

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY

DATE: 27 JUL 2023

DAY:

ON

Thursday

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Majority Whip

CLERK AT
THE TABLE:

Finlaya Mburuki

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TURKANA NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2022





Revised Template 30th June 2022



TURKANA NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

Table of Contents

Page

I. Key Constituency Information and Management	ii
II. NG-CDFC Chairman's Report.....	vi
III. Statement Of Performance Against Predetermined Objectives for FY2021/22.....	ix
IV. Environmental and Sustainability Reporting.....	xi
V. Statement Of Management Responsibilities	xv
VI. Report Of the Independent Auditors On The NGCDF- Turkana North Constituency	xvii
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022.....	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022.....	4
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022	6
XI. Significant Accounting Policies.....	13
XII. Notes To the Financial Statements.....	20

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 Turkana 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 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mathew Kipsanai
2.	Sub-County Accountant	Washington J.O Hakungu
3.	Chairman NGCDFC	Joseph Lokolio
4.	Member NGCDFC	Rayo Simon

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Turkana 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) Turkana North Constituency NGCDF Headquarters

P.O. Box 1- 30504
DDO's Offices
Lokitaung

(f) Turkana North Constituency NGCDF Contacts

Telephone: (254) 722 161839
E-mail: turkananorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Turkana North Constituency NGCDF Bankers

Kenya Commercial Bank
Kodwar Branch
P.O. Box 150- 30500
LODWAR

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

II. NG-CDFC Chairman's Report

This report and financial statement represents the financial position of Turkana North constituency for the financial year 2021/22. It lays down the receipts and expenditures of all the funds that Turkana North NG-CDFC received from the NG-CDF Board.

I wish to make the following remarks;

a). Year Performance

In the financial year 2020/21 Turkana North NG- CDF was able to achieve the following comparative performance in various sectors

Receipt/Expenditure Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	c=a+b	d	e=c-d	f=d/c %
RECEIPTS				
Transfers from NG-CDF Board	222,095,619	210,006,740	12,088,879	94.6%
Proceeds from Sale of Assets	-	-	-	-
Other Receipts			-	
TOTAL RECEIPTS	222,095,619	210,006,740	12,088,879	94.7%
PAYMENTS				
Compensation of Employees	4,594,650	2,811,331	1,783,319	61.2%
Use of goods and services	13,639,351	11,476,654	2,162,697	84.1%
Transfers to Other Government Units	136,150,000	125,050,000	11,100,000	91.8%
Other grants and transfers	71,201,761	65,295,061	5,906,700	91.7%
Acquisition of Assets	3,339,640	1,394,140	1,945,500	41.7%
TOTAL	228,925,402	206,027,186	22,898,216	90.0%



Lokitaung TTI

Constructed college fence, toilets, drilling and installation of borehole



Turkana North NGCDF Office Construction of NGCDF office

b). Emerging issues related to NG-CDF in Turkana North Constituency are;

1. All learning institutions i.e. secondary and primary schools depend on NG-CDF 100% on development as directed by ministry of education
2. Need to compete with other counties to justify the long existence of NG-CDF

c). NG-CDF Implementation challenges in Turkana North Constituency are;

1. Overdependence on the fund by the public on all development related issues.
2. Funds disbursement from the board was not on time thus leading to delayed implementation of Key projects.
3. Effects of the COVID 19 pandemic that has hampered disbursement of bursaries to needy Students.

Through my leadership, NG-CDFC Turkana North constituency will endeavour to fulfil its mandate when funds are disbursed and monitoring of projects funds as per the guide lines of the NG-CDF ACT 2015

d).Recommendations.

1. The board should strive to disburse funds on time to enable implementation of all projects.



JOSEPH LOKOLIO
NGCDFC CHAIRPERSON

III. Statement of Performance against Predetermined Objectives for FY2021/22

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 **Turkana North Constituency** 2018-2022 plan are to:

1. To guarantee equitable/equity in resource distribution for the inhabitant of Turkana north and to be the leading constituency in poverty reduction by providing quality education and security for sustainable development.
2. To create firm foundation for youth participation in development and conserve environment for prosperity.
3. To establish a stable foundation towards a developed and prosperous constituency that is secure and self-reliant.

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	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Classrooms, dormitories and dining halls completed	In FY 21/22 we built 32 classrooms in primary schools.
Environment	To improve sanitation facilities in the constituency	Increased number of toilets in the constituency	Construction of VIP latrines	Constructed approximately 5 four door ablution blocks in primary schools and 1 in kataboi police post.

Turkana North *Constituency*

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Sports	To empower the youth and sensitize them on drug and alcohol abuse	Sports activities in the constituency	Carry out sports activities in the constituency	In fy 2021/2022 we sponsored two sports tournaments in the constituency
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IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

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

2. Environmental performance

- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

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

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

4. Market place practices-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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

.....

MATHEW KIPSANAI
FAM

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-Turkana 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, 2022. 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 Turkana 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- 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 Turkana North Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external

Turkana North Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

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- Turkana North Constituency financial statements were approved and signed by the Accounting Officer on 11/5/2023.

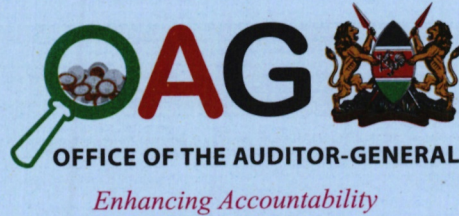


**Fund Account Manager
MATHEW KIPSANAI**



**Chairman NG-CDF Committee
JOSEPH LOKOLIO**

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TURKANA NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal 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 - Turkana North Constituency set out on page 1 to 46,

Report of the Auditor-General on National Government Constituencies Development Fund - Turkana North Constituency for the year ended 30 June, 2022

which comprise of the statement of assets and liabilities as at 30 June, 2022, 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 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 - Turkana North Constituency as at 30 June, 2022, 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. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies:

- i. Budget execution by sectors and projects reflects final budget amount of Kshs.225,585,762. However, the correct arithmetic total is Kshs.228,925,402 resulting to an unreconciled variance of Kshs.3,339,640;
- ii. Annex 3 on Unutilized funds reflects amount due to other grants and transfer's comparative of Kshs.26,108,344. However, the correct arithmetic amount is Kshs.23,606,370 resulting to an unreconciled variance of Kshs.2,501,974.

In the circumstances, the accuracy and completeness of the statement of budget execution by sectors and projects and the disclosure on unutilized funds could not be confirmed.

2. Unsupported Bank Balance

The statement of assets and liabilities reflects bank balance of Kshs.10,809,337 as disclosed in Note 10A to the financial statements. The bank reconciliation statement for the month of June, 2022 reflects unrepresented cheques amounting to Kshs.30,050,015 out of which cheques totaling Kshs.5,836,330 are stale and have not been reversed in the cash book or replaced. Further, payments in bank statement not recorded in cash book of Kshs.36,128 relate to bank charges which were not expensed in the statement of receipts and payments.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.10,809,337 could not be confirmed.

3. Unsupported Project Management Committee Bank Balances

Annex 5 reflects Project Management Committee (PMC) bank balance of Kshs.5,361,188 in respect to sixty-nine (69) bank accounts. However, cash books, bank reconciliation statements, certificates of bank balance and bank statements for the sixty-nine (69) bank accounts were not provided for audit.

In circumstances, the existence, accuracy, and completeness of the Project Management Committee bank balance of Kshs.5,361,188 could not be confirmed.

4. Unsupported Prior Year Adjustment

The statement of assets and liabilities reflects a prior year adjustment of Kshs.6,829,784 as disclosed in Note 14 to the financial statements. However, supporting documents for the prior year adjustment of Kshs.6,829,784 were not provided for audit.

In the circumstances, the accuracy and completeness of the prior year adjustment of Kshs.6,829,784 could not be confirmed.

5. Lack of Ownership Documents on Fixed Assets

Annex 4 on summary of fixed assets register reflects historical cost of Kshs.32,848,680 comprising of land with a nil value, building and structures of Kshs.13,400,000, transport equipment of Kshs.18,407,180, office equipment, furniture and fitting of Kshs.736,500 and ICT equipment, software and other ICT assets of Kshs.305,000. However, the size and value of the land on which Constituency office is built has not been determined and included in the financial statements. Further, land ownership documents in form of land title deed was not provided for audit.

In the circumstances, the accuracy and completeness of fixed assets valued at Kshs.32,848,680 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 - Turkana 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 receipts budget and actual on a comparable basis of Kshs.228,923,403 and Kshs.216,834,524 respectively, resulting to an under-funding of Kshs.12,088,879 or 5% of the budget. Similarly, the Fund spent Kshs.206,027,186 against an approved budget of Kshs.228,925,402 resulting to an underperformance of Kshs.22,898,216 or 10% of the budget.

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

2. Project Implementation Status

The project implementation status report provided indicated that funds amounting to Kshs.137,088,879 were disbursed to fifty (50) projects and programs. Forty-two (42) projects with a total disbursement of Kshs.110,027,609 were complete, seven (7) projects with a disbursement of Kshs.25,811,270 were ongoing while one (1) project with a disbursement of Kshs.2,550,000 had not started.

In the circumstances, the public has not benefited from the disbursement of Kshs.28,361,270 in respect to eight (8) incomplete projects.

3. Project Verification

Ten (10) projects with a total disbursement of Kshs.39,500,000 were inspected in the month of March, 2023. However, the projects were; incomplete, had poor workmanship and omission of works and have not been put to intended use.

In the circumstances, value for money may not be obtained from this expenditure and the public has not benefited from the projects

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. Late Disbursements of Funds from the Board

The statement of receipts and payments reflects transfers from the Fund Board of Kshs.170,088,879. However, the amount includes Kshs.33,000,000 or 19% of total

receipts for the year budgeted for in 2020/2021 financial year. Further, the Board had not disbursed 2020/2021 arrears of Kshs.12,088,879 contrary to Section 16(a) of the National Government Constituencies Development Fund Act, 2015 which states that the functions of the Board shall be to ensure timely and efficient disbursement of funds to every constituency. Further Section 39(2) of the National Government Constituencies Development Fund Act, 2015 states that the disbursement of funds to the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the constituency fund account shall be replenished in three equal installments at the beginning of the second, third and fourth quarters of the financial year.

Delay in fund disbursements results in delayed implementation of projects and programmes which denies the public the services and benefits accruing from completed projects.

2. Unsupported Committee Expenses

The statement of receipts and payments reflects use of goods and services amount of Kshs.11,476,654 as disclosed in Note 5 to the financial statements. This amount includes committee expenses of Kshs.3,195,000 and other committee expenses of Kshs.1,064,450. However, committee expenses include committee allowance payments of Kshs.597,000 that were not supported by minutes contrary to Regulation 104 of the Public Finance Management (National Government) Regulations, 2015 which requires that all receipts and payment vouchers of public monies shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by appropriate authority and documentation.

In the circumstances, Management was in breach of the law and exposed the Fund to risk of irregular payments.

3. Unacknowledged Bursary

The statement of receipts and payments reflects other grants and transfers amount of Kshs.65,295,061 as disclosed in Note 7 to the financial statements. This amount includes bursaries to secondary schools of Kshs.25,138,000 and tertiary institutions of Kshs.24,545,000 all totaling Kshs.49,683,000. However, bursary disbursements amounting to Kshs.48,746,000 were not supported by acknowledgement letters and receipts from respective institutions contrary to Regulation 104 of the Public Finance Management (National Government) Regulations, 2015 which requires that all receipts and payment vouchers of public monies shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by appropriate authority and documentation

In the circumstances, there was no assurance that the bursary disbursements benefitted the intended students.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 controls.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 July, 2023

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


Statement Of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021-2022	2020-2021
		Ksh	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	170,088,879	161,367,752
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		170,088,879	161,367,752
PAYMENTS			
Compensation of employees	4	2,811,331	4,104,763
Use of goods and services	5	11,476,654	9,503,657
Transfers to Other Government Units	6	125,050,000	48,077,900
Other grants and transfers	7	65,295,061	51,993,600
Acquisition of Assets	8	1,394,140	12,060,359
Other Payments	9	-	-
TOTAL PAYMENTS		206,027,186	125,740,279
SURPLUS/DEFICIT		(35,938,307)	35,627,473

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 11/5/2023 and signed by:


 Fund Account Manager
 MATHEW KIPSANAI


 National Sub-County
 Accountant
 Washington J.O Hakungu
 ICPAK M/No:25943


 Chairman NG-CDF Committee
 JOSEPH LOKOLIO

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


VII. Statement of Assets and Liabilities As At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	10,809,337	39,917,860
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		10,809,337	39,917,860
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		10,809,337	39,917,860
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		10,809,337	39,917,860
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	39,917,860	4,290,387
Prior year adjustments	14	6,829,784	-
Surplus/Deficit for the year		(35,938,307)	35,627,473
NET FINANCIAL POSITION		10,809,337	39,917,860

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 11/5/ 2023 and signed by:


 Fund Account Manager
 MATHEW KIPSANAI


 National Sub-County
 Accountant.
 WASHINGTON HAKUNGU
 ICPAK M/No: 25943


 Chairman NG-CDF Committee
 JOSEPH LOKOLIO

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

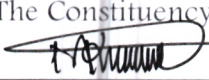
VIII. Statement of Cash Flows for the Year Ended 30th June 2022


IX. STATEMENT OF CASH FLOW

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	170,088,879	161,367,752
Other Receipts	3	-	-
		170,088,879	161,367,752
Payments for operating activities			
Compensation of Employees	4	2,811,331	4,104,763
Use of goods and services	5	11,476,654	9,503,657
Transfers to Other Government Units	6	125,050,000	48,077,900
Other grants and transfers	7	65,295,061	51,993,600
Other Payments	9	-	-
		204,633,046	113,679,920
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	6,829,784	-
Net Adjustments		6,829,784	-
Net cash flow from operating activities		(27,714,383)	47,687,832
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,394,140)	(12,060,359)
Net cash flows from Investing Activities		(1,394,140)	(12,060,359)
NET INCREASE IN CASH AND CASH EQUIVALENT		(29,108,523)	35,627,473
Cash and cash equivalent at BEGINNING of the year	10	39,917,860	4,290,387
Cash and cash equivalent at END of the year		10,809,337	39,917,860

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 11/5/2023 and signed by:


Fund Account Manager
MATHEW KIPSANAI


National Sub-County
Accountant
WASHINGTON HAKUNGU
ICPAK M/No:25943


Chairman NG-CDF Committee
Joseph Lokolio

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X.Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	39,917,861.00	51,916,663	228,923,403	216,834,524	12,088,879	94.7%
Proceeds from Sale of Assets				0			
Other Receipts				0			
TOTAL RECEIPTS	137,088,879	39,917,860	51,916,663	228,923,403	216,834,524	12,088,879	94.7%
PAYMENTS							
Compensation of Employees	4,494,370	100,280		4,594,650	2,811,331	1,783,319	61.2%
Use of goods and services	7,702,302	5,248,170	688,879	13,639,351	11,476,654	2,162,697	84.1%
Transfers to Other Government Units	78,650,000	13,400,000	44,100,000	136,150,000	125,050,000	11,100,000	91.8%
Other grants and transfers	44,242,207	19,829,770	7,129,784	71,201,761	65,295,061	5,906,700	91.7%
Acquisition of Assets	2,000,000	1,339,640		3,339,640	1,394,140	1,945,500	41.7%
Other Payments	0			0	-	-	0.0%
TOTAL	137,088,879	39,917,860	51,918,663	228,925,402	206,027,186	22,898,216	90.0%

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

- Compensation of Employees which had a utilization of 61.2% was due to accrued gratuity due to employees.
- Use of goods and services had a utilization of 84.1% because of late disbursement of funds hence the required ceiling not exhausted.
- Acquisition of Assets which was utilized to a tune of 41.7% was because at the time of closure of the financial year, the process of procuring furniture was underway.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	22,898,216
Less undisbursed funds receivable from the Board as at 30th June 2022	12,088,879
	10,809,337
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	10,809,337

The Constituency financial statements were approved on 11/5/ 2023 and signed by:



Fund Account Manager

Name: Mathew Kipsanai



National Sub-County Accountant

Name: Washington Hakungu
 ICPAK M/No:



Chairman NG-CDF Committee

Name: JOSEPH LOKOLIO

Turkana North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)		Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
			Previous years Outstanding Disbursements Kshs	2021/2022 Kshs			
	2021/2022	Opening Balance (C/Bk) and AIA		2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,494,370	100,280.00		4,594,650	2,811,331	1,783,319	61%
1.2 Committee allowances	1,460,000	400,000.00		1,860,000	1,860,000	-	100%
1.3 Use of goods and services	2,161,270	2,362,280.00	688,879	5,212,429	4,067,622	1,144,807	78%
Total	8,115,640	2,862,560	688,879	11,667,079	8,738,953	2,928,126	75%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,200,000	204,000.00		1,404,000	800,000	604,000	57%
2.2 Committee allowances	1,460,000	120,000.00		1,580,000	1,580,000	-	100%
2.3 Use of goods and services	1,421,032	2,161,890.00		3,582,922	3,169,032	413,890	88%

Turkana North Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for The Year Ended June 30, 2022

Total	4,081,032	2,485,890	-	6,566,922	5,549,032	1,017,890	84%
3.0 Emergency							
3.1 Primary Schools	7,192,207	2,149,200.00		9,341,407	7,192,207	2,149,200	77%
3.2 Secondary schools				-		-	
3.3 Tertiary institutions				-		-	
3.4 Security projects				-		-	
3.5 Unutilised				-		-	
Total	7,192,207	2,149,200		9,341,407	7,192,207	2,149,200	77%
4.0 Bursary and Social Security							
4.1 Secondary Schools	18,000,000		6,829,784	28,414,000	25,138,000	3,276,000	88%
4.2 Tertiary Institutions	14,000,000	10,649,000.00	300,000	24,949,000	24,545,000	404,000	98%
4.3 Social Security				-		-	
4.4 Special Needs				-		-	
Total	32,000,000	14,233,216	7,129,784	53,363,000	49,683,000	3,680,000	93%

Turkana North Constituency

National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

School					150,000	150,000	-	
Kariworeng Primary School	2,550,000.00				2,550,000	150,000	-	100%
Lokapelpus Primary School	2,900,000.00				2,900,000	2,900,000	-	100%
Morueris Primary School	2,550,000.00				2,550,000	2,550,000	-	100%
Kaalem Primary School	2,600,000.00				2,600,000	2,600,000	-	100%
Koyasa Primary school	1,200,000.00				1,200,000	1,200,000	-	100%
Mana Longoria Primary School	2,900,000.00				2,900,000	2,900,000	-	100%
Napetet Primary School	1,200,000.00				1,200,000	1,200,000	-	100%
Natete Primary School	2,900,000.00				2,900,000	2,900,000	-	100%
Alagama Primary school	2,900,000.00				2,900,000	2,900,000	-	100%
Nasechabuin Primary School	2,900,000.00				2,900,000	2,900,000	-	100%
Lokitoe Angaber Primary School	700,000.00				700,000	700,000	-	100%
Kobosan Primary School	2,900,000.00				2,900,000	2,900,000	-	100%
Kapedor Primary School	2,900,000.00				2,900,000	2,900,000	-	100%
Kanakurudio Primary School	4,900,000.00				4,900,000	4,900,000	-	100%
Longelemwar Primary School	800,000.00				800,000	800,000	-	100%

*Turkana North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Koloyara Primary School	2,900,000.00	-	-	2,900,000	2,900,000	-	100%
Kangakurio Primary School	2,900,000.00			2,900,000	2,900,000	-	100%
Napak Primary School	700,000			700,000	700,000	-	100%
Lomeguro Primary School	2,900,000.00			2,900,000	2,900,000	-	100%
Nakitoe Konom Primary School	700,000			700,000	700,000	-	100%
Alagama Primary school	1,400,000			1,400,000	1,400,000	-	100%
Kobosan Primary School	1,400,000			1,400,000	1,400,000	-	100%
kanagakipur Primary School		4,800,000.00		4,800,000	4,800,000	-	100%
Nakare Arengak Primary School		700,000.00		700,000	700,000	-	100%
Ekicheles Primary School			2,400,000	2,400,000	2,400,000	-	100%
Iokumwae Primary School			2,400,000	2,400,000	2,400,000	-	100%
Kajukjuk Primary School			2,400,000	2,400,000	2,400,000	-	100%
Maisa Primary School			2,400,000	2,400,000	2,400,000	-	100%
Nalemsekon Primary School			2,550,000	2,550,000	0	2,550,000	0%
Sasame Primary School			2,400,000	2,400,000	2,400,000	-	100%
Karebur Primary			2,400,000	0	2,400,000	0	0%

Turkana North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Total	18,200,000	7,900,000	2,100,000	28,200,000	28,200,000	-	100%
9.0 Tertiary institutions Projects				-		-	
Total	-	-	-	-	-	-	
10.0 Security Projects				-		-	
Total	-	-	-	-	-	-	
11.0 Acquisition of assets				-		-	
Construction Of NGCDF Office	-	1,339,640	-	1,339,640	1,339,640	-	100%
NGCDF OFFICE	2,000,000	-	-	2,000,000	54,500	1,945,500	3%
	-	-	-	-			
Total	2,000,000	1,339,640	-	3,339,640	1,394,140	1,945,500	42%
12.0 Other payments				-		-	
Total	-	-	-	-	-	-	
13.0 unallocated fund							
Unapproved projects						-	
AIA						-	

PMC savings							
Total	137,088,879	39,917,860	51,918,663	225,585,762	206,027,186	22,898,216	91%

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-TURKANA NORTH Constituency. The financial statements encompass the reporting entity as specified under section 81 of the FFM 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 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 - 2021
		Kshs	Kshs
	B105313	33,000,000	
Normal Allocation	B105575	44,000,000	
	B105949	22,000,000	
	B128724	5,000,000	
	B140756	12,000,000	
	B154230	12,000,000	
	B154449	18,000,000	
	B155503	24,088,879	
	B 119660		45,000,000
	B 124681		24,367,752
	B 124681		9,000,000
	B 119670		8,500,000
	B 128302		6,900,000
	B 140756		12,000,000
	B 128302		6,000,000
	B 132356		6,000,000
	B 120025		13,000,000
	B 126317		7,000,000
	B 110709		12,000,000
	B 105112		11,600,000
Conditional Grants			

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Receipt from other Constituency			
TOTAL		170,088,879	161,367,752

Notes To The Financial Statements (Continued)

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere	-	-
TOTAL	-	-

4. Compensation Of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,379,331	3,197,814
Personal allowances paid as part of salary		
House allowance	432,000	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	906,949
Employer Contributions Compulsory national social security schemes	-	-
TOTAL	2,811,331	4,104,763

Notes To The Financial Statements (Continued)

5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	197,900	0
Water & sewerage charges	99,450	-
Office rent	-	-
Communication, supplies and services	99,000	-

**National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Domestic travel and subsistence	521,000	
Printing, advertising and information supplies & services	28,500	
Rentals of produced assets		-
Training expenses	1,481,326	1,635,460
Hospitality supplies and services	859,407	0
Other committee expenses	3,195,000	2,131,799
Committee allowance	1,064,450	1,185,975
Insurance costs		-
Specialised materials and services	64,793	-
Office and general supplies and services	1,127,895	3,456,123
Fuel , oil & lubricants	1,215,403	0
Other operating expenses		1,094,300
Bank service commission and charges	-	0
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	1,401,380	0
Routine maintenance- other assets	121,150	0
TOTAL	11,476,654	9,503,657

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	96,850,000	27,516,222
Transfers to Secondary Schools	28,200,000	10,561,678
Transfers to Tertiary Institutions	-	10,000,000
TOTAL	125,050,000	48,077,900

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	25,138,000	29,996,600
Bursary -Tertiary (see attached list)	24,545,000	13,862,650
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	-	-
Sports Projects (see attached list)	5,719,854	2,082,480
Environment Projects (see attached list)	2,700,000	350,000
Emergency Projects (see attached list)	7,192,207	5,701,870
TOTAL	65,295,061	51,993,600

8. Acquisition Of Assets

<u>Non Financial Assets</u>	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,394,139	12,060,359
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT 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	1,394,140	12,060,359

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
<i>Kenya Commercial Bank, lodwar Branch . Turkana North NG-CDF</i>	<i>A/C no.1146215614</i>	10,809,337	39,917,860
Equity Bank		-	-
		-	-
TOTAL		10,809,337	39,917,860

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>
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. Gratuity

Turkana North *Constituency*

National Government Constituencies Development Fund (NGCDF)

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	890,940
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	890,940
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	39,917,860	4,290,387
Cash in hand	-	-
Imprest	-	-
TOTAL	39,917,860	4,290,387

14. Prior Year Adjustments

14. PRIOR YEAR ADJUSTMENTS				
		Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2020/2021
Description of the error		Kshs	Kshs	Kshs
Bank accounts balances		6,829,784		6,829,784
Cash in hand		-	-	-

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Accounts Payable		-	-	-
Receivables		-	-	-
Others (specify)		-	-	-
Total		6,829,784	-	6,829,784

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Changes in Accounts Payable E= D-E	-	-
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17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
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Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

	Kshs	Kshs
Compensation of employees	1,783,319	693,560
Use of goods and services	2,162,697	-
Amounts due to other Government entities (see attached list)	11,100,000	58,300,002
Amounts due to other grants and other transfers (see attached list)	5,906,700	26,108,344
Acquisition of assets	1,945,500	1,339,641
Funds pending approval	-	122,000
Total	22,898,216	86,441,547

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	5,361,188	4,141,435
Total	5,361,188	4,141,435

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	A	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total	-	-	-	-	
Construction of civil works					
4.					
5.					
6.					
Sub-Total	-	-	-	-	
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services	-	-	-	-	
10.					
Sub-Total	-	-	-	-	
Grand Total	-	-	-	-	

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total	-	-	-	
Grand Total	-	-	-	

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
Compensation of employees	Payment of employee salaries and gratuity	1,783,319	693500	
Use of goods & services	general office expenses	2,162,697		
		3,946,016	693,500	
4.4 emergency				
		2,149,200		
Amounts due to other Government entities				
St Bhakita primary school	construction of two classrooms and supply of 30 desks	2,550,000		
Nalemsekon primary school	construction of two classrooms and supply of 30 desks	2,550,000		
Karebur primary school	construction of two classrooms	2,400,000		
Natukobenyo Primary school	construction of three classrooms	3600000		
Ekicheles Primary School	2 classrooms			

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

			2,400,000	
Iokumwae Primary School	2 classrooms		2,400,000	
Kajukjuk Primary School	2 classrooms		2,400,000	
Maisa Primary School	2 classrooms		2,400,000	
Nalemsekon Primary School	2 classrooms, desks		2,550,000	
Sasame Primary School	2 classrooms		2,400,000	
Karebur Primary School	2 classrooms		2,400,000	
Natukobenyo Primary School	3 classrooms and dorm		8,600,000	
Kang'akipur Primary school	4 classrooms		4,800,000	
Nakare Arengak Primary School	Classrooms		700,000	
Naurkorio Primary School	2 classrooms, latrine, desks		2,900,000	
Mulango Primary School	2 classrooms, latrine, desks		2,900,000	
Lokitoenyala Primary School	2 classrooms, latrine, desks		2,900,000	
Kalisp Primary School	2 classrooms, latrine, desks		2,900,000	
St Bhakita Primary School	2 classrooms, latrine, desks		2,550,000	
Katiko Primary School	School fence		2,300,000	

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

<i>Others (specify)</i>				
Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Sub-Total		1,945,500	1,339,641	
Funds pending approval				
Grand Total		22,898,216	86,441,547	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2020/2021			2021/2022
Land				
Buildings and structures	12,060,359	1,339,641	-	13,400,000
Transport equipment	18,407,180	-	-	18,407,180
Office equipment, furniture and fittings	736,500	-	-	736,500
ICT Equipment, Software and Other ICT Assets	305,000	-	-	305,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	31,509,039	1,339,641	-	32,848,680

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annex 5 –PMC Bank Balances As At 30th June 2022

NO.	FMC NAME	BANK	ACCOUNT NUMBER	DATE A/C OPENED	Bank Balance	Bank Balance
					2021/22	2020/21
1	Loruth Primary School	KCB	123 941 8671	01 OCT 2018	9,560	
2	Kangaki Primary School	KCB	113 064 3395	29 SEP 2011	4,133	
3	Nasechabuin Primary School	KCB	114 489 7807	04 SEP 2013	3,990	
4	Koyasa Primary School	KCB	115 284 8011	07 MAY 2014	52,346	1,111,341
5	Nariokotome Secondary School	KCB	117 830 8154	28 JAN 2016	1,987	
6	Kaeris Secondary School	KCB	113 069 0687	28 SEP 2011	4,720	
7	Kaikor Secondary School	KCB	111 264 9980	08 JUL 2009	2,241	
8	Kibish Primary school	KCB	114 677 8627	07 NOV 2013	2,225	
9	Shabaha Primary School	KCB	127 349 5195	05 MAY 2020	222	
10	Narengewoi Primary School	KCB	119 759 1818	15 AUG 2016	1,987	
11	Naurendiria Primary School	KCB	127 243 9720	23 MAR 2020	3,691	
12	Atapar Primary School	KCB	127 297 4014	14 APR 2020	292	148817
13	Nachukui Primary School	KCB	127 349 4865	05 MAY 2020	8,563	
14	Kankaala Primary School	KCB	127 349 6434	05 MAY 2020	2,412	
15	Kabilkeret Primary School	KCB	127 349 6671	05 MAY 2020	48,443	48,443
16	Natooanam Primary School	KCB	127 349 5837	05 MAY 2020	1,483	
17	Katiko Primary School	KCB	113 059 0291	24 SEP 2011	300	
18	St. Leo Kakuma Boys Secondary School	KCB	114 874 9136	21 JAN 2014	19,084	19,084
19	Longolemwar Primary School	KCB	127 349 6930	05 MAY 2020	680	
20	Nakinomet Primary school	KCB	1152822098	06 MAY 2014	1,848	2,386,314

Turkana North Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for The Year Ended June 30, 2022

21	Liwan Primary school FMC	KCB	1265933308	14 OCT 2019	0	100,622
NO.	FMC NAME	Account number	Bank	DATE A/C OPENED	Bank Balance	Bank Balance
					2021/22	2020/21
	PMC					
22	Kokuro Primary School	KCB	1130646580	01 JUL 2020	0	4,224
23	Kakioreng Primary School	KCB	1151304697	13 MAR 2014	0	873
24	Lochor Edome Primary School	KCB	1275399762	17 OCT 2020	0	1,388
25	Lokitaung ITI	KCB	1287747841	27 SEP 2011	0	
26	Karebur Primary School	KCB	1146236069	26 MAR 2014	0	320,329
27	Kobosan Primary School	KCB	1291781803	04 JUL 2020	0	
28	Kanakurudio Primary School	KCB	1139878115	30 JUL 2021	0	
29	Lokitoe Angaber Primary School	KCB	1291811052	26 OCT 2013	0	
30	Lomeguro Primary School	KCB	1291967710	14 DEC 2021	0	
31	Napetet Primary School	KCB	1292432209	22 FEB 2013	0	
32	Alagama Primary School	KCB	1292051299	15 DEC 2021	0	
33	Longelemwar Primary School	KCB	1273496930	20 DEC 2021	0	
34	Mana Longoria Primary School	KCB	1292418028	10 JAN 2022	0	
35	Napak Primary School	KCB	1175313041	23 DEC 2021	0	
36	Natete Primary School	KCB	11298000483	05 MAY 2020	0	
37	Nasehabuin Primary School	KCB	1144897807	10 JAN 2022	3,990	
38	Kangakurio Primary School	KCB	1295169606	02 OCT 2015	570,184	
39	Kangitulae Primary School	KCB	1294967983	06 JUL 2022	1,140,603	
40	Lokapelupus Primary School	KCB	1294888250	04 SEP 2013	34	
41	Natoo Anam Primary School	KCB	1273495837	08 APR 2022	1,483	

Turkana North Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for The Year Ended June 30, 2022

NO.	FMC NAME	Account number	Bank	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
42	Morueris Primary School	KCB	1171610858	02 APR 2022	1,022	
43	Nakitoe Anam Primary School	KCB	1295194260	31 MAR 2022	6,592	
44	Nayanae Kabaran Primary School	KCB	1267040467	05 MAY 2020	5,980	
45	Loitanit Primary School	KCB	1292089091	23 JUN 2015	1,992,535	
	PMC					
46	Kaalem Primary School	KCB	1273495837	08 APR 2022	1,483	
47	Koloyara Primary School	KCB	1298048036	05 NOV 2019	0	
48	Kapedor Primary School	KCB	1295167042	24 DEC 2021	72,903	
49	Katiko Primary School	KCB	1130590291	05 MAY 2020	300	
50	Naurkurio Primary School	KCB	1290016488	07 JUL 2022	46,950	
52	Natukobenyo Primary School	KCB	1112644180	08 APR 2022	84,099	
53	Kangakipur Primary School	KCB	1171210191	24 SEP 2011	83,717	
54	Kajukjuk Primary School	KCB	1289466041	09 OCT 2021	22,549	
55	Sasame Primary School	KCB	1150171014	08 JUL 2009	3,875	
56	Lokumwae primary School	KCB	1294575414	10 JUN 2015	940,452	
57	Mulango Primary School	KCB	1290412278	23 SEP 2021	32,932	
58	Lokitoenyala Primary School	KCB	1289381289	27 FEB 2014	32,932	
59	Ekicheles Primary School	KCB	1146324413	22 MAR 2022	22,549	
60	Kalisep Primary School	KCB	1290090068	22 MAR 2022	85,195	
61	Maisa Primary School	KCB	12895776904	21 SEP 2021	0	
62	Nakare Arengak Primary School	KCB	1287158455	29 OCT 2013	0	
63	Nachukui Primary School	KCB	1273494865	13 OCT 2021	8,563	
64	Kataboi Police Post	KCB	1295039605	27 SEP 2021	14,218	
65	Kachoda Primary School	KCB	1168751055	07 JUL 2021	2,110	

Turkana North Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for The Year Ended June 30, 2022

66	Kokuro Boys Secondary School	KCB	1279511982	15 AUG 2016	2,784	
67	Nariokotome Secondary School	KCB	1178308154	05 MAY 2020	1,987	
68	Kaaleng Secondary School	KCB	117826055	05 APR 2022	-	
69	Riokomor Primary School	KCB	1130703215	25 MAR 2015	8,960	
					5,361,188	4,141,435

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Transfers from the board-variances between total disbursements and amounts reported	The discrepancy between actual funding received and budgeted amount is due to funds budgeted for but received in the subsequent financial year (2018-2019) i.e. funding that was supposed to be received in the financial year 2017-2018 was received in 2018-2019.	James Echwa-FAM	Resolved	
2.0	Committee Expenses- vouchers not fully supported with schedules	Relevant vouchers were provided. Also supporting schedules were provided and attached to the vouchers.	James Echwa-FAM	Resolved	
3.0	Fuel and lubricants- lack of fuel register	Detail orders, fuel register and work tickets relating to purchase of bulk fuel were availed for review	James Echwa-FAM	Resolved	

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
4.0	Bursary- Composition of the vetting subcommittee	Relevant arrangements have been made such that a representative of the Department of Education will be incorporated into a Subcommittee that will vet future bursary applications	James Echwa-FAM	Resolved	
5.0	Emergency Projects- Provision of relevant documentation	Copies of counter requisition and issue vouchers (S11) and stores ledger and stock controls cards regarding the supply and delivery of emergency relief food were availed for review.	James Echwa-FAM	Resolved	
6.0	Cash and cash equivalents- Non-recognition of outstanding imprest and action on stale cheques	The necessary adjustment has been made in the financial report to separate the actual cash at bank and the outstanding imprest as at 30 th June 2018. Furthermore stale cheques have been reversed and bank charges taken into account. This is reflected in the Bank Reconciliation Statement as at 31 st march 2019 (copy	James Echwa-FAM	Resolved	
7.0	Budgetary performance Unexplained figure of Kshs.967,734.17 in projects code list	As at the closure of the financial year this figure that was supposed to go towards environmental projects had not been approved. Subsequently, the NG-CDF Board recommended	James Echwa-FAM	Resolved	

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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)
	Under absorption of final budget (64%)	<p>that the figure be stated as “Unallocated funds/ Funds awaiting approval”. Approval for the same was done in the financial year 2018-2019.</p> <p>This is due to failure by the NG-CDF Board to release funds on time i.e. funding that was supposed to be received in the financial year 2017-2018 was received in 2018-2019.</p>			
8.0	Lokitaung Technical Training Institute- tender documentation	The procurement process and identification of the contractor for the said works was done by the Ministry Of Education Headquarters. As such details of bills of quantities, tender documents, evaluation and award minutes and such other relevant documents were not availed to Turkana North NG-CDF. The letter from the Ministry confirming having procured the contractors services	James Echwa-FAM	Resolved	

Turkana North *Constituency*
National Government Constituencies Development Fund (NGCDF)
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		further instructed Turkana North NG-CDF to transfer the said sum of Kshs. 10,000,000.00 to the contractor.			
9.0	Project Management Committee Bank Balances	The Fund Account Manager is liaising with the relevant PMC officials so that they can avail themselves in Lodwar to authorize the printing of Certificates of Bank Balance as at 30 th June 2018.	James Echwa-FAM	Resolved	



MATHEW KIPSANAI
 Fund Account Manager.