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# REPORT

OF

 **THE AUDITOR-GENERAL**  
THE NATIONAL ASSEMBLY  
PADDOSI ODD

DATE: 15 FEB 2023

Wed.

ON

FILED

Deputy Majority leader

MARK AT  
TABLE

F. Muriuki

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

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



30/5/2022



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**LAIKIPIA NORTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	2
II. NG-CDF CHAIRMAN’S REPORT.....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETERMINED OBJECTIVES...7	
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....9	
V. STATEMENTS OF MANAGEMENT RESPONSIBILITIES.....	10
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF-LAIKIPIA NORTH CONSTITUENCY..	11
VII. STATEMENTS OF RECEIPTS AND PAYMENTS.....	12
VIII. STATEMENT OF ASSETS AND LIABILITIES.....	13
IX. SUMMARY STATEMENT OF APPROPRIATION.....	15
X. BUDGET EXECUTION BY SECTORS AND PROJECTS.....	17
XI. SIGNIFICANT ACCOUNTING POLICIES.....	22
XII. NOTES TO THE FINANCIAL STATEMENTS.....	26

## **Laikipia North Constituency**

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

#### **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

##### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

##### **Mandate**

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

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

##### **Vision**

Equitable Socio-economic development countrywide

##### **Mission**

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

#### **Core Values**

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

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

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

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

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

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

#### **(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	<b>Isaak Hassan Adan</b>
2.	Sub-County Accountant	<b>Winfred Wambui</b>
3.	Chairman NGCDFC	<b>John Ole Tingoi</b>
4.	Member NGCDFC	<b>Josephine Lima Puda</b>

#### **(d) Fiduciary Oversight Arrangements**

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

#### **(e) NG - CDF Laikipia North Constituency Headquarters**

P.O. Box 21 - 10401  
NG - CDF Office Building  
Nanyuki - Doldol Road  
**DOLDOL**

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

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**(f) NG – CDF Laikipia North Constituency Contacts**

Telephone: (254) 720 907 270  
E-mail: [iadan@ngcdf.go.ke](mailto:iadan@ngcdf.go.ke) / [laikipianorthcdf@gmail.com](mailto:laikipianorthcdf@gmail.com)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NG – CDF Laikipia North Constituency Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI**
  
2. Equity Bank  
Nanyuki Branch  
Account No: 0270261109758  
P.O. Box 1482 – 10400  
**NANYUKI**

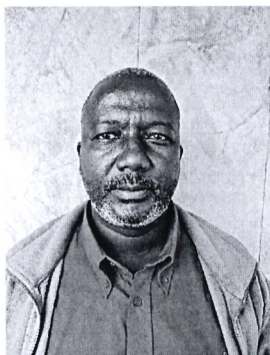
**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI**

## II. NG-CDF CHAIRMAN'S REPORT



John Ole Tingoi  
**CHAIRMAN**  
**LAIKIPIA NORTH NG-CDF**

The Constituency was able to absorb funds up to 75%. This was partly due to late receiving of funds for Financial Year 2020/2021. The NG-CDF Board sent the last half of Financial Year 2020/2021 in late July, it wasn't possible to absorb the amount within the financial year.

The Constituency has done well in terms of project implementation. Among successful projects is a number of classrooms and Administration blocks for primary schools. During the year under review the Constituency has done staff houses for police and office for a chief. The NG-CDF have improved the Education and security infrastructures in Laikipia North Constituency.

Some challenges affecting project implementation is the late disbursement of funds, late approval of proposals and reallocations. The constituency is also very sparse and almost all the schools have very poor infrastructures. The issue of early marriages and FGM is also rampant in the constituency.

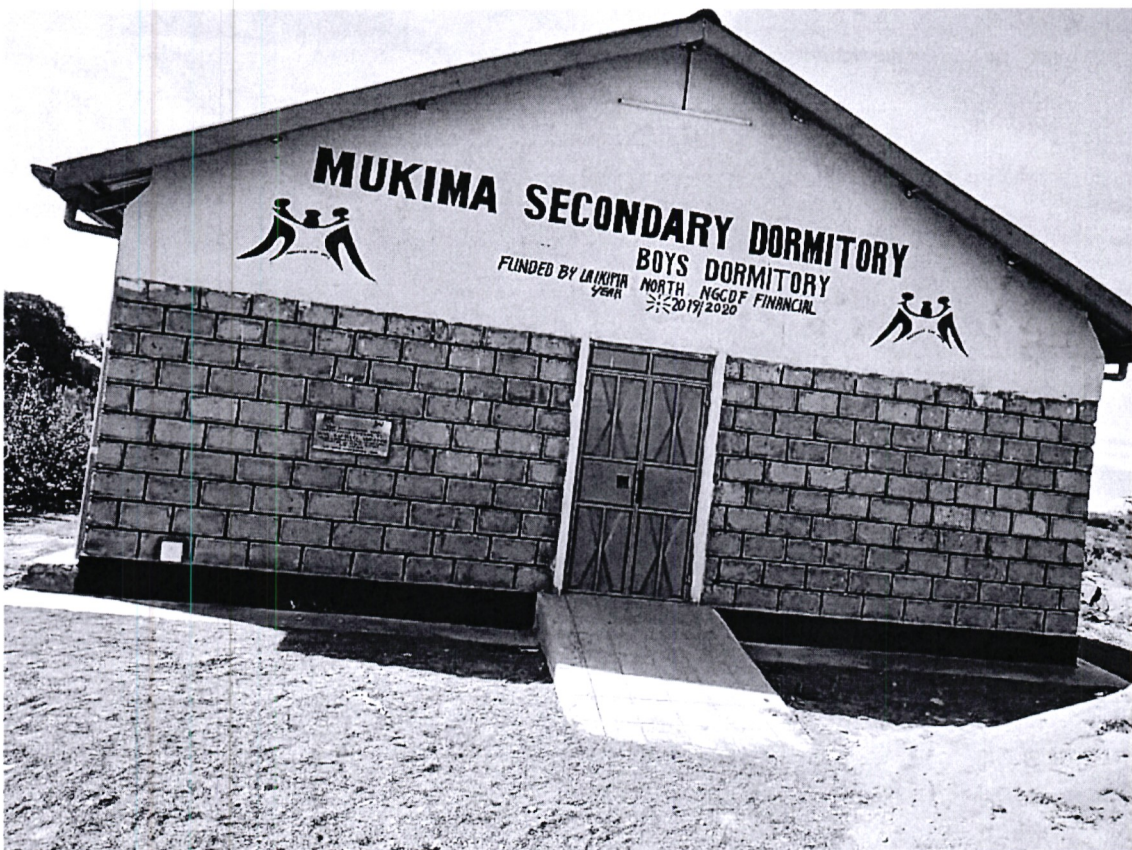
The constituency has developed and launched a five-year strategic plan to address the above challenges. The plan will assist in developing infrastructures in Education institutions and security agencies in the Constituency.

The Laikipia North NG-CDF Committee is also having periodical ward meetings to build capacity of the constituents in understanding the operations of the fund.

The NG-CDF Committee has come up with measures to ensure projects are completed within a financial year i.e. no issue of on-going projects.

The constituency is doing capacity building of NG-CDF Committees and the Project Management Committees in areas of project planning, implementation, monitoring and evaluation. The Committees have also been trained in Risk management and control.

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



*John Ole Tingoi*

John Ole Tingoi

**CHAIRMAN NG – LAIKIPIA NORTH COMMITTEE**

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

#### Introduction

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

The key development objectives of NG – CDF Laikipia North Constituency's 2018 - 2022 plan is to:

- a) Enhanced security and peaceful co-existence
- b) Improved access to quality affordable education for all school going children in the constituency
- c) Quality universal health care access
- d) Integrated robust infrastructure
- e) Sustainable environment for responsive development
- f) Mainstreaming of climate change, disaster risk reduction and other crosscutting issues

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improved access to quality affordable education for all school going children in the constituency	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- Number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- Number of bursaries beneficiaries at all levels</li> </ul>	In FY 20/21 - We increased number of classrooms, dormitories. - Bursary beneficiaries at all levels were increased.
Security	Enhanced security and peaceful co-existence	Enhanced security infrastructure through construction/ improving police stations,	Construction of Chief offices and toilets for Police stations.	Increased number of chiefs offices done and increased number of sanitation done for police stations

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

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
		AP camps and patrol bases		
Environment	Sustainable environment for responsive development	Assist the community groups to acquire necessary facilities to conserve environment and other social amenities	Enhanced tree planting and provision of water tanks to conserve environment	Increased number of schools with tree planted and water tanks provided
Disaster Management	Mainstreaming of climate change, disaster risk reduction and other crosscutting issues	Support establishment of PWDs friendly infrastructure in public institutions at all levels	Making sure all buildings done by Laikipia North NG-CDF have provisions for persons with disabilities	increased number of classrooms, dormitories and sanitation facilities with provisions of ramps and other needs for PWDs

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

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

- i. Implementation of the constituency strategic plan.
- ii. All stakeholders envisaged to per take in the implementation of the prioritized projects.
- iii. Preparation of constituency annual workplan and its implementation.
- iv. Preparation of annual procurement plan and its implementation.
- v. Preparation of constituency service charter and its implementation.

##### **2. Environmental performance**

- i. Assisting schools in acquiring tree seedlings for environmental conservation.
- ii. Assisting schools in purchasing water tanks to conserve water.
- iii. Procuring dustbins for schools for waste management.
- iv. Assisting schools with connections to sewerage systems for waste management.

##### **3. Employee welfare**

- i. Annual training plans for employees.
- ii. Hiring staff by considering 30% gender rule.
- iii. Insuring staff with annual leaves.
- iv. Providing staff with T-shirts with organization logo
- v. Providing staff with Constituency I.D. cards for identification purposes.
- vi. Having staff appraisal annually and rewarding best performing staff.
- vii. Staff training on new skills.

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

- i. Pre-qualifying contractors/ suppliers annually.
- ii. Awarding tenders competitively and fairly as per procurement guidelines and regulations.
- iii. Advertising for works competitively.
- iv. Having complaints resolution committee to resolve procurement complaints.
- v. Honouring of contracts by making sure the suppliers/ contracts are paid as per their contract agreements.
- vi. Reserving 30% tenders for youths, women and PWD's.

##### **5. Community Engagements**

- i. Having community participation forums.
- ii. Handing over of projects to communities for sustainability and project security.
- iii. Organization of constituency sports tournament to promote youth talents and promote cohesive coexistence of communities.
- iv. Awarding of best performing students from poor families by offering them full scholarships.

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

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

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

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


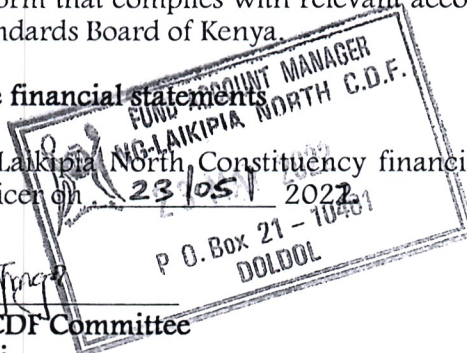
The Accounting Officer in charge of the NGCDF Laikipia North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were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

**Approval of the financial statements**

The NGCDF - Laikipia North Constituency financial statements were approved and signed by the Accounting Officer on 23/05/2022



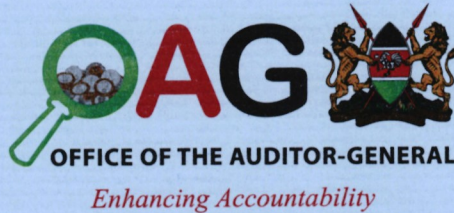
**Chairman NGCDF Committee**  
John Ole Tingoi



**Fund Account Manager**  
Isaak Hassan Adan

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAIKIPIA NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laikipia North Constituency set out on

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*Report of the Auditor-General on National Government Constituencies Development Fund - Laikipia North Constituency for the year ended 30 June, 2021*

pages 12 to 52, which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Laikipia North Constituency as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **Prior Year Adjustment**

The statement of assets and liabilities reflects a prior year adjustment balance of Kshs.48,924 as at 30 June, 2021. However, supporting documents for the cash book error corrections as indicated in Note 14 to the financial statements and journal entry in support of the adjustment were not provided for audit.

In the circumstance, the accuracy and completeness of the prior year adjustment balance of Kshs.48,924 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Laikipia North 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. Budgetary Control and Performance**

The summary statement of appropriation reflects final revenue budget and actual on comparable basis of Kshs.209,460,920 and Kshs.165,272,041 respectively, resulting to an under-funding of Kshs.44,188,879 or 21% of the budget. Similarly, the statement

reflects final expenditure budget and actual on comparable basis of Kshs.209,460,920 and Kshs.156,567,837 respectively, resulting to an under-absorption of Kshs.52,893,083 representing 25% of the budget.

The underfunding and under absorption may have negatively impacted on service delivery to the residents of Laikipia North Constituency.

## 2. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues.

## 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 matter 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

#### Irregularities in Projects Implementation

Physical verification carried out in the month of May, 2022 on sixteen (16) projects which received a total of Kshs.64,008,860 during the year under review, revealed that six (6) projects that received a total of Kshs.13,750,000 had anomalies as detailed below:

No.	Institution	Project Description	Amount Disbursed Kshs.	Contract Sum Kshs.	Project Verification Remarks
1.	Muramati Secondary School	Construction of Kitchen	1,200,000	1,140,000	Complete but not in use.  Cracks in pavement. 10% not retained.

No.	Institution	Project Description	Amount Disbursed Kshs.	Contract Sum Kshs.	Project Verification Remarks
2.	Naibor Secondary School	Construction of Administration Block	3,500,000	3,508,130	Wiring not done. Project not branded. Project Management expenses of Kshs.150,000 not accounted for. Contract period not specified. Cracks in internal walls noted.
3.	Kurum Day Secondary School	Construction of Administration Block	3,500,000	3,325,000	Complete and in use. Administration cost of Kshs.150,000 not accounted for. Project not branded.
4.	Kiwanja Ndege Primary School	Construction of 2 Classrooms	1,900,000	1,805,000	Complete and in use. Project not branded.
5.	Chumvi Primary School	Construction of Administration Block	2,500,000	2,426,947.50	Project is in use. Project Management costs of Kshs.100,000 not accounted for. Project not branded. Certificate of practical completion not provided.
6.	Jikaze Primary Schools	Construction of 1 Classrooms and supply of 72 desks	1,150,000	901,900	Complete and in use. Branding not done.
<b>Total</b>			<b>13,750,000</b>	<b>13,106,978</b>	

As a result, the value for money for the expenditure of Kshs.13,750,000 incurred on the projects could not be confirmed.

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 governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 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's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

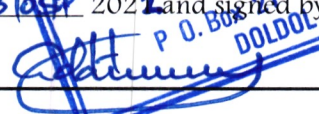
**29 July, 2022**


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


**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	162,267,724	68,000,000
Proceeds from Sale of Assets	2		
Other Receipts	3		
<b>TOTAL RECEIPTS</b>		<b>162,267,724</b>	<b>68,000,000</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,687,548	2,419,744
Use of goods and services	5	6,921,144	6,607,510
Transfers to Other Government Units	6	109,369,160	68,216,493
Other grants and transfers	7	37,490,985	18,198,000
Acquisition of Assets	8	99,000	299,000
Other Payments	9		
<b>TOTAL PAYMENTS</b>		<b>156,567,837</b>	<b>95,740,747</b>
<b>SURPLUS/(DEFICIT)</b>		<b>5,699,887</b>	<b>(27,740,747)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Laikipia North Constituency financial statements were approved on 23<sup>rd</sup> May 2022 and signed by:

  
Fund Account Manager  
Isaak Hassan

  
National Sub-County  
Accountant  
Winfred Wambui

  
Chairman NG-CDF Committee  
John Ole Tingoi

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

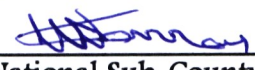
**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	8,753,128	3,004,318
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>8,753,128</b>	<b>3,004,318</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>8,753,128</b>	<b>3,004,318</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>8,753,128</b>	<b>3,004,318</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>		3,004,317	30,732,828
Prior year adjustments	14	48,924	12,236
Surplus/Deficit for the year		5,699,887	(27,740,747)
<b>NET FINANCIAL POSITION</b>		<b>8,753,128</b>	<b>3,004,318</b>

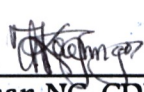
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Laikipia North Constituency financial statements were approved on 23/05/2022 and signed by:

  
Fund Account Manager

Isaak Hassan Adan

  
National Sub-County  
Accountant

Winfred Wambui

  
Chairman NG-CDF  
Committee

John Ole Tingoi

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

STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	162,267,724	68,000,000
Other Receipts	3	=	=
<b>Total receipts</b>		<b>162,267,724</b>	<b>68,000,000</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,687,548	2,419,744
Use of goods and services	5	6,921,144	6,607,510
Transfers to Other Government Units	6	109,369,160	68,216,493
Other grants and transfers	7	37,490,985	18,198,000
Other Payments	9	-	-
<b>Total payments</b>		<b>156,468,837</b>	<b>95,441,747</b>
<b>Total Receipts Less Total Payments</b>		<b>5,798,887</b>	<b>(27,441,747)</b>
<b>Adjusted for:</b>			
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	48,924	12,236
<b>Net cash flow from operating activities</b>		<b>5,847,811</b>	<b>(27,429,511)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(99,000)	299,000
<b>Net cash flows from Investing Activities</b>		<b>5,748,811</b>	<b>(299,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>5,748,811</b>	<b>(27,728,510)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	<b>3,004,317</b>	<b>30,732,828</b>
<b>Cash and cash equivalent at END of the year</b>		<b>8,753,128</b>	<b>3,004,318</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF - Laikipia North Constituency financial statements were approved on 23/05/2022 and signed by:

Fund Account Manager

Isaak Hassan Adan

National Sub-County  
Accountant

Winfred Wambui

Chairman NG-CDF  
Committee

John Ole Tingoi

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

**IX. SUMMARY STATEMENT OF APPROPRIATION**

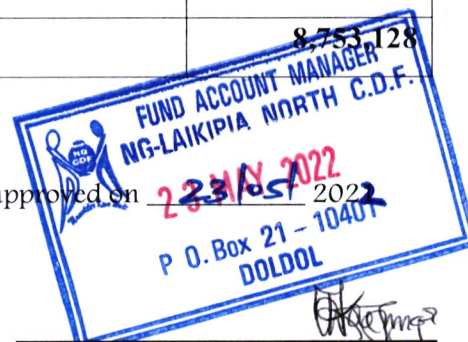
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	3,004,317	69,367,724	209,460,920	165,272,041	44,188,879	78.9%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>3,004,317</b>	<b>69,367,724</b>	<b>209,460,920</b>	<b>165,272,041</b>	<b>44,188,879</b>	<b>78.9%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,499,600	1,086,138	3,012,172	7,597,910	2,687,548	4,910,362	35.4%
Use of goods and services	8,668,399	818,179	2,900,922	12,387,500	6,921,144	5,466,356	55.9%
Transfers to Other Government Units	57,800,000	1,100,000	55,165,345	114,065,345	109,369,160	4,696,185	95.9%
Other grants and transfers	66,950,880	-	8,289,285	75,240,165	37,490,985	37,749,180	49.8%
Acquisition of Assets	170,000	-	-	170,000	99,000	71,000	58.2%
Other Payments	-	-	-	-	-	-	0.0%
Funds pending approval**	-	-	-	-	-	-	0.0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>3,004,317</b>	<b>69,367,724</b>	<b>209,460,920</b>	<b>156,567,837</b>	<b>52,893,083</b>	<b>74.7%</b>

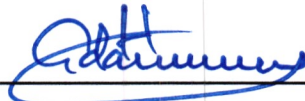
*\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

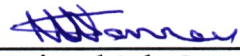
**Laikipia North Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**


<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	52,893,083
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	44,188,879
	8,704,204
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	48,924
Cash and Cash Equivalents at the end of the FY 2020/2021	8,753,128

The NGCDF - Laikipia North Constituency financial statements were approved on \_\_\_\_\_ and signed by:



  
 \_\_\_\_\_  
**Fund Account Manager**  
**Isaak Hassan Adan**

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

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**  
**John Ole Tingoi**

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

**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,499,600	1,037,213	1,900,922	6,437,735	2,687,548	3,750,187
1.2 Committee allowances	1,599,687	-	-	1,599,687	1,046,000	553,687
1.3 Use of goods and services	3,125,973	367,104	1,491,140	4,984,217	2,400,000	2,584,217
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,049,880	-	-	1,049,880	950,333	99,547
2.2 Committee allowances	1,880,000	-	2,521,032	4,401,032	1,994,000	2,407,032
2.3 Use of goods and services	1,182,786	500,000	-	1,682,786	1,244,269	438,517
<b>3.0 Emergency</b>	7,192,207	-	-	7,192,207	2,000,000	5,192,207
<b>3.1 Primary Schools</b>						
Nkiloriti Primary School	1,150,000	-	-	1,150,000	950,000	200,000
Soitotathe Primary School	400,000			400,000	400,000	
Seek Primary School	1,500,000			1,500,000	1,500,000	
Maraibene Primary School	2,100,000			2,100,000		2,100,000
Ilpolei Primary School	600,000			600,000	600,000	
Olotasha Primary School	950,000		100,000	1,050,000	1,050,000	
Olokirisai Primary School	950,000			950,000	950,000	
Jikaze Primary School	1,150,000			1,150,000	1,150,000	
Kairigire Bidii Primary School	950,000			950,000	950,000	
Ngenia Primary School	1,200,000			1,200,000	1,200,000	
Sanga Primary School	2,100,000			2,100,000	2,100,000	
Lekiji Primary School	1,500,000			1,500,000	1,500,000	

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Uaso Nyiro Primary School	950,000			950,000	950,000	
Mukima Primary School	400,000			400,000	400,000	
Mbogoini Primary School	1,500,000			1,500,000	1,500,000	
Eleri Baptist Primary School	950,000			950,000	950,000	
Mirango Primary School	1,050,000			1,050,000	1,050,000	
Ndunyu Primary School	950,000			950,000	950,000	
Mithuri Primary School	950,000			950,000	950,000	
Kahuho Primary School	950,000			950,000	950,000	
Magadi Primary School	950,000			950,000	950,000	
Nakwang Primary School	950,000			950,000	950,000	
Ngaremare Primary School	950,000			950,000	950,000	
Veterinary Primary School	950,000			950,000	950,000	
Island Primary School	200,000			200,000	200,000	
Mbombo Primary School	400,000			400,000	400,000	
Olmaiser Primary School	2,850,000			2,850,000	2,850,000	
Endana Primary School	950,000			950,000	950,000	
Chumvi Primary School	2,500,000			2,500,000	2,500,000	
Ndonyoriwo Primary School	200,000			200,000		200,000
Kiwanja Ndege Primary School	1,900,000			1,900,000	1,900,000	
Tangi Nyeusi Primary School	950,000			950,000	950,000	
Bokish Primary School	200,000	100,000		300,000	300,000	
Naibor P&D Primary School	1,150,000			1,150,000	1,150,000	
Kisargei Primary School	950,000			950,000	950,000	
Munipicha Primary School	200,000			200,000	200,000	
Tiamamut Primary School	200,000			200,000	200,000	

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Survey Primary School			2,100,000	2,100,000	2,100,000	
Morijoh Primary School	950,000		200,000	1,150,000	1,150,000	
Olotasha Primary School						
Shilloh Nailbor Primary School			2,850,000	2,850,000	2,850,000	
Lairagwan Primary School			2,850,000	2,850,000	2,850,000	
Minjore Primary School			1,900,000	1,900,000	1,900,000	
Olmutunyi Primary School			1,900,000	1,900,000	1,900,000	
Reteti Primary School			1,900,000	1,900,000	1,900,000	
Olgirgir Primary School			1,900,000	1,900,000	1,900,000	
Lokusero Primary School			1,900,000	1,900,000	1,900,000	
Mia Moja Primary School		1,000,000	2,760,860	3,760,860	3,760,860	
Nkirachi Primary School			950,000	950,000	950,000	
Nailbor P&D Primary School			950,000	950,000	950,000	
Sirat Primary School	200,000			200,000	200,000	
<b>3.2 Secondary schools</b>						
Kurum Secondary School	3,750,000			3,750,000	3,500,000	250,000
Chumvi Secondary School	1,750,000			1,750,000	1,750,000	
Sirimon Day Secondary School	400,000		2,000,000	2,400,000	2,400,000	
Muramati Secondary School	1,200,000			1,200,000	1,200,000	
Nailbor Secondary School	3,750,000			3,750,000	3,500,000	250,000
Survey Secondary School	1,200,000			1,200,000	1,200,000	
Luoniek Day Secondary School	1,200,000			1,200,000	1,200,000	
Maundu Meri Secondary School	4,050,000			4,050,000	4,050,000	
Ewaso Secondary School	250,000			250,000	250,000	
Githima Secondary School			467,104	467,104		467,104

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School Buses			29,800,000	29,800,000	29,706,461	93,539
Doldol Boys Secondary School			537,381	537,381	537,381	
Irura Secondary School			100,000	100,000	100,000	
<b>3.3 Tertiary institutions</b>						
Mowuarak Technical Training Institute	400,000			400,000	400,000	
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	20,475,118		-	20,475,118	16,592,781	3,882,337
4.3 Tertiary Institutions	20,000,000		5,541,931	25,541,931	14,950,850	10,591,081
<b>5.0 Sports</b>	2,741,778		2,747,354	5,489,132	2,747,354	2,741,778
<b>6.0 Environment</b>						
Naiperere Primary School	152,325			152,325	152,325	152,325
Ilmotiok Primary School	152,325			152,325	152,325	152,325
Nkiloriti Primary School	152,325			152,325	152,325	152,325
Soitoudo Primary School	152,325			152,325	152,325	152,325
Soitofashe Primary School	152,325			152,325	152,325	152,325
Munipicha Primary School	152,325			152,325	152,325	152,325
Bokish Primary School	152,325			152,325	152,325	152,325
Kiwanja Ndege Primary School	152,325			152,325	152,325	152,325
Kiwanja Ndege Special Primary School	152,325			152,325	152,325	152,325
Seek Primary School	152,325			152,325	152,325	152,325
Sanga Primary School	152,325			152,325	152,325	152,325
Sieku Primary School	152,325			152,325	152,325	152,325
Olkinyei Primary School	152,325			152,325	152,325	152,325

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kurum Secondary School	152,325			152,325		152,325
Tangi Nyeusi Primary School	152,325			152,325		152,325
Kisargei Primary School	152,325			152,325		152,325
Naibor P&D Primary School	152,325			152,325		152,325
Sirat Primary School	152,325			152,325		152,325
<b>10.0 Security Projects</b>						
Magutu Police Post	400,000	-	-	400,000	400,000	-
Daiga Police Patrol Post	400,000	-	-	400,000	400,000	-
Olmaisor Police Post	200,000	-	-	200,000	200,000	-
Lairagwan Police Post	1,500,000	-	-	1,500,000	-	1,500,000
Ngarengiro Police Post	2,500,000	-	-	2,500,000	-	2,500,000
Kimanjio Police Station	3,600,000	-	-	3,600,000	-	3,600,000
Olmutunyi Anti Stock Theft Unit Camp	200,000	-	-	200,000	200,000	-
Mbombo Chief's Office	2,500,000	-	-	2,500,000	-	2,500,000
Minjore Police Post	2,500,000	-	-	2,500,000	-	2,500,000
<b>Total</b>	<b>137,088,879</b>	<b>3,004,317</b>	<b>69,367,724</b>	<b>209,460,920</b>	<b>156,567,837</b>	<b>52,893,083</b>

## XI. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### 2. Reporting Entity

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

### 3. Reporting Currency

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

### 4. Significant Accounting Policies

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

#### a) Recognition of Receipts

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

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

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

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

#### *Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

#### **8. Accounts Payable**

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

#### **9. Pending Bills**

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

#### **10. Unutilized Fund**

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

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

#### **14. Errors**

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

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

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

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**15. Related Party Transactions**

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

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B 005108	1.	15,000,000	4,000,000
AIE NO. B 030184	2.	21,000,000	18,000,000
AIE NO. B 030428	3.	33,367,724.1	5,000,000
AIE NO. B 006370	4.	9,000,000	6,000,000
AIE NO. B 042761	5.	10,000,000	14,000,000
AIE NO. B 047007	6.	6,000,000	21,000,000
AIE NO. B 041083	7.	13,000,000	
AIE NO. B 047450	8.	6,900,000	
AIE NO. B 041290	9.	7,000,000	
AIE NO. B 047710	10.	13,000,000	
AIE NO. B 049297	11.	6,000,000	
AIE NO. B 104322	12.	10,000,000	
AIE NO. B 096578	13.	12,000,000	
<b>TOTAL</b>		<b>162,267,724</b>	<b>68,000,000</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,673,148	2,167,744
Personal allowances paid as part of salary	-	252,000
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	14,400	-
<b>Total</b>	<b>2,687,548</b>	<b>2,419,744</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	3,040,000	2,844,500
Utilities, supplies and services	9,450	-
Communication, supplies and services	-	-
Domestic travel and subsistence	173,800	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	950,333	522,000
Hospitality supplies and services	-	-
Other committee expenses	112,983	-
Committee allowance	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	950,000	1,158,655
Other operating expenses	736,692	-
Routine maintenance – vehicles and other transport equipment	947,886	2,082,355
Routine maintenance – other assets	-	-
<b>Total</b>	<b>6,921,144</b>	<b>6,607,510</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools	58,410,860	53,566,493
Transfers to secondary schools	50,558,300	14,650,000
Transfers to tertiary institutions	400,000	-
<b>TOTAL</b>	<b>109,369,160</b>	<b>68,216,493</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	16,592,781	9,298,000
Bursary – tertiary institutions (see attached list)	14,950,850	1,640,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	1,200,000	2,400,000
Sports projects (see attached list)	2,747,354	2,000,000
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	2,000,000	2,860,000
<b>Total</b>	<b>37,490,985</b>	<b>18,198,000</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	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	99,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	299,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
<b>Total</b>	<b>99,000</b>	<b>299,000</b>

**9. OTHER PAYMENTS**

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

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank, Nanyuki Branch Account No: 0270261109758</i>	8,753,128	3,004,318
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
<b>Total</b>	<b>8,753,128</b>	<b>3,004,318</b>
<b>10B: CASH IN HAND</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>specify</i> )		
<b>Total</b>		

*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>
	-	-	-	-
	-	-	-	-

**12A. RETENTION**

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

**12B. GRATUITY**

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

**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	3,004,318	30,732,828
Cash in hand	-	-
Imprest	-	-
	-	-
<b>Total</b>	<b>3,004,318</b>	<b>30,732,828</b>

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

14. PRIOR YEAR ADJUSTMENTS

	FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others ( <i>cashbook error correction</i> )	48,924		12,236
<b>TOTAL</b>	<b>48,924</b>		<b>12,236</b>

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST\*

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	4,910,362	1,896,379
Use of goods and services	5,466,356	5,521,032
Amounts due to other Government entities (see attached list)	4,696,185	32,067,104
Amounts due to other grants and other transfers (see attached list)	37,749,180	32,887,526
Acquisition of assets	71,000	-
Others ( <i>specify</i> )	-	-
Funds pending approval	-	-
	52,893,083	72,372,041

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	11,252,082	15,155,360
	11,252,082	15,155,360

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

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

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

## ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Payment of staff salaries and gratuity	3,750,187	1,896,379	
Use of goods & services	Payment of committee seating allowance, transport, fuel & other office expenses	6,083,000	5,521,032	
<b>Amounts due to other Government entities</b>			32,067,104	
Nkiloriti Primary School	Purchase of 50 desks each @ 4,000	200,000		
Maraibene Primary School	Construction of 2 classrooms @ 1,900,000 and 4 toilets @ 200,000	2,100,000		
Ndonyorwo Primary School	Construction of 4 toilets @ 200,000	200,000		
Kurum Secondary School	Purchase of 50 lockers & Chairs @ 5,000	250,000		
Chumvi Secondary School	Construction of staff houses @ 1,500,000 Purchase of 50 lockers & Chairs @ 5,000	1,750,000		
Naibor Secondary School	Purchase of 50 lockers & Chairs @ 5,000	250,000		
Githima Secondary School	Construction of 8 toilets	467,104		
	School Buses balance for Naibor, Lokusero, Kimanjo and Mithuri Secondary Schools	93,539		
<b>Sub-Total</b>		<b>15,143,830</b>	<b>39,484,515</b>	
<b>Amounts due to other grants and other transfers</b>			32,887,526	
Bursary – Secondary School	Payment of bursary for needy students	3,882,337		
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	5,192,207		
Bursary – Tertiary	Payment of bursary for needy students	10,591,081		
Sports	Provision of sporting equipment and tournament	2,741,778		
Environment	Purchase of water tanks for schools	2,741,850		
Lairagwan Police Post	Construction of administration block to completion comprising 3 rooms and reception area	1,500,000		
Ngarengiro Police Post	Construction of administration block to completion comprising 4 rooms and	2,500,000		

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

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Minjore Police Post	reception area Construction of 4 roomed police quarters to completion	2,500,000		
Kimanjio Police Station	Construction of staff houses to completion comprising 6 rooms	3,600,000		
Mbombo Chiefs Office	Construction of 4 roomed Chief's office to completion	2,500,000		
<b>Sub-Total</b>		<b>37,749,253</b>		
<b>Grand Total</b>		<b>52,893,083</b>	<b>72,372,041</b>	

## ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures	12,644,195			12,644,195
Transport equipment	6,158,843			6,158,843
Office equipment, furniture and fittings	1,814,918	99,000		1,913,918
ICT Equipment, Software and Other ICT Assets	161,800			161,800
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>20,779,756</b>			<b>20,878,756</b>

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

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

S/No.	Name of Project	Bank	Branch	Account No.	Balance
1.	Nanyuki Primary School	Equity	Nanyuki	02702664552235	560
2.	Ewaso Secondary School	Equity	Nanyuki	0270278549371	65,710
3.	Kanjul Primary School	Equity	Nyahururu	0160263148624	
4.	Mathanji Primary School	Equity	Nyahururu	0160168693987	625
5.	Kiwanja Ndege Primary School	Equity	Nanyuki	0270271682975	-
6.	Lariakorok Primary School	Equity	Nanyuki	0270269503892	950,789
7.	Lowabene Primary School	Equity	Nyahururu	0160262498462	960
8.	Ntabas Primary School	Equity	Nyahururu	0160263291953	250
9.	Noositet Primary School	Equity	Nyahururu	0160262386608	535
10.	Mowarak Secondary School	Equity	Nyahururu	0160172946325	-
11.	Seek Primary School	Equity	Nanyuki	0270262307145	1,390
12.	Laikipia North Sports Organization	Equity	Nanyuki	0270263153042	8,405
13.	Naiperere Primary School	Equity	Nanyuki	0270278685826	102
14.	Olkinyei Primary School	Equity	Nanyuki	0270279783106	54,694
15.	Olotasha Primary School	Equity	Nanyuki	0270279032501	58
16.	Kurikuri Primary School	Equity	Nanyuki	0270268908719	45,446
17.	Mia Moja Primary School	Equity	Nanyuki	0270299835273	22,456
18.	Dam Mbili Primary School	Equity	Nyahururu	1830279572024	6,679

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

19.	Nakwang Primary School	Equity	Nyahururu	0160168694752	553
20.	Sirat Primary School	Equity	Nanyuki	0270263870399	225,320
21.	Kandutura Primary School	Equity	Nyahururu	0160268654328	200,030
22.	Ngare Mare Primary School	Equity	Nyahururu	0160278624766	1
23.	Reteti Primary School	Equity	Nanyuki	0270262835174	950,000
24.	Kairigire Bidii Primary School	Equity	Nanyuki	0270268702514	1,134
25.	Irura Primary School	Equity	Nanyuki	0270271100564	45,954
26.	Lera Primary School	Equity	Nyahururu	0160171232377	590
27.	Narok Primary School	Equity	Nyahururu	0160191693466	227,170
28.	Nkiloriti Primary School	Equity	Nanyuki	0270278676331	3,106
29.	Luoniek Primary School	Equity	Nyahururu	0160262477002	94,699
30.	Ewaso Boarding & Day Primary School	Equity	Nanyuki	0270271708541	-
31.	Sirimon Primary School	Equity	Nanyuki	0270272405830	2,390
32.	Arjiju Primary School	Equity	Nanyuki	0270272925933	135
33.	Olmotonyi Primary School	Equity	Nanyuki	0160272917680	650
34.	Soitoudo Primary School	Equity	Nanyuki	0270272872705	20,400
35.	Muramati Secondary School	Equity	Nanyuki	0270278522553	1,402
36.	Arjiju Secondary School	Equity	Nanyuki	0270272521742	570,517
37.	Mukima Chief's Office	Equity	Nanyuki	0270271173455	2,240
38.	Mukima Secondary School	Equity	Nanyuki	0270199845656	-

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

39.	Chumvi Secondary School	Equity	Nanyuki	0270269663898	641
40.	Mutirithia Primary School	Equity	Nanyuki	0270276345737	15,814
41.	Ngenia Primary School	Equity	Nanyuki	0270276244549	420
42.	Shiloh Naibor Primary School	Equity	Nanyuki	0270276511830	1,203,508
43.	Muramati Police Patrol Base	Equity	Nanyuki	0270276775354	2,442
44.	Doldol Police Station	Equity	Nanyuki	0270276356006	533
45.	Bokish Primary School	Equity	Nanyuki	0270262368232	533
46.	Endana Primary School	Equity	Nanyuki	0270276349260	202,880
47.	Doldol AP Line	Equity	Nanyuki	0270277404999	228,093
48.	Sherton Musul Primary School	Equity	Nanyuki	0270277382244	890
49.	Tangi Nyeusi Primary School	Equity	Nanyuki	0270277394375	3,515
50.	Muramati Primary School	Equity	Nanyuki	0270277383331	45,145
51.	Saramba Primary School	Equity	Nanyuki	0270278944730	617
52.	Ngenia Secondary School	Equity	Nanyuki	0270273633113	1,357
53.	Kemsii Primary School	Equity	Nyahururu	0160173978264	5,613
54.	Ethi Primary School	Equity	Nanyuki	0270193078775	130
55.	Mbogoini Primary School	Equity	Nanyuki	0270273698053	1,606
56.	Mutarakwa Primary School	Equity	Nyahururu	0160276262633	74,326
57.	Mirango Primary School	Equity	Nyahururu	0160276263009	135
58.	Olmutunyi Primary School	Equity	Nyahururu	0160272917680	352,375

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

59.	Olgirgiri Primary School	Equity	Nanyuki	0270298076604	20,400
60.	Olmaisor Primary School	Equity	Nyahururu	0160276254160	4,508
61.	Mithuri Secondary School	Equity	Nyahururu	0160278674979	235,717
62.	Naiperere Primary School	Equity	Nanyuki	0270278685826	880
63.	Tiamamut Primary School	Equity	Nanyuki	0270278685864	54,694
64.	Ndunyu Primary School	Equity	Nyahururu	0160278642365	19
65.	Mbombo Primary School	Equity	Nyahururu	0160278642797	232,058
66.	Kahuho Primary School	Equity	Nyahururu	0160278609412	241,206
67.	Survey Primary School	Equity	Nyahururu	0160278643451	902,712
68.	Kanjul Primary School	Equity	Nyahururu	0160263148624	205,388
69.	Magadi Primary School	Equity	Nyahururu	0160278595980	625
70.	Munipicha Primary School	Equity	Nanyuki	0270278958092	452,120
71.	Doldol Primary School	Equity	Nanyuki	0270278998142	5,435
72.	Uaso Nyiro Primary School	Equity	Nanyuki	0270278960885	630
73.	Ngabolo Primary School	Equity	Nanyuki	0270278959934	51,664
74.	Kimanjo Primary School	Equity	Nanyuki	0270278981725	880
75.	Lairagwan Primary School	Equity	Nanyuki	0270278998252	28,431
76.	Ngaremare Primary School	Equity	Nyahururu	0160278624766	1,119
77.	Naibor Anti stock Theft Unit	Equity	Nanyuki	0270279031421	950,000
78.	Naibor P & D Primary School	Equity	Nyahururu	0160279016949	39,880

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

79.	Irura Secondary School	Equity	Nanyuki	0270278998025	59,495
80.	Kurum Mixed Secondary School	Equity	Nanyuki	0270277498853	5,090
81.	Soitoitashe Primary School	Equity	Nanyuki	0270279586857	78,830
82.	Sirimon Day Secondary School	Equity	Nanyuki	0270279586463	51,960
83.	Merigwit Primary School	Equity	Nyahururu	0160279577427	2,140
84.	Luoniek Secondary School	Equity	Nyahururu	1830279575154	-
85.	Mithuri Primary School	Equity	Nyahururu	0160279685188	57,508
86.	Olmoran Primary School	Equity	Nyahururu	0160279710588	234,910
87.	Nkirachi Primary School	Equity	Rumuruti	1830279893273	473
88.	Kimanjo Police Station	Equity	Nanyuki	0270279893098	943
89.	Lokusero Primary School	Equity	Nanyuki	0270279897232	520
90.	Minjore Primary School	Equity	Nyahururu	0160279707364	1,460
91.	Githima Primary School	Equity	Nyahururu	0160279603439	192,808
92.	Lekiji Primary School	KCB	Nanyuki	1182813941	-
93.	Jikaze Primary School	KCB	Nanyuki	1137292803	319,807
94.	Sieku Primary School	KCB	Nanyuki	1131248872	215,574
95.	Ngarendare Primary School	KCB	Nanyuki	1137365943	3,120
96.	Naibor Secondary School	KCB	Nanyuki	1134966318	35
97.	Doldol Secondary School	KCB	Nanyuki	1103080393	933,007
	<b>TOTAL</b>				<b>11,252,082</b>

## PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Budgetary Performance	<p>The absorption rate of the budget was 57% in the year under audit. The under absorption of Kshs.72,372,041 was caused by delay of funds release from the NG-CDF Board. The office had done requisition of funds from the NG-CDF Board in good time. The office has no control on the NG-CDF Board release of funds but requisition for funds had been done in good time.</p> <p>The absorption rate had been affected by late release of funds from the NG-CDF Board.</p>		
	Statement of Cash Flows	Cash and cash equivalents have been amended to include the cash outflow		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>from investing activities amount of Kshs.299,000.00 The correct figure for cash and cash equivalent is negative Kshs.27,728,510.00</p>		
Munipicha Primary School Not in use in Mukogodo West Ward		<p>The NG-CDF Committee did a classroom at Munipicha Primary School, it was a priority of the community both during Strategic plan preparation and during community priority picking meetings. The NG-CDF Committee has also done toilets in the school i.e. four toilets under emergency to ensure the school is registered under Ministry of Education. The Covid 19 pandemic halted the school registration process but by July the school will be registered and enrolment of class one will take place. All the requirements for school registration have been fulfilled it's the Covid 19 pandemic that made the</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>registration process not to be complete by January 2021. The school will be in operation by July 2021. Attached find the ward report that the community gave the school as a priority.</p>		
	<p>Naibor Anti-Stock Theft Unit Project</p>	<p>The NG-CDF Committee did an administration block at Naibor ASTU camp. The contractor awarded the works was paid in four phases. Attached find the contract agreement, public works certificates and the project completion certificate.</p>		
	<p>Compensation of Employees Kshs.252,000.00</p>	<p>The NG-CDF Committee has engaged two security officers and two cleaners as casuals to assist in providing services at the NG-CDF Offices. The four were employed by the NG-CDF Committee. Attached find the NG-CDF Committee authorising the hiring of the casual employees and their remunerations.</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Unutilized Project Funded Under Emergency Fund</p>	<p>NG-CDF Committee did four toilets costing Kshs.200,000.00 from the Emergency fund. The toilets were emergency in nature because the school needed to be registered. It was a requirement from the ministry of Education for the school to have toilets, hence the NG-CDF Committee emergency funding of Kshs.200,000.00 for four toilets. The toilets were done; the reason the toilets are not in use is because the Covid 19 pandemic halted the school registration process. As per now the school registration is almost complete and by July 2021 the toilets will be in use. Attached find the NG-CDFC minutes that approved the Emergency funding of the school toilets.</p>		
	<p>Unsupported Training Expenditure Kshs.522,000.00</p>	<p>The NG-CDF Committee trained all PMC's, staff</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>members and the committee itself. The training was done at Emess Hotel Nanyuki which is a prequalified hotel for providing catering services.</p> <p>Attached find the quotations for the hotels and invitation letter for the NG-CDF Committee members, PMC's members and staff members.</p>		
Unutilized Project – Sirimon Day Secondary School		<p>The NG-CDF Committee 2 Classrooms at Sirimon Day Secondary School, it was a priority of the community both during Strategic plan preparation and during community priority picking meetings.</p> <p>The NG-CDF Committee has also done toilets in the school i.e. four toilets under emergency to ensure the school is registered under Ministry of Education. The Covid 19 pandemic halted the school registration process but by July the school will be registered and the</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>new form ones will be enrolled in the school. Currently the form ones are using the primary school classroom and toilets. All the requirements for school registration have been fulfilled it's the Covid 19 pandemic that made the registration process not to be complete by January 2021. The school will be in operation by July 2021. Attached find the ward priority minutes that included the school as a priority.</p>		
<p>Unsupported Monitoring and Evaluation Expenditure – Kshs.420,000.00</p>		<p>The Committee did monitoring and evaluation exercise between 10/06/2020 to 23/06/2020 costing Kshs.420,000.00 Attached please find the Monitoring and Evaluation report for the exercise and copy of work ticket to support the expenditure. Also find attached the NG-CDFC minutes that approved</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Procurement of Sports Equipment	<p>the monitoring and evaluation exercise.</p> <p>The NG-CDF Committee through the Laikipia North Sports Organization procured sports equipment for 8 teams in the Constituency. Each ward produced 2 teams. The goods were inspected and received by the Inspection and Acceptance committee.</p> <p>The Equipment were also received on behalf of the teams by the team captains. Attached find the report of the Acceptance and Inspection committee and the lists from various teams showing the soccer equipment received by each team.</p>		

