary SCH		640,000.00	640,000.00	1,200,000.00	-560,000.00
Guuram Primary SCH		400,000.00	400,000.00	200,000.00	200,000.00
Korr Primary SCH		400,000.00	400,000.00	200,000.00	200,000.00
Buri Aramia Primary SCH		1,400,000.00	1,400,000.00	1,350,000.00	50,000.00
Lependera Primary SCH		1,200,000.00	1,200,000.00	1,200,000.00	0.00
Lengima Primary SCH		1,500,000.00	1,500,000.00	1,300,000.00	200,000.00
Mpagas Primary SCH		400,000.00	400,000.00	400,000.00	0.00
Farakoren Primary SCH		840,000.00	840,000.00	1,400,000.00	-560,000.00
Ngurunit Primary SCH		400,000.00	400,000.00	440,000.00	-40,000.00
Loiyangalani Primary SCH		200,000.00	200,000.00	440,000.00	-240,000.00
Olturot Primary SCH		440,000.00	440,000.00	440,000.00	0.00
Arapal Primary SCH		440,000.00	440,000.00	440,000.00	0.00
Elmolo Bay Primary SCH		800,000.00	800,000.00	440,000.00	360,000.00
Ngorotoi Primary SCH		1,200,000.00	1,200,000.00	440,000.00	760,000.00
Larachi Primary SCH		200,000.00	200,000.00	440,000.00	-240,000.00
Kargi Primary SCH		440,000.00	440,000.00	440,000.00	0.00
Kurkum Primary SCH		440,000.00	440,000.00	440,000.00	0.00
Gangeisa Primary SCH		1,740,000.00	1,740,000.00	220,000.00	1,520,000.00
Hadaad Primary SCH		1,940,000.00	1,940,000.00	440,000.00	1,500,000.00
Arge Primary SCH		440,000.00	440,000.00	440,000.00	0.00
Kanbinye primary SCH		1,400,000.00	1,400,000.00	1,200,000.00	200,000.00
Bagazi primary SCH		1,400,000.00	1,400,000.00	1,200,000.00	200,000.00
Civicon primary SCH		1,400,000.00	1,400,000.00	1,200,000.00	200,000.00

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Ndikir primary SCH		1,400,000.00	1,400,000.00	200,000.00	1,200,000.00
Amalio primary SCH		1,400,000.00	1,400,000.00	1,500,000.00	-100,000.00
Korr Primary School		600,000.00	600,000.00	900,000.00	-300,000.00
Namarei Primary School		200,000.00	200,000.00	1,200,000.00	-1,000,000.00
Lependera Primary School		200,000.00	200,000.00		200,000.00
Tirim Nomadic Primary School		600,000.00	600,000.00		600,000.00
Farakoren Primary School		200,000.00	200,000.00		200,000.00
Kargi Primary School		200,000.00	200,000.00		200,000.00
Ngororoi Primary School		400,000.00	400,000.00		400,000.00
Arapal Primary School		200,000.00	200,000.00		200,000.00
Santuri Primary School		200,000.00	200,000.00		200,000.00
Merile Primary School		200,000.00	200,000.00		200,000.00
Kamatonyi Primary School		200,000.00	200,000.00		200,000.00
Lotolio Primary School		200,000.00	200,000.00		200,000.00
Kamboe Primary School		300,000.00	300,000.00		300,000.00
Loglogo Primary School		600,000.00	600,000.00		600,000.00
Haddad Primary School		600,000.00	600,000.00		600,000.00
Nairibi Primary School		300,000.00	300,000.00		300,000.00
Loglogo Muslim Primary School		600,000.00			0.00
Ndikir Primary School		1,400,000.00			0.00
Sub-Total	27,950,000.00	41,160,000.00	69,110,000.00	49,459,816.00	19,650,184.00
8.0 Secondary School Projects					
Korolle Boys Secondary School	4,900,000.00		4,900,000.00	600,000.00	4,300,000.00
Loglogo Girls Secondary School	800,000.00		800,000.00	475,800.00	324,200.00
Kulal Girls Secondary School	4,000,000.00		4,000,000.00	4,924,000.00	-924,000.00
Korolle Boys Secondary School	600,000.00		600,000.00	500,000.00	100,000.00

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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Korr Day Mixed Secondary School (New School)	2,500,000.00		2,500,000.00	2,400,000.00	100,000.00
Kulal Girls' Secondary School		600,000.00	600,000.00	2,400,000.00	-1,800,000.00
Korolle Boys Secondary School		2,400,000.00	2,400,000.00	2,299,800.00	100,200.00
Kulal Girls Secondary School		2,400,000.00	2,400,000.00	2,100,000.00	300,000.00
Loglogo Girls Secondary School		1,500,000.00	1,500,000.00	2,000,000.00	-500,000.00
Ngunnit Secondary School		500,000.00	500,000.00	800,000.00	-300,000.00
Ngunnit Secondary School		6,000,000.00	6,000,000.00	4,000,000.00	2,000,000.00
Laisamis Secondary School		475,862.09	475,862.09		475,862.09
Sub-Total	12,800,000.00	13,875,862.09	26,675,862.09	22,499,600.00	4,176,262.09
10.0 Security Projects					
Merile Chiefs office	1,600,000.00		1,600,000.00	200,000.00	1,400,000.00
Arapal AP Post	1,300,000.00		1,300,000.00	1,500,000.00	-200,000.00
Loglogo Assistant County Commissioner (ACC) resident	500,000.00		500,000.00	1,500,000.00	-1,000,000.00
Laisamis Administration Police	4,000,000.00		4,000,000.00	1,300,000.00	2,700,000.00
				440,000.00	-440,000.00
Laisamis Director of Criminal Investigation (DCIO) office	200,000.00		200,000.00		200,000.00
Kargi AP Line		1,500,000.00	1,500,000.00		1,500,000.00
Korr Chief's office		1,300,000.00	1,300,000.00		1,300,000.00
Mt Kulal AP Post		1,500,000.00	1,500,000.00		1,500,000.00
Kambinye sub-location AP Post		440,000.00	440,000.00		440,000.00
Laisamis OCPD Office		200,000.00	200,000.00		200,000.00
Sub-Total	7,600,000.00	4,940,000.00	12,540,000.00	4,940,000.00	7,600,000.00
11.0 Acquisitions of Assets					
NG-CDFC Motor Vehicle	7,600,000.00	-	7,600,000.00	0	7,600,000.00

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
12.0 Others					
Strategic Plan	500,000.00	3,000,000.00	3,500,000.00	1,000,000.00	2,500,000.00
NG- CDF office	8,000,000.00	-	8,000,000.00		8,000,000.00
Constituency Innovation Hubs	-	4,677,027.20	4,677,027.20	0	4,677,027.20
Sub-Total	16,100,000.00	7,677,027.20	23,777,027.20	1,000,000.00	22,777,027.20
GRAND TOTAL	109,040,876	88,442,538	197,483,414	129,439,965	68,043,448.86

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

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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NG-CDF 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.

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law.

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 2019.

14. Errors

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

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

15. Related Party Transactions

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

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO. 2017/2018/142	1		5,500,000
AIE NO. 2016/2017/524	2		40,948,275
AIE NO. 2017/2018/545	3		37,905,172
AIE NO. 2017/2018/882	1	54,784,483	
AIE NO. 2018/2019/141	2	10,000,000	
AIE NO. 2018/2019/393	3	10,000,000	
AIE NO. 2018/2019/715	4	6,000,000	
AIE NO. 2018/2019/1091	5	12,000,000	
AIE NO. 2018/2019/1292	6	16,000,000	
TOTAL		108,784,483	84,353,447

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	2,421,256	1,418,299
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity – paid	-	-
- accrued	-	-
Other personnel payments	-	15,000.00
Total	2,421,256	1,433,299



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	6,185,893	5,314,000
Utilities, supplies and services	-	11,520
Communication, supplies and services	-	-
Domestic travel and subsistence	385,800	247,000
Printing, advertising and information supplies & services	-	258,000
Rentals of produced assets	-	-
Training expenses	-	500,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	536,300	582,375
Fuel , oil & lubricants	1,322,979	889,405
Total	8,430,972	7,802,300

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	49,459,816	17,294,704
Transfers to secondary schools (see attached list)	22,499,600	1,076,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	71,959,416	18,370,704

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,465,400.00	11,001,000
Bursary – tertiary institutions (see attached list)	11,541,500.00	8,709,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	4,940,000	1,500,000
Sports projects (see attached list)	1,351,421	-
Environment projects (see attached list)	1,000,000	-
Emergency projects (see attached list)	8,330,000	1,189,000
Other capital grants and transfer	1,000,000	2,000,000
Total	46,628,321	24,399,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
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	-	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Kenya Commercial Bank, Marsabit Branch. Laisamis CDF A/C no.1102625191</i>	13,002,573	33,658,055
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	13,002,573	33,658,055
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)		
Total	13,002,573	33,658,055
<i>[Provide cash count certificates for each]</i>		

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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 or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	33,658,055	1,273,350
Cash in hand	-	-
Imprest	-	-
Total	33,658,055	1,273,350

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	-	36,561
Cash in hand	-	-
Imprest	-	-
Total	-	36,561

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	0
Construction of civil works	-	-
Supply of goods	-	325,000
Supply of services	-	-
	-	325,000

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NG-CDFC Staff	509,059.68	-
Others (<i>specify</i>)	-	-
	509,059.68	-

15.3: UNUTILIZED FUND (See Annex 3)

	2018/2019	2017/2018
	Kshs	Kshs
Compensation of employees	1,645,528.00	1,220,000
Use of goods and services	1,867,363.13	1,462,400
Amounts due to other Government entities (see attached list)	500,000	27,939,772
Amounts due to other grants and other transfers (see attached list)	35,427,984.39	12,783,000
Acquisition of assets	7,600,000	
Others (<i>specify</i>)	8,000,000	
	55,040,876	43,405,172

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	xxx	xxx
	xxx	xxx

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
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					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Daniel Lemara		62,094.24			62,094.24	
Midaye Abdinoor		62,094.24			62,094.24	
Jamah Khobocha		62,094.24			62,094.24	
Alex Lenakuram		62,094.24			62,094.24	
Adan Ismael Rage		62,094.24			62,094.24	
Inkaderu Esimonte		62,094.24			62,094.24	
Silago Lengima		37,200.00			37,200.00	
Ukureh Akulallo		37,200.00			37,200.00	
Farhiya Mohamed		62,094.24			62,094.24	
Grand Total		509,059.68			509,059.68	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Payment of staff salaries and gratuity	1,645,528.00		Fund not yet disbursed from the NG-CDFB
Use of goods & services	Purchase of fuel, repairs and maintenance, printing, stationery, office rent, telephone, travel and subsistence, office tea, ICT accessories etc.	1,867,363.13		Fund not yet disbursed from the NG-CDFB
Amounts due to other Government entities				
Bursary Tertiary Schools	Payment of bursary to needy students in tertiary schools	500,000.00		Fund not yet disbursed from the NG-CDFB
Sub-Total		500,000.00		
Amounts due to other grants and other transfers				
Emergency Reserve	To cater for any unforeseen occurrences in the constituency during the financial year	400,000.00		
Constituency Sports Tournaments	Purchase of sports kits for Ten (10) registered team i.e. balls, uniforms. Carry out Constituency Sports tournament starting from the ward level (Laisamis, Loglogo, Korr/Ngurunit, Kargi/South Horr and Loiyangalani) to the constituency level then winning teams to be awarded with trophies, balls, and games kits	1,777,984.39		Fund not yet disbursed from the NG-CDFB
Constituency Strategic Plan	Launching of Laisamis NG-CDF 5-year Strategic Plan 2018-2022	500,000.00		
Tirgamo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Laisamis Primary School	Renovation of perimeter fence of School compound:- up lifting of post, replace wooden post, chain links and wire to completion	300,000.00		
Kamatonyi Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
Lontolio Primary School	Construction of one unit 3-rooms teachers quarters with veranda to completion	600,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Sakardala Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,200,000.00		
Mercy Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Ulauli Primary School	Construction of 2-Double door toilets and urinals for boys and teachers to completion	500,000.00		
Ibaarok Primary School	construction of one classroom to completion @1.2m	1,200,000.00		
Logologo Muslim Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
kamboye Primary School	construction of Modern administration block to completion	1,500,000.00		
Logologo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Korr Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Amalio Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Ngurunit Primary school	Renovation-Shutters, roofing, plastering interior painting of 3 Classrooms to completion	300,000.00		
Namarei Primary school	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Faith Primary school	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Lekuchula Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Titus Ngoyoni Primary school	Renovation-Shutters, flooring, walling, windows, plastering, interior painting of 3 Classrooms to completion	500,000.00		
Loiyangalani Primary School	Supply and Delivery of 50 (3"X6) standard mattresses @Ksh300,000	300,000.00		
Arapal Primary School	Supply and Delivery of one number 10,000L Ken tank water storage	200,000.00		
Gatab Primary School	Construction of 20,000L concrete tank and gutters to completion	1,000,000.00		
Oltorot Primary school	Renovation-Shutters, flooring, plastering, interior painting of a dormitory to completion	150,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Losikiriachi Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Larachi Primary School	construction of one classroom to completion @1.2m	1,200,000.00		
Dakhane Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Dadab Timalab Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Jija Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Loglogo Primary school	Dormitory: Supply and Installation of 4 solar batteries (non-spillable battery type ISOH1000 H29R AH 12 Voltage) and one solar panel @ Ksh.400,000	400,000.00		
Korr Day Mixed Secondary School (New School)	Construction of modern Administration block @2,500,000 to completion	2,500,000.00		
Korolle Boys Secondary School	Supply of 30 lockers and 30 chairs @ Ksh.600,000	600,000.00		
Merile Chiefs office	Construction of one unit with 3-rooms chiefs office @1.4 and supply of 5 tables (Ksh. 70,000) and 10 chairs (Kshs.130,000) to completion	1,600,000.00		
Arapal AP Post	Construction of one unit with 3-rooms chiefs office @1.3 to completion	1,300,000.00		
Loglogo Assistant County Commissioner (ACC) resident	Renovation: - wall repair, finishing and painting, fitting of floor tiles @ Kshs.250,000, leveling of compound grounds @ Kshs.50,000, ceiling joints and board @ kshs.100,000, windows and doors @ Kshs.50,000. Water connection and piping system @Kshs.50,000 ACC's residence to completion	500,000.00		
Laisamis Director of Criminal Investigation (DCIO) office	Supply of Furniture: 4 tables and 8 chairs at Kshs.200,000	200,000.00		
Laisamis Administration Police	Purchase of one remotely piloted aerial systems- drone for security surveillance and to capture of still images and video to gather information from distance	4,000,000.00		
Emergency Reserve	To cater for any unforeseen occurrences in the constituency during the financial year	400,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Constituency Sports Tournaments	Purchase of sports kits for Ten (10) registered team i.e. balls, uniforms. Carry out Constituency Sports tournament starting from the ward level (Laisamis, Loglogo, Korr/Ngurunit, Kargi/South Horr and Loiyangalani) to the constituency level then winning teams to be awarded with trophies, balls, and games kits	1,777,984.39		
Constituency Strategic Plan	Launching of Laisamis NG-CDF 5-year Strategic Plan 2018-2022	500,000.00		
Tirgamo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Laisamis Primary School	Renovation of perimeter fence of School compound:- up lifting of post, replace wooden post, chain links and wire to completion	300,000.00		
Kamatonyi Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
Lontolio Primary School	Construction of one unit 3-rooms teachers quarters with veranda to completion	600,000.00		
Sakardala Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,200,000.00		
Mercy Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Ulauli Primary School	Construction of 2-Double door toilets and urinals for boys and teachers to completion	500,000.00		
Lbaarok Primary School	construction of one classroom to completion @1.2m	1,200,000.00		
Logologo Muslim Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
kamboye Primary School	construction of Modern administration block to completion	1,500,000.00		
Logologo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Korr Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Amalio Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Ngurunit Primary school	Renovation-Shutters, roofing, plastering interior painting of 3 Classrooms to completion	300,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Namarei Primary school	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Faith Primary school	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Lekuchula Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Titus Ngoyoni Primary school	Renovation-Shutters, flooring, walling, windows, plastering, interior painting of 3 Classrooms to completion	500,000.00		
Loiyangalani Primary School	Supply and Delivery of 50 (3"X6) standard mattresses @Ksh300,000	300,000.00		
Arapal Primary School	Supply and Delivery of one number 10,000L Ken tank water storage	200,000.00		
Gatab Primary School	Construction of 20,000L concrete tank and gutters to completion	1,000,000.00		
Oltorot Primary school	Renovation-Shutters, flooring, plastering, interior painting of a dormitory to completion	150,000.00		
Losikiriachi Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Larachi Primary School	construction of one classroom to completion @1.2m	1,200,000.00		
Dakhane Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Dadab Timalab Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Jija Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Loglogo Primary school	Dormitory: Supply and Installation of 4 solar batteries (non-spillable battery type ISOH1000 H29R AH 12 Voltage) and one solar panel @ Ksh.400,000	400,000.00		
Korr Day Mixed Secondary School (New School)	Construction of modern Administration block @2,500,000 to completion	2,500,000.00		
Korolle Boys Secondary School	Supply of 30 lockers and 30 chairs @ Ksh.600,000	600,000.00		
Merile Chiefs office	Construction of one unit with 3-rooms chiefs office @1.4 and supply of 5 tables (Ksh. 70,000) and 10 chairs (Kshs.130,000) to completion	1,600,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Arapal AP Post	Construction of one unit with 3-rooms chiefs office @ 1.3 to completion	1,300,000.00		
Loglogo Assistant County Commissioner (ACC) resident	Renovation: - wall repair, finishing and painting, fitting of floor tiles @ Kshs.250,000, leveling of compound grounds @ Kshs.50,000, ceiling joints and board @ kshs.100,000, windows and doors @ Kshs.50,000. Water connection and piping system @Kshs.50,000 ACC's residence to completion	500,000.00		
Laisamis Director of Criminal Investigation (DCIO) office	Supply of Furniture: 4 tables and 8 chairs at Kshs.200,000	200,000.00		
Laisamis Administration Police	Purchase of one remotely piloted aerial systems- drone for security surveillance and to capture of still images and video to gather information from distance	4,000,000.00		
Sub-Total		35,427,984.39		
Acquisition of assets				
NG-CDFC Motor vehicle	Purchase of NG-CDFC Toyota Land cruiser station wagon Hardtop	7,600,000.00		Fund not yet disbursed from the NG-CDFB
Others (specify)				
NG-CDFC office	Construction of two storey NG-CDFC office phase one (foundation, walling, concrete slab, floor and stair case) 1st floor containing six rooms and one boardroom	8,000,000.00		Fund not yet disbursed from the NG-CDFB
Sub-Total		15,600,000.00		
Grand Total		55,040,875.52		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment	10,335,050			10,335,050
Office equipment, furniture and fittings	121,500			121,500
ICT Equipment, Software and Other ICT Assets	121,750			121,750
Other Machinery and Equipment	31,300			31,300
Heritage and cultural assets				
Intangible assets				
Total	10,609,600			10,609,600

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
LOGLOGO MUSLIM PRIMARY SCHOOL	KCB BANK	1258915499		
NGOROROI PRIMARY SCHOOL	KCB BANK	1239868367		
AMALIO PRIMARY SCHOOL	KCB BANK	1239233736		
KAMATONYI PRIMARY SCHOOL	KCB BANK	1246843994		
MERILE SECURITY GROUP	KCB BANK	1258922762		
JIIJA PRIMARY SCHOOL	KCB BANK	1254913556		
LAISAMIS SECONDARY SCHOOL	KCB BANK	1254701796		
KULAL GIRLS SECONDARY SCHOOL	KCB BANK	1252511949		
NDIKIR PRIMARY SCHOOL	KCB BANK	1252146531		
KARGI ADMINISTRATION POLICE LINE	KCB BANK	1252310323		
ILBAROK PRIMARY SCHOOL	KCB BANK	1261423267		
NGURUNIT SECONDARY SCHOOL	KCB BANK	1209221896		
LEPENDERA PRIMARY SCHOOL	KCB BANK	1240270003		
LOGLOGO PRIMARY SCHOOL	KCB BANK	1254931287		
NEW DAWN PRIMARY SCHOOL	KCB BANK	1226566898		
KARGI PRIMARY SCHOOL	KCB BANK	1249754291		
KOROLLE BOYS HIGH SCHOOL	KCB BANK	1149510730		
LOIYANGALANI SECONDARY SCHOOL	KCB BANK	1128399431		
KARGI AP LINE NG-CDF PMC AC	KCB BANK	1252310323		
NAIRIBI PRIMARY SCHOOL	KCB BANK	1114746312		
SILAPANI PRIMARY SCHOOL	KCB BANK	1252837771		
NDIKIR PRIMARY SCHOOL	KCB BANK	1252146531		
Total				

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Inaccuracy of the Financial Statements. The statement of assets and liabilities as at 30 June 2018 reflects a comparative 2016/2017 net financial position balance of Ksh.4, 922,128. However, the audited financial statements for the year 2016/2017 reflects a balance of Ksh.1, 273,350 leading to explained variances of Ksh.3, 648,778. Further, the statement of cash flow reflects a comparative cash and cash equivalent balance at beginning of the year of Ksh.23,332,456 while the audited financial statements of the year 2016/2017 reflects a balance of Ksh.19,663,678 for the same item leading to unexplained variances of Ksh.3,648,778.</p> <p>In addition the statement of cash flow reflects a cash and cash equivalent at the end of the year of Kshs.33, 658,055. However, a recasting of the respective figures gave a total of 33,584,933 resulting to a variance of Kshs.73, 122. In the circumstances, the accuracy of the financial statements balances for the year ending 30 June 2018 could not be confirmed.</p>		Japhet Ngui-Ag. Fund Account Manager as at 30 th June 2018		
	<p>Fixed Assets The summary of fixed assets register at annex 4 to the financial statements for the year under reflects a comparative 2016/2017 assets with a historical cost balance of Kshs. 10,609,600 which are brought forward to the year under review. However, the summary of fixed asset register at annex 4 to the audited 2016/2017 financial statements reflects nil assets balance. In circumstance, the source and accuracy of the Kshs. 10,609,600 assets</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	reflected in the financial year under review could not be ascertained.				
	<p>Cash and Cash Equivalents</p> <p>Note 10 A to the financial statements for the year under review reflects bank balance of Kshs 33,658,055. A review of the bank reconciliation statement revealed un-presented cheques totalling Kshs 4,939,557 which includes cheques totalling Kshs 1,926,470 which have been outstanding for a period of more than 6 months and are therefore stale. These stale cheques had not been reversed in the cashbook or replaced.</p> <p>In the circumstances, the cash and cash equivalents balance of Kshs 33,658,055 as at 30 June 2018 has been understated by the Kshs. 1,926,470.</p>				
	<p>Prior Year Adjustments</p> <p>The statement of assets and liabilities as at 30 June 2018 and the statement of cash flow for the year under review both reflect a prior year adjustments balance of Kshs. 36,561 which appeared more like a balancing figure in the financial statements as the respective supporting documentary evidence were not availed for audit review. This is contrary to International Public Sector Accounting Standard No. 3 Paragraph 47 which states that the entity shall correct material prior year errors retrospectively in the first set of financial statements authorized for issue.</p> <p>In the circumstances, the regularity and accuracy of the Kshs. 36,561 adjustments reflected in the financial statements as at 30 June 2018 could not be confirmed.</p>				
	<p>Incomplete Project- Gatab Primary School</p> <p>Note 6 to the financial statements for the year under review reflects Kshs.</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>18,370,704 in respect to transfer to other government entities which includes Kshs. 17,294,704 transfers to primary schools which further includes Kshs. 1,000,000 spent on the refurbishment of dining hall and kitchen at Gatab primary school. Perusal of records availed for audit review revealed that the bills of quantities had fourteen (14) windows size 1000 x 1200 mm high which were to be fixed at a cost of Kshs. 20,000 each. However, a physical inspection carried out in the month of January 2019 revealed that three (3) windows amounting to Kshs 60,000 had not been fitted. Further, the project had not been labeled as required in section 36 (3) of Constituency Development Fund Act 2015.</p>				
	<p>Mermeji Primary School Note 6 to the financial statements for the year under review reflects Kshs. 18,370,704 in respect to transfer to other government entities which includes Kshs. 17,294,704 transfers to primary schools which further includes Kshs. 1,400,000 spent on the construction of one (1) classroom and supply of twenty (20) desks to Mermeji primary school. The classroom was to cost Kshs 1,170,000 while the desks were to cost Kshs 200,000 and provisional sums of Kshs 30,000. The contracts were awarded in the previous financial year. However, a physical verification of the project revealed that one desk (1) of Kshs. 10,000 had not been supplied. Further, even though the classroom is completed, the school is not in use as there are no teachers. In the circumstances, the property and value for money of the Kshs. 1,400,000 expenditure during the year ended 30 June 2018 could not be confirmed</p>				
	<p>Construction of Classroom - Lekuchula Primary School</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Note 6 to the financial statements for the year under review reflects Kshs. 18,370,704 in respect to transfer to other government entities which includes Kshs. 17,294,704 transfers to primary schools which further includes Kshs.1,395,000 incurred for the construction of one (1) classroom and supply of twenty (20) desks to Lekuchula primary school. The classroom was to cost Kshs.1, 195,000 while the desks were to cost Kshs 200,000. According to the bills of quantities, roofing for the classroom was to be done with 28-gauge roofing sheets of 120m at a cost of 1200 per sq. m totaling Kshs.144, 000. However, a physical inspection carried out in January 2019 revealed that the contractor fitted 30-gauge roofing sheets of 120m whose average cost is Kshs 430 per sq.m totaling Kshs 51,600 leading to a loss of Kshs 92,400. Further the project is not labeled as required by Section 36 (4) (a) of Constituency Development Fund Act, 2015 which stipulates that the property shall bear the name and the number of the Constituency.</p>				
	<p>Construction of Classroom – New Dawn Primary School Note 6 to the financial statements for the year under review reflects Kshs. 18,370,704 in respect to transfer to other government entities which includes Kshs. 17,294,704 transfers to primary schools which further includes Kshs. 1,400,000 incurred for the construction of one (1) classroom and supply of twenty (20) metallic desks to New Dawn primary school. The classroom was to cost Kshs. 1,200,000 while the desks were to cost Kshs 200,000. According to the bills of quantities, roofing for the classroom was to be done with 28-gauge roofing sheets of 120m at a cost of 1200 per sq.</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>m totaling Kshs 144,000. However, a physical inspection carried out in January 2019 revealed that the contractor fitted 30-gauge roofing sheets of 120m whose average cost is Kshs 430 per sq .m totaling Kshs 51,600 leading to a loss of Kshs 92,400. Further the project is not labeled as required by Section 36 (4) (a) of Constituency Development Fund Act, 2015 which stipulates that the property shall bear the name and the number of the Constituency.</p> <p>In the circumstances, the propriety and value for money of the Kshs. 17,294,704 expenditures for the year ended 30 June 2018 could not be confirmed.</p>				
	<p>Committee Expenses</p> <p>Note 5 to the financial statements for the year under review reflects use of goods and services balance of Kshs. 7,802,300 which includes Kshs. 5,314,000 for committee expenses which further included Kshs. 590,000 and Kshs. 200,000 for an HIV workshop and launch of bursary fund respectively all totaling to Kshs.790,000. However, the supporting documents including participants' list, venue of the workshop and back to office reports were not availed for audit. Further, documents availed in support of the launch of the bursary revealed that the expenditure was incurred on cash purchase of foods and drinks which is contrary to the requirements of first schedule threshold matrix class C entities in the Public Procurement and Asset Disposal (Amendment) Regulations, 2013 in regards to low value procurement which only allows a maximum expenditure of Kshs.5,000 per procurement item.</p>				

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Reports and Financial Statements
For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and propriety of the Kshs. 790,000 expenditure for the year ended 30 June 2018 could not be confirmed.				

