

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE NATIONAL ASSEMBLY	
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OF

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NORTH HORN
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

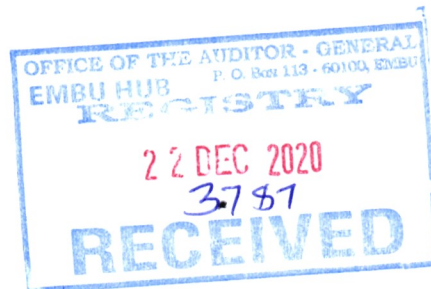


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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

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

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4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	SALIM HASSAN HUSSEIN
2.	Sub-County Accountant	SIMON KARANJA
3.	Chairman NG-CDFC	IBRAE HOSEA UMURO
4.	Secretary NG-CDFC	DENGE BONAYA ROBA

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF - North Horr Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF 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 North Horr Constituency Headquarters

P.O. Box 165-60500
Annmaria House
Behind Deputy County Commissioners Office,
Marsabit, Kenya

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(f) NG-CDF North Horr Constituency Contacts

Telephone: (254) 720 108 050
E-mail: cdfnorthhorr@NG-CDF.go.ke
Website: www.NG-CDF.go.ke

(g) NG-CDF North Horr Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank Ltd,
Marsabit Branch
P.O. Box 83 Marsabit, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

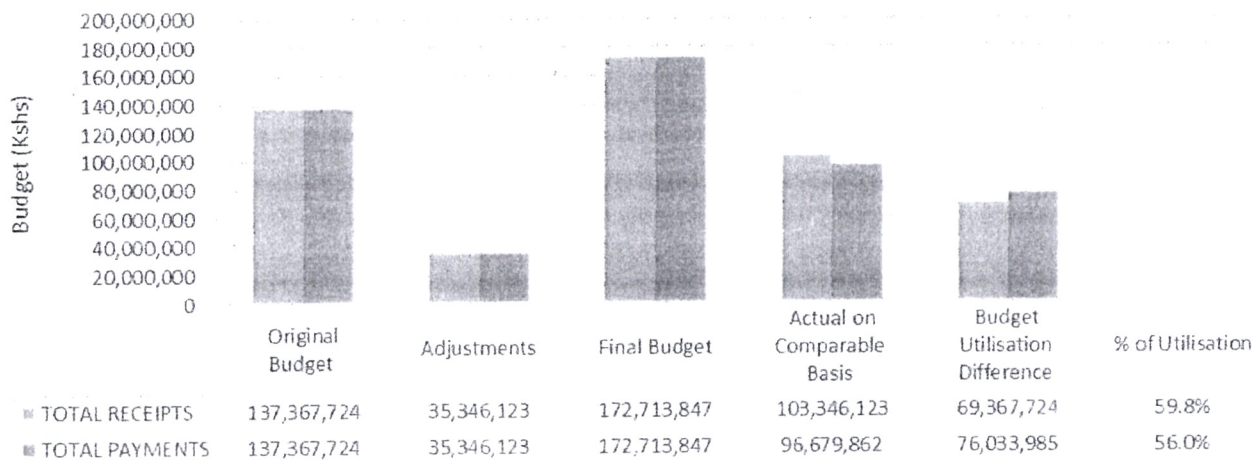
Through the Initiative of the GOK, North Horr stands as one of the constituencies that had tremendous achievement in the implementation of public projects geared towards social-economic development of the region.

Since its inception, NG-CDF has stood with us as a unique government programme that had uplifted the living standards of our people. Through NG-CDF we have had uncountable number of classrooms started in North Horr, Eight Secondary Schools initiated and thousands of students sponsored in Secondary Schools, Colleges and Universities. In Support of The Presidents Big 4 Agenda, North Horr NG-CDF has supported students undertaking Medical and Teaching Courses.

NG-CDF had helped this constituency realised some dreams which have been delayed or would not have been possible to achieve in North Horr Constituency.

During the Fiscal year 2019/2020, North Horr NG-CDF had a final budget Kshs 172, 713, 847 out of which Kshs. 103,346,123 was received. The Constituency was able to utilise Kshs96, 679,862 of these funds (56%). The reports also indicate the funds haven't been utilised 100% as Ksh. 69,367,724 of total allocation for financial year 2019/2020 is yet to be received as at 30th June, 2020.

NORTH HORR NG-CDF FY: 2019/2020 EXPENDITURE



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

- Kalacha Girls High School; The Girls School was financed from scratch and now has almost all structures completed. The School has an enrolment of over 120 pupils and is currently having the first lot admitted in Form Two. More infrastructure is being implemented with additional funds for construction of dormitory.
- Chalbi High School-Formely Hon Dr Godana Memrial School has seen a major facelift and infrastructure improvement which includes classroom and dormitory constructions. The School has a population of over 500 pupils who are benefiting from NG-CDF Bursary Scholarships.

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NG-CDF is making critical investments in public projects and the demands for NG-CDF projects is rising day by day. North Horr NG-CDFC has paid over Khs 40 Million in Bursary during the Financial year which was still inadequate.

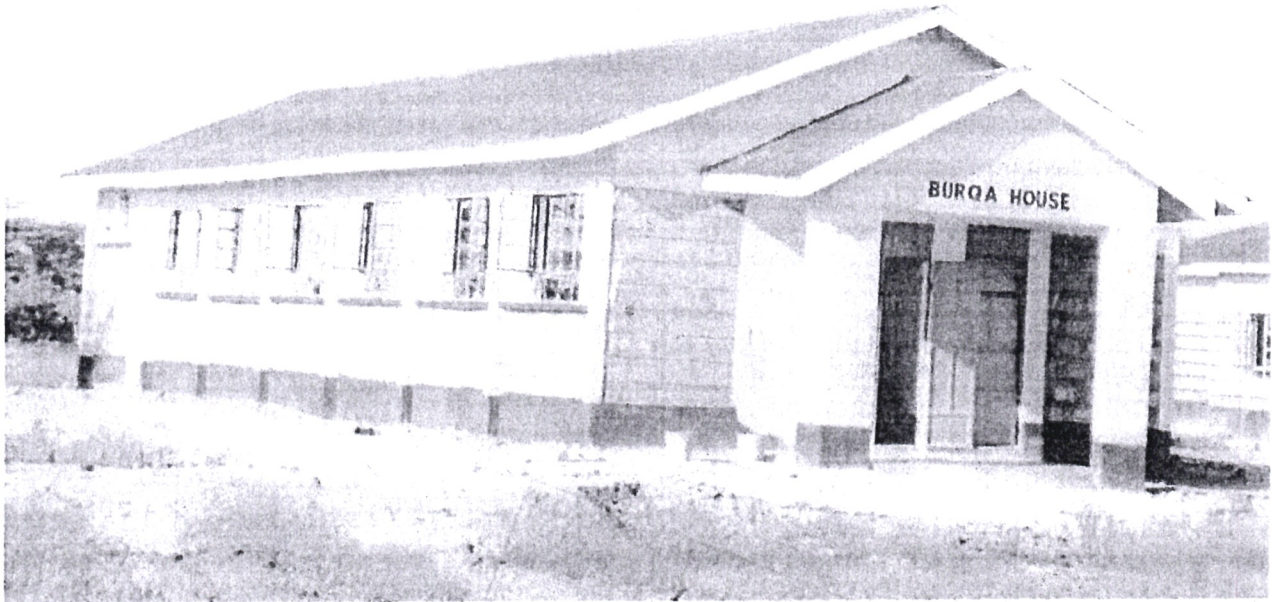


Figure 1 Kalacha Girls High School-Construction of a Dormitory FY: 2019-2020



Figure 2 Turbi High School-Completion of Administration Block FY: 2019-2020

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

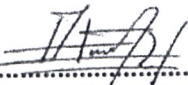
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However Much NG-CDFC tries to balance the needs, still more challenges abound. These includes increased needs due to awareness creations, minimal funding, competition over the scarce funds by various projects and communities, political influences from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

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

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

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


.....
Dr. Hosea Ibrae Umuro,
Chair, North Horr NG-CDFC

NG-CDFC CHAIRPERSON
NORTH HERR NG-CDF
P. O. Box 162 - 60500, MARSABIT
Date:.....

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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.

North Horr is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan 2018-2022 outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-North Horr Constituency's 2018-2022 plan are to:

In underscoring the above, the key development objectives of NGCDF-North Horr Constituency's 2018-2022 plan included but not limited to;

1. To improve access to education and training for Primary, Secondary and Tertiary institutions in North Horr Constituency
2. To improve the learning environment
3. To improve performance in national examination
4. To improve the working conditions of security personnel
5. To promote environmental conservation
6. To promote youth initiatives to build and nurture their talents and skills in sports
7. To improve access to ICT infrastructure

Strategic Issue:	Low access to education and training
Objective:	To improve access to education and training
Strategies:	Increase provision of bursaries to students in primary and secondary schools, Technical, Industrial, Vocational and Entrepreneurship Training Institutions, and Universities
Expected Results:	<ul style="list-style-type: none"> • Increased transition from primary to secondary schools • Increased transition from secondary school to technical and vocational skills • Increase the number of youth with technical and vocational skills

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- Increase the employability of skilled youths

Strategic Issue:	Inadequate education infrastructure
Objective:	To improve the learning environment
Strategies:	To provide infrastructure in Primary and Secondary schools, Special Education Schools and TVET Institutions. To equip schools with learning materials and equipment
Expected Results:	Improved performance in primary, secondary and technical and vocational training institutions
Strategic Issue:	Poor performance in National Examinations
Objective:	To improve National Exams
Strategies:	To support quality assurance activities To support schools with examinations and revision books
Expected Results:	Improved transition rates in schools
Strategic Issue:	Inadequate security and administration personnel infrastructure
Objective:	To improve the working conditions of security personnel
Strategies:	Improving security infrastructure
Expected Results:	Insecurity security coverage Reduction in crime rate
Strategic Issue:	Insecurity
Objective:	To reduce insecurity
Strategies:	Secure business environment
Expected Results:	Secure business environment
Strategic Issue:	Inadequate youth empowerment initiatives
Objective:	To promote youth initiatives to build and nurture their talents and skills in sports
Strategies:	Sponsor sports tournaments Provide sports equipment (balls and uniforms) to sports teams
Expected Results:	Decreased dependency ratio in crime rate Increased number of youth engaged in gainful employment
Strategic Issue:	Environmental Degradation
Objective:	To promote environmental conservation
Strategies:	Adopting environmental friendly practices promotional talks on increasing forest cover and environmental conservation
Expected Results:	Increase in knowledge, skills and passion for sustainable environment
Strategic Issue:	Inadequate ICT infrastructure and Innovation
Objective:	To improve access to infrastructure for ease of doing business
Strategies:	Establish four ICT hubs in the Constituency
Expected Results:	Increase in online business uptake by youth

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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 improve access to education and training	<ul style="list-style-type: none"> • Increased transition from primary to secondary schools • Increased transition from secondary school to technical and vocational skills • Increase the number of youth with technical and vocational skills • Increase the employability of skilled youths 	Increase provision of bursaries to students in primary and secondary schools, Technical, Industrial, Vocational and Entrepreneurship Training Institutions, and Universities	<p>Number of form one enrollment increased from 1,200 to 2,000</p> <p>Number of Bursary fund beneficiaries increased from 3,000 to 4,000</p>
	To improve the learning environment	Improved performance in primary, secondary and technical and vocational training institutions	<p>To provide infrastructure in Primary and Secondary schools, Special Education Schools and TVET Institutions.</p> <p>To equip schools with learning materials and equipment</p>	Number of classrooms increased by 15

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Program	Objective	Outcome	Indicator	Performance
Environment	To promote environmental conservation	Increase in knowledge, skills and passion for sustainable environment	Adopting environmental friendly practices promotional talks on increasing forest cover and environmental conservation	Number of trees planted increased from 5 to 15
Security	To improve the working conditions of security personnel	Reduction in crime rate Secure business environment	Improving security infrastructure	Secure business environment Number of security personnel staff quarters increased from 10 to 20
Sports	To promote youth initiatives to build and nurture their talents	Decreased dependency ratio in crime rate Increased number of youth engaged in gainful employment	Sponsor sports tournaments Provide sports equipment (balls and uniforms) to sports teams	Number of youth groups benefitting from the sports programme increased from 50 to 100
Information Communication and Technology (ICT)	To improve access to infrastructure for ease of doing business	Increase in online business uptake by youth	Establish four ICT hubs in the Constituency	Number of ICT centres at the chiefs' offices increased from 0 to 4

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – North Horr Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the North Horr NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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

The North Horr NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	Equitable socio-economic development in the whole constituency.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To provide leadership and policy direction for effective and efficient management of the funds disbursed to the Constituency by the Board.	This communicates what the office does to attain sustainable developments
Core Values	The core values of tare organization are what the organization and its members tenaciously believe in. They provide the code of conduct and a philosophy that surrounds running of the organizations affairs. They help in giving a value orientation that guides the people involved in the management of the organization together with stakeholders in realizing the organization's stated strategic directions	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

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To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

**II. ENVIRONMENTAL PERFORMANCE
Environment Policy and Action Plan**

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

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

Our Environmental Policy

In this policy statement, North Horr NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our NG-CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

North Horr NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

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Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> • Promote environmental awareness by sensitizing the North Horr NG-CDFC, NG- • NG-CDFC staff and PMCs on good conservation practices • To encourage, through regular communication to North Horr NG-CDFC, staff , and other stakeholders changes in individual behavior to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use paper • To encourage our clients to engage with us using electronic means where possible • To maximize on rain water harvesting • To make energy efficiency a key factor in the selection of any new energy devise being purchased • To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> • To promote use of volt guards to control power surges • We have constructed culverts and gabions to prevent soil erosion • To encourage tree planting in the constituency to improve the forest cover. • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure that all paper waste is recycled • To ensure segregation of waste • To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

III. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

North Horr NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

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Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview sub-committee

A selection and interview sub-committee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution.

Health, Safety and Well Being

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

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All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

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It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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IV. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

i. Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

ii. Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

iii. Product stewardship

In order to safeguard consumer rights and interests, the North Horn NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

V. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

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Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

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

Public Awareness and Sensitisation Exercise Provide

A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.

- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non-state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Distributed 2,000 bottles of 750mls sanitizers to the community free of charge.
- The office distributed 3,000 facial masks
- Printing of brochures disseminating information regarding Corona Virus protection measures

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

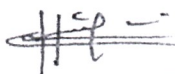
The Accounting Officer in charge of the NG-CDF- North Horr Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

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

Approval of the financial statements

The NG-CDF- North Horr Constituency financial statements were approved and signed by the Accounting Officer on 30th August 2020.



Ag. Fund Account Manager
Name: Salim H. Hussein



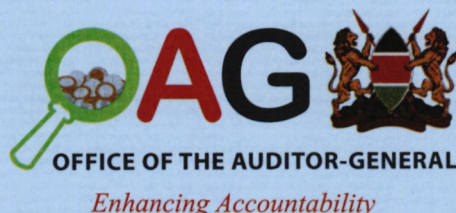
National Sub-County Accountant
Name: Simon Karanja
ICPAK M. No: 17834

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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*VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NG-CDF- NORTH HORN
CONSTITUENCY*

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - North Horr Constituency set out on pages 22 to 54, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 the National Government Constituencies Development Fund - North Horr Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Bank Balances

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.6,666,261. The bank reconciliation statement reflected unrepresented cheques totalling to Kshs.1,342,333 which further included stale cheques amounting to Kshs.748,139. However, the cheques were not replaced or reversed in the cashbook.

Consequently, the accuracy, completeness and validity of the bank balances totalling to Kshs.6,666,261 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

2. Inaccuracies in Unutilized Fund

Note 17.3 to the financial statements reflects nil Unutilized Fund comparative balance. However, Annex 3 to the financial statements reflects Unutilized Fund comparative balance totalling to Kshs.33,028,994. Further, the Annex reflects on comparative balances two (2) items that were at variance with the 2018/2019 closing balances as detailed below:

Item Description	Comparative Balance in Annex 3 (Kshs)	Audited Balances in 2018/2019 (Kshs)	Variance (Kshs)
Compensation of Employees	741,932	790,882	48,950
Use of Goods and Services	871,589	822,639	48,950

In addition, Annex 3 reflects Unutilized Fund balance totalling to Kshs.69,367,724 as at 30 June, 2020 whereas, the summary statement of appropriation - recurrent and development combined reflects a total of Kshs.76,033,985 on comparable basis resulting to a variance amounting to Kshs.6,666,261. The errors and variances were not corrected or explained.

Consequently, the accuracy, completeness and validity of the Unutilized Fund opening balance totalling to Kshs.33,028,994 as at 30 June, 2019 and closing balance totalling to Kshs.69,367,724 as at 30 June, 2020 could not be confirmed.

3. Inaccuracies in Committee Bank Balances

Disclosure 17.4 reflects nil balances in respect to Project Management Committee bank balances as at 30 June, 2020 and the comparative balance. However, Annex 5 to the financial statements reflects a total of Kshs.2,516,935 and Kshs.10,316 for Project Management Committee bank balances as at 30 June, 2020 and the comparative balance respectively, resulting to unexplained variances of the same amounts. In addition, a recast of Annex 5 comparative balances resulted to an amount of Kshs.2,537,817 resulting to an unexplained variance amounting to Kshs.2,527,501.

Consequently, the accuracy, completeness and validity of the nil Project Management Committee bank balances as at 30 June, 2020 could not be confirmed.

4. Unsupported Project Implementation Status Report

As disclosed in Note 6 and 7 to the financial statements, the statement of receipts and payments reflects transfers to other Government Units totalling to Kshs.16,201,461 and

other grants and other payments totalling to Kshs.69,726,403 both totalling to Kshs.85,927,864 which was disbursed to various institutions to implement projects during the year ended 30 June, 2020. However, the project implementation status report was not provided.

In the circumstances, it has not been possible to ascertain the implementation status of projects totalling to Kshs.85,927,864 for the year ended 30 June, 2020.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - North Horr 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 - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.172,713,847 and Kshs.103,346,123 respectively, resulting to an under-funding amounting to Kshs. 69,367,724 or 40% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.172,713,847 and Kshs.108,055,559 respectively, resulting to an under expenditure amounting to Kshs.76,033,986 or 44% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates for the year ended 30 June, 2020.

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. Non-compliance with the Public Sector Accounting Standards Board Requirements

The statement of receipts and payment, statement of cash flows and the summary statement appropriation do not indicate that they are for the “year ended 30 June, 2020” while the statement of assets and liabilities does not indicate that it is “as at 30 June 2020” Further, the Management did not prepare the separate statement of appropriation for recurrent and development. This is contrary to the requirements of the Public Sector Accounting Standards reporting template issued by the Board in June, 2020.

In the circumstances, the presentation of the financial statements for the year under review is not in accordance with the prescribed PSASB format.

2. Unsatisfactory Implementation of Projects

2.1. Helmer Primary School

The Management paid an amount of Kshs.1,500,000 to a contractor for fencing and building a gate at Helmer Primary School. The fence was to include a 14-gauge chain-link with six (6) strands of galvanized barbed wire as per the bill of quantities. However, physical verification of the project in November, 2020 revealed that four (4) strands of barbed wire were fixed. No explanation was given for the two strands of barbed wire which was paid as part of the whole contract sum but was not fixed.

2.2. Gas Primary School

The Management paid an amount of Kshs.1,600,000 to a contractor for wiring and solar installation at Gas Primary School. However, the School Management confirmed that prior to the funding by the Fund, the Ministry of Education had installed the solar panels. The funding by the Fund therefore resulted to double funding of the institution for the same project. Further, the batteries and solar panels in the girls’ dormitory were not functioning and no evidence from the Management of the action to rectify the same was provided.

2.3. Bishop Cavallera Primary School

The Management paid an amount of Kshs.916,978 to a contractor for fencing and building a gate at Bishop Cavallera Primary School. According to the bills of quantities, the fence was to be constructed using metallic post painted with red-oxide primer and two finishing coats of high gloss quality paint and was to cover a distance of five hundred (500) meters. However, physical verification carried out in November, 2020 revealed that only three hundred and ninety-three (393) meters were done and the metallic posts were not painted.

2.4. North Horr Technical and Vocational College

The Management disbursed an amount of Kshs.500,000 to North Horr Technical and Vocational College School committee for supply and delivery of twenty (20) double decker beds and forty (40) mattresses of three feet by four inches. However, physical verification in November, 2020 revealed that out of the forty (40) mattresses supplied, twelve (12) were of lower density of three feet by three inches.

Consequently, the propriety and value for money for the expenditure totalling to Kshs.4,516,978 for the year ended 30 June, 2020 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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 control, risk management and overall governance.

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

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund 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 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

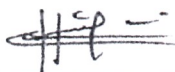
18 November, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board	1	70,116,979	161,708,380
Proceeds from Sale of Assets	2	200,150	-
Other Receipts	3	-	-
TOTAL RECEIPTS		70,317,129	161,708,380
PAYMENTS			
Compensation of employees	4	2,694,793	2,304,118
Use of goods and services	5	7,067,205	9,735,389
Transfers to Other Government Units	6	16,201,461	73,185,220
Other grants and transfers	7	69,726,403	53,377,290
Acquisition of Assets	8	-	-
Other Payments	9	990,000	-
TOTAL PAYMENTS		96,679,862	138,602,017
SURPLUS/ (DEFICIT)		(26,362,733)	23,106,363

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- North Horn Constituency financial statements were approved on 30th August 2020 and signed by:



Ag. Fund Account Manager
Name: Salim H. Hussein



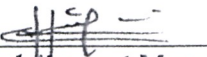
National Sub-County Accountant
Name: Simon Karanja
ICPAK M. No: 17834

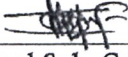
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,666,261	33,028,994
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		6,666,261	33,028,994
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,666,261	33,028,994
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		6,666,261	33,028,994
REPRESENTED BY			
Fund balance b/fwd	13	33,028,994	9,922,631
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(26,362,733)	23,106,363
NET FINANCIAL POSITION		6,666,261	33,028,994

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- North Horr Constituency financial statements were approved on **30th August 2020** and signed by:


 Ag. Fund Account Manager
 Name: Salim H. Hussein


 National Sub-County Accountant
 Name: Simon Karanja
 ICPAK M. No: 17834


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NG-CDF Board	1	70,116,979	161,708,380
Other Receipts	3		-
Total receipts		70,116,979	161,708,380
Payments for operating expenses			
Compensation of Employees	4	2,694,793	2,304,118
Use of goods and services	5	7,067,205	9,735,389
Transfers to Other Government Units	6	16,201,461	73,185,220
Other grants and transfers	7	69,726,403	53,377,290
Other Payments	9	990,000	-
Total payments		96,679,862	138,602,017
Total Receipts Less Total Payments		~	~
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		(26,562,883)	23,106,363
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	200,150	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		~	~
NET INCREASE IN CASH AND CASH EQUIVALENT		(26,362,733)	23,106,363
Cash and cash equivalent at BEGINNING of the year	13	33,028,994	9,922,631
Cash and cash equivalent at END of the year		6,666,261	33,028,994

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- North Horr Constituency financial statements were approved on 30th August 2020 and signed by:


 Ag. Fund Account Manager
 Name: Salim H. Hussein


 National Sub-County Accountant
 Name: Simon Karanja
 ICPAK Member Number: 17834

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – NORTH HERR CONSTITUENCY
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X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	35,145,973	172,513,697	103,145,973	69,367,724	59.8%
Proceeds from Sale of Assets		200,150	200,150	200,150	0	100.0%
Other Receipts					0	
TOTAL RECEIPTS	137,367,724	35,346,123	172,713,847	103,346,123	69,367,724	59.8%
PAYMENTS						
Compensation of Employees	3,212,400	741,932	3,954,332	2,694,793	1,259,539	68.1%
Use of goods and services	9,150,695	871,589	10,022,284	7,067,205	2,955,079	70.5%
Transfers to Other Government Units	41,672,975	17,201,421	58,874,397	16,201,461	42,672,936	27.5%
Other grants and transfers	76,831,654	16,331,031	93,162,685	69,726,403	23,436,282	74.8%
Acquisition of Assets	6,500,000		6,500,000	-	6,500,000	0.0%
Other Payments	-		-	990,000	-990,000	100.0%
Unallocated Fund		200,150	200,150		200,150	0.0%
TOTALS	137,367,724	35,346,123	172,713,847	96,679,862	76,033,985	56.0%

(a) The revenue items include the Appropriation in Aid (AIA) for the Year 2019/2020. The Constituency did realise Appropriation in Aid (AIA) totalling to Kshs.200, 150.00 for sale of motor vehicle disposal.

(b) The adjustments comprise of funds for the Fiscal Year 2018/2019 not received as at 30th June 2019 (Kshs 2,116,979) and the Balance of the funds received but not utilised (Kshs. 33,028,994 Cash Book Balance).

(c) The Constituency had no over utilization during the year. The total utilization of the Annual budget stood at 56% depicted by less fund disbursement by NG-CDF board as compared to previous year.

- The Compensation of Employees scored a utilization percentage of 68.1% for the year. This result from a balance brought forward from previous years.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – NORTH HERR CONSTITUENCY
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XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on	Budget
	2019/2020	Kshs	2019/2020	comparable basis	utilization
	Kshs	Kshs	Kshs	30/06/2020	difference
1.0 Administration and Recurrent					Kshs
1.1 Compensation of employees	3,480,480	741,932	4,222,412	2,694,793	1,527,619
1.2 Committee allowances	1,368,000	16,951	1,384,951	712,500	672,451
1.3 Use of goods and services	3,393,583	609,792	4,003,376	2,471,605	1,531,771
2.0 Monitoring and evaluation					
2.1 Capacity building	1,500,000	7,470	1,507,470	1,305,800	201,670
2.2 Committee allowances	1,036,000	38,659	1,074,659	893,300	181,359
2.3 Use of goods and services	1,585,032	198,718	1,783,749	1,684,000	99,749
3.0 Emergency	7,198,241	596,440	7,794,682	6,265,000	1,529,682
3.1 Primary Schools					
Ruso Primary School	500,000	-	500,000	0	500,000
Chalbi Muslim Primary School	1,000,000	-	1,000,000	0	1,000,000
Qorqa primary school	332,975	-	332,975	0	332,975
Balesa Saru Primary School	120,000	-	120,000	0	120,000
El-Isako Mala Primary school	1,300,000	-	1,300,000	0	1,300,000
Helmer Girls' Primary School	1,500,000	-	1,500,000	1,500,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – NORTH HORN CONSTITUENCY

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Maikona Primary School	120,000	-	120,000	0	120,000
Ruso Primary School	500,000	-	500,000	0	500,000
Shankera Primary School	120,000	-	120,000	0	120,000
The Tiigo School	4,000,000	-	4,000,000	0	4,000,000
Balesa Saru Primary School	1,580,000	-	1,580,000	0	1,580,000
Maikona Primary School	1,480,000	0	1,480,000	0	1,480,000
Shankera Primary School	1,480,000	-	1,480,000	0	1,480,000
Ruso Primary School	1,000,000	-	1,000,000	0	1,000,000
Forole Primary School PMC A/C	0	584,483	584,483	584,483	0
Bagaqa Primary School PMC A/C	0	1,000,000	1,000,000	1,000,000	0
GAS PRIMARY SCHOOL PMC	0	1,600,000	1,600,000	1,600,000	0
MALABOT PRIMARY SCHOOL PMC A/C	0	1,500,000	1,500,000	1,500,000	0
Bishop Cavallera Primary School PMC A/C	0	916,978	916,978	916,978	0
Ririba Girls Boarding School PMC A/C	0	1,200,000	1,200,000	1,200,000	0
El-Isako Mala Primary school	0	1,500,000	1,500,000	0	1,500,000
Qorqa primary school	0	800,000	800,000	0	800,000

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Illeret Primary School	0	1,500,000	1,500,000	0	1,500,000
Turbi Nomadic Girls Primary School	0	2,800,000	2,800,000	0	2,800,000
3.2 Secondary schools					
Kalacha Girls High School	4,800,000	-	4,800,000	-	4,800,000
Kalacha Girls High School	1,000,000	-	1,000,000	-	1,000,000
Kalacha Girls High School	240,000	-	240,000	-	240,000
Turbi High School	2,500,000	-	2,500,000	-	2,500,000
Turbi High School	2,800,000	-	2,800,000	-	2,800,000
Turbi High School	4,100,000	-	4,100,000	4,100,000	0
Kalacha Girls High School	3,160,000	-	3,160,000	-	3,160,000
North Horr Boys' Secondary School	4,840,000	-	4,840,000	-	4,840,000
Turbi High School pmc a/c	0	1,500,000	1,500,000	1,500,000	0
Turbi High School pmc a/c	0	1,400,000	1,400,000	1,400,000	0
Kalacha Girls High sch Pmc A/c	0	900,000	900,000	900,000	0
3.3 Tertiary institutions			0		0
North Horr Technical Training Institute	2,000,000	-	2,000,000	-	2,000,000
North Horr Technical Training Institute	1,200,000	-	1,200,000	0	1,200,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – NORTH HERR CONSTITUENCY

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
3.4 Security projects			0		0
Balesa Saru -Goth Biresa Security Road	3,000,000	-	3,000,000	3,000,000	0
Forole-Ulani Chabich Security Road	4,500,000	-	4,500,000	4,500,000	0
Gas-Qete Security Road	2,800,000	-	2,800,000	2,800,000	0
Illeret Police Post	1,500,000	-	1,500,000	-	1,500,000
Segel-Chira Tone Security Road	3,000,000	-	3,000,000	3,000,000	0
Shurr Administration Police Line	1,800,000	-	1,800,000	1,800,000	0
Shurr Administration Police Line	2,240,000	-	2,240,000	-	2,240,000
Shurr Administration Police Line	760,000	-	760,000	-	760,000
Shurr Administration Police Line	0	1,501,000	1,501,000	1,500,000	1,000
4.0 Bursary and Social Security					
4.2 Secondary Schools	31,138,000	5,695,544	36,833,544	33,219,003	3,614,541
4.3 Tertiary Institutions	10,000,000	5,225,337	15,225,337	11,042,400	4,182,937
4.4 Universities	0	-	0	-	0
4.5 Revision textbooks	3,500,703	11,063	3,511,766	-	3,511,766
5.0 Sports					
5.1 Sports Projects	2,747,354	2,311,606	5,058,961	2,600,000	2,458,961
6.0 Environment			0		0

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.1 Kalacha Nomadic Girls Primary School	2,647,354	-	2,647,354	-	2,647,354
11.0 Acquisition of assets			0		0
11.1 Motor Vehicles	6,500,000		6,500,000	-	6,500,000
Strategic Plan	0	990,000	990,000	990,000	0
Unallocated Fund	-	200,150	200,150	0	200,150
GRAND TOTAL	137,367,724	35,346,123	172,713,847	96,679,862	76,033,985

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

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XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

However, the variance in opening balance under compensation of employees and use of good and services was as result of reclassification of NHIF component of Kshs 68,100 reported erroneously as use of good and services in 2018/19. Adjustment was made to correct the error.

Similarly, strategic plan was reclassified to other payment from previously reported under use of goods and supplies this was brought by change in IPSAS 2020 reporting template which is updated annually. Kshs. 990,000 charged to other payment which is for strategic plan being the final balance payment 30%. North Horr Strategic plan 2018-2022 project was approved by the during the Financial Year 2017/2018 Kshs. 3,300,000.00, 70% payment of total allocation was done during the financial year 2018/2019.

During the financial year under review, North Horr NG-CDF based on updated IPSAS template 2020 reported unutilized fund, as fund not yet received from the board as at 30th June 2020 equivalent to Kshs. 69,367,724. Compared to previous year where vote book balances were reported as at 30th June 2019. This was as a result of different IPSAS template which is updated annually

2. Reporting Entity

The financial statements are for the NG-CDF- North Horr 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.

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Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or

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nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

However, the variance in opening balance under compensation of employees and use of good and services was as result of reclassification of NHIF component of Kshs 68,100 reported erroneously as use of good and services in 2018/19. Adjustment was made to correct the error.

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NG-CDF Board			
AIE NO. B 005177	1.		42,284,483
AIE NO. B 005219	2.		6,000,000
AIE NO. B 030038	3.		6,500,000
AIE NO. B 030110	4.		10,000,000
AIE NO. B 006490	5.		6,000,000
AIE NO. B 005443	6.		15,000,000
AIE NO. B 042821	7.		12,000,000
AIE NO. B 042601	8.		11,000,000
AIE NO. B 047577	9.		52,923,897
AIE NO. B 104132	10.	2,116,979	
AIE NO. B 041174	11.	4,000,000	
AIE NO. B 047636	12.	20,000,000	
AIE NO. B 049151	13.	7,000,000	
AIE NO. B 104065	14.	14,000,000	
AIE NO. B 104444	15.	23,000,000	
TOTAL		70,116,979	161,708,380

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	200,150	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	200,150	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,581,300	2,237,518
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	113,493	66,600
Total	2,694,793	2,304,118

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,317,300	2,143,000
Utilities, supplies and services	242,600	-
Communication, supplies and services		350,000
Domestic travel and subsistence	118,000	722,000
Printing, advertising and information supplies & services		-
Rentals of produced assets	-	-
Training expenses	1,305,800	2,727,300
Hospitality supplies and services	-	34,800
Insurance costs	-	68,100
Specialized materials and services	-	356,270
Office and general supplies and services	996,680	-
Other operating expenses	260,000	323,919
Routine maintenance – vehicles and other transport equipment	120,000	700,000
Routine maintenance – other assets	-	-
Strategic Plan	-	2,310,000
Office rent	860,000	
Committee allowance	594,500	
Bank service commission and charges	2,325	
Fuel , oil & lubricants	250,000	
Total	7,067,205	9,735,389

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	8,301,461	20,085,220
Transfers to secondary schools	7,900,000	42,000,000
Transfers to tertiary institutions		11,100,000
Transfers to health institutions	-	-
TOTAL	16,201,461	73,185,220

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	33,219,003	25,738,233
Bursary – tertiary institutions	11,042,400	12,477,032
Bursary – special schools	-	-
Mock & CAT	-	1,200,000
Security projects	16,600,000	4,000,000
Sports projects	2,600,000	-
Environment projects	-	3,917,025
Emergency projects	6,265,000	6,045,000
Total	69,726,403	53,377,290

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	~	~
Construction of Buildings	~	~
Refurbishment of Buildings	~	~
Purchase of Vehicles and Other Transport Equipment	~	~
Overhaul of Vehicles and Other Transport Equipment	~	~
Purchase of Household Furniture and Institutional Equipment	~	~
Purchase of Office Furniture and General Equipment	~	~
Purchase of ICT Equipment, Software and Other ICT Assets	~	~
Purchase of Specialized Plant, Equipment and Machinery	~	~
Rehabilitation and Renovation of Plant, Machinery and Equip.	~	~
Acquisition of Land	~	~
Acquisition of Intangible Assets	~	~
Total	~	~

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	990,000	~
ICT Hub	~	~
	990,000	~

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10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Kenya Commercial Bank, Marsabit Branch .North Horr NG-CDF: 1102641855</i>	6,666,261	33,028,994
	-	-
Total	6,666,261	33,028,994
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	33,028,994	9,922,631
Cash in hand	-	-
Imprest	-	-
Total	33,028,994	9,922,631

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	4,587,700	-
Imprest surrendered during the Year (C)	4,587,700	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	245,000
	-	245,000

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NG-CDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,203,400	-
Use of goods and services	2,421,032	-
Amounts due to other Government entities	37,572,975	-
Amounts due to other grants and other transfers	21,670,317	-
Acquisition of assets	6,500,000	-
Others (<i>specify</i>)		-
	69,367,724	0

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	-	-
	-	-
	-	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (specify)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

NATIONAL GOVERNMENT CONCILIENCIES DEVELOPMENT FUND (NG-CDF) – NORTH HOKR CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2019/20	2018/2019	
Compensation of employees		1,203,400	741,932	
Use of goods & services		2,421,032	871,589	
Amounts due to other Government entities			15,084,443	
Balesa Saru Primary School	Purchase of 20 Wooden Desks .	120,000		
El-Isako Mala Primary school	Construction of 1 No. staff house with two bedrooms, kitchen, sitting room and a bathroom; Foundation and Superstructure Walling	1,300,000		
Maikona Primary School	Purchase of 20 Wooden Desks	120,000		
Ruso Primary School	Construction of 1 No. double door VIP pit latrine: pit digging, foundation slabbing up to roofing.	500,000		
Shankera Primary School	Purchase of 20 Wooden Desks	120,000		
The Tiigo School	Construction of 1 No. 40 student Capacity Dormitory @ Ksh 3,520,000 to completion and Equipping with 20 No. Double Decker Beds for 300,000 and 40 Pcs 3" by 4" Mattresses for Ksh 180,000.	4,000,000		
Kalacha Girls High School	Construction of a 48 student Capacity Dormitory for Kshs 4,224,000 to completion and Equipping with 24 No. Double Decker Beds for 360,000 and 48-3" by 4" mattresses for Ksh 216,000.	4,800,000		
Kalacha Girls High School	Equipping of the Science Laboratory with Lab Apparatus and Equipment.	1,000,000		
Kalacha Girls High School	Purchase of 40 Wooden Desks	240,000		
Turbi High School	Solar Installation on 2 No. Classrooms; 2 No. staff houses, 1 No. Administration , 1 No. Dormitory Block with 18 Solar Panels for Kshs 720,000; 6 Inverters for Kshs 150,000; 6 Charge Controllers for Kshs 150,000; 14 Batteries for 448,000 and wiring works for Kshs 1,032,000.	2,500,000		
Turbi High School	Construction of 1 No. staff house with two bedrooms, kitchen, sitting room and a bathroom to completion.	2,800,000		
Balesa Saru Primary School	Construction of 1 No. Classroom for Ksh 1,580,000 to completion.	1,580,000		

NATIONAL GOVERNMENT/LOCAL GOVERNMENTS DEVELOPMENT FUND (NG-CDF) – NORTH HOKR CONSTITUENCY
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Maikona Primary School	Construction of 1 No. Classroom for Ksh 1,480,000 to completion	1,480,000		
Shankera Primary School	Construction of 1 No. Classroom for Ksh 1,480,000 to completion	1,480,000		
Kalacha Girls High School	Construction of 2 No. Classroom for Ksh 3,160,000 to completion	3,160,000		
Ruso Primary School	Partition/ Separate and repair the Primary and Secondary School Fence covering 600m with metallic posts, barbed wire and chain-link to reduce obstruction of access to adjacent water points to completion.	1,000,000		
North Horr Boys' Secondary School	construction of 4 No. Classrooms to completion	4,840,000		
Chalbi Muslim Primary School	Completion of Fencing works covering 600m with Chain Link, Barbed wires and Metallic Posts.	1,000,000		
Qorqa primary school	Repairs for 6 Classrooms and 1 No. Dormitory : Replace 6 Classroom's wooden doors with steel doors and the Dormitory door with steel door@ Kshs 45,000 inclusive of labour and transport costs and Kshs 10,495.86 per door fixing works.	332,975		
North Horr Technical Training Institute	Renovation of Old staff House: Partitioning into Three rooms, Ceiling works, wiring works with electrical fittings and fixing doors to completion.	2,000,000		
North Horr Technical Training Institute	Piping of water to the staff Houses covering 600m Distance for Kshs 800,000; Construction of Circular Slab for Ksh 100,000; Installation of 1 No. Low level 5,000 litres plastic water Tank for Ksh 100,000 and 1 No. High Level 5000 litres Plastic water Tank for Kshs 200,000 all to completion.	1,200,000		
Ruso Primary School	Construction of one double door pit latrines to completion at Ksh.500,000.00	500,000		
	Sub-Total	36,072,975	15,084,443	
Emergency Reserve	Cater for any urgent and unforeseen activity in the constituency during the financial year	1,498,241		16,331,031
Bursary Secondary Schools	Payment of bursary to needy students in Secondary Schools	8,696,663		

NATIONAL GOVERNMENT CONSULTANCIES DEVELOPMENT FUND (NG-CDF) – NOKITH HOKR CONSTITUENCY
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Purchase of NG-CDF Branded Revision Text Books	Purchase and Distribution of Branded Revision Text Books for Std 7 and 8 Pupils in 20 Primary Schools @ Kshs 152,174 per School:	3,500,703		
Sports Projects	Purchase of 12 Sport Skits for each of 20 Primary School @ Kshs 84,000 per School	2,327,354		
Kalacha Nomadic Girls Primary School	Replacement of old dilapidated wooden fences for Ksh 247,354.48; Fencing using barbed wire, chain link and metallic posts 1500 meters to completion for Ksh 2,200,000	2,647,354		
Illeret Police Post	Renovation of 1 No. 4 roomed staff house: Flooring, Walling, Roofing, windows repair, fixing of 3 steel doors & Painting Works to completion.	1,500,000		
Shurr Administration Police Line	Fencing works covering 1.5 Km with metallic posts, barbed wire and chain link for Kshs 2,000,000 to completion and Construction of Two gates for Kshs 240,000 to completion	2,240,000		
Shurr Administration Police Line	760,000- additional fund for Fencing works covering 1500 metres length with metallic posts, barbed wire and chain link to completion Kshs 760,000	760,000		
	Sub-Total	23,170,317	16,331,031	
Acquisition of assets				
NG-CDF Motor Vehicle	Purchase of a Land cruiser Pick Up 5,700,000; Fixation of Bull bars; rear seats, frame and canopy 800,000.	6,500,000		
Others (specify):				
	Sub-Total	6,500,000		
	Grand Total	69,367,724	33,028,995	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/2019	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/2020
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	8,700,000.00			8,700,000.00
ICT Equipment, Software and Other ICT Assets	185,096.00			185,096.00
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	8,885,096			8,885,096

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2019/2020	2018/2019
BUBISA PRIMARY SCHOOL	KCB Bank Marsabit	1227068204	170	170
BALESA SARU PRIMARY SCHOOL PMC A/C	KCB Bank Marsabit	1232733571	4,785	50
NORTH HERR PRIMARY SCHOOL	KCB Bank Marsabit	1182458343	1,740	2,740
BARAMBETA PRIMARY SCHOOL	KCB Bank Marsabit	1172123780	6,806	6,806
CHALBI MUSLIM PRIMARY SCHOOL	KCB Bank Marsabit	1246357534	640	640
SEGEL PRIMARY SCH PMC A/C	KCB Bank Marsabit	1178209210	12,148	12,148
BALESA PRIMARY SCHOOL	KCB Bank Marsabit	1199368466	1,005	1,005
DUKANA PRIMARY SCHOOL PMC A/C	KCB Bank Marsabit	1182623255	1,215	2,501,215
NORTH HERR GIRLS SEC SCH	KCB Bank Marsabit	1246378418	760	760
MAIKONA GIRLS SEC SCHOOL	KCB Bank Marsabit	1171781423	855	855
RUSSO MIXED SEC SCH PMC A/C	KCB Bank Marsabit	1155397215	1,112	1,112
ILLERET D.O'S OFFICE	KCB Bank Marsabit	1233255614	1,019	-
QORQA PRIMARY SCHOOL PMC A/C	KCB Bank Marsabit	1237952123	37,270	-
GAS PRIMARY SCHOOL	KCB Bank Marsabit	1179750020	794	-
HELMER GIRLS PRIMARY SCHOOL	KCB Bank Marsabit	1225535107	1,500,440	-
FOROLE PRIMARY SCHOOL	KCB Bank Marsabit	1178350630	5,399	-
BALESA SARU GOTH BIRESA SECURITY PM	KCB Bank Marsabit	1273915569	5,399	-
MALABOT PRIMARY SCHOOL	KCB Bank Marsabit	1272494306	760	-
BAQAQA PRIMARY SCHOOL	KCB Bank Marsabit	1265563640	260	-
NORTH HERR SPORTS COMMITTEE	KCB Bank Marsabit	1268678929	560	-
FOROLE ULANI CHABICH ROAD	KCB Bank Marsabit	1273915119	950	-

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GAS QETE SECURITY ROAD	KCB Bank Marsabit	1273914694	950	-
BISHOP CAVALLERA PRIMARY SCH	KCB Bank Marsabit	1237794226	917,538	-
RIRIBA GIRLS BOARDING SCH PMC/AC	KCB Bank Marsabit	1114357790	3,672	-
KALACHA GIRLS HIGH SCHOOL	KCB Bank Marsabit	1183204167	4,799	5,148
TURBI HIGH SCHOOL PMC A/C	KCB Bank Marsabit	1259387046	3,343	645
NORTH HORR TECHNICAL TRAINING INSTITUTE	KCB Bank Marsabit	1237654378	-2,185	1,325
SHURR ADMINISTRATION POLICE LINE	KCB Bank Marsabit	1257078208	934	280
RIRIBA GIRLS BOARDING SCH PMC/AC	KCB Bank Marsabit	1114357790	3,798	2,918
TOTAL			2,516,935	10,316

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KENAO IS YET TO PRESENT FINAL CERTIFICATE REPORT FOR FY: 2018/2019 FOR NORTH HOKR NG-CDF					

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