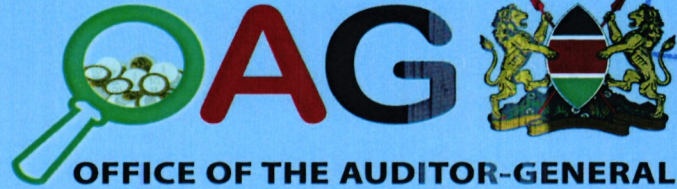


REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
<b>REPORT DATE:</b> 03 MAR 2022	<b>DAY:</b> THUR
<b>TABLED BY:</b> LDIM	
<b>OFFERED AT THE TABLE:</b> C-ndintu	

**THE AUDITOR-GENERAL**

**ON**

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

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



*Revised Template 30<sup>th</sup> June 2020*



---

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -LAISAMIS 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)

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	2
II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE .....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES .....	8
VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	14
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES .....	22
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NG-CDF- LAISAMIS CONSTITUENCY</i> .....	23
VII. STATEMENT OF RECEIPTS AND PAYMENTS .....	24
VIII. STATEMENT OF ASSETS AND LIABILITIES.....	25
IX. STATEMENT OF CASHFLOW .....	26
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	27
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES .....	29
XII. SIGNIFICANT ACCOUNTING POLICIES.....	34
XIII. NOTES TO THE FINANCIAL STATEMENTS .....	38
XIV. ANNEXURE.....	48
XV. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS .....	54

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

**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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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 Laisamis 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	<b>SALIM HASSAN HUSSEIN</b>
2.	Sub-County Accountant	<b>PAUL ABADE</b>
3.	Chairperson NG-CDFC	<b>ALICE HAWO LESEPEN</b>
4.	Secretary NG-CDFC	<b>EDWARD LESUKAT</b>

**(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 - Laisamis 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 Laisamis Constituency Headquarters**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

**(f) NG-CDF Laisamis Constituency Contacts**

Telephone: (254) 720 108 050  
E-mail: [cdflaisamis@ngcdf.go.ke](mailto:cdflaisamis@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NG-CDF Laisamis Constituency Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

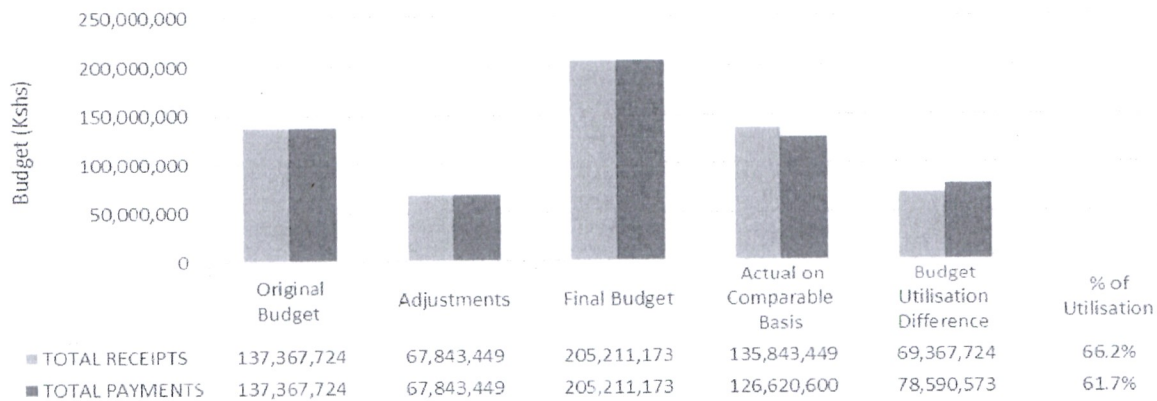
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE**

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

**LAISAMIS NG-CDF FY: 2019/2020 EXPENDITURE**



*Figure 1: Laisamis NG-CDF FY: 2019/2020 Allocation and Expenditure*

During the financial year, the Laisamis NG-CDF had been allocated Ksh. 137,367,724 out of which, Ksh.68, 000,000.00 had been received by 30<sup>th</sup> June 2020. This resulted to low uptake of the funds as they were received in portion toward the end of the financial year. The reports also indicate the funds have not been utilised 100% as 50% that is equivalent to Ksh.69, 367,724 of total allocation for financial year 2019/2020 is yet to be received as at 30<sup>th</sup> June 2020.

Laisamis constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary that was allocated a budget of Ksh. 34,368,616.38 translating to 25% of the total annual budget.

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

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



*Figure 2: Kulal Girls Secondary School-Construction of Three unit staff quarters to completion*

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) LAISAMIS CONSTITUENCY

### Reports and Financial Statements

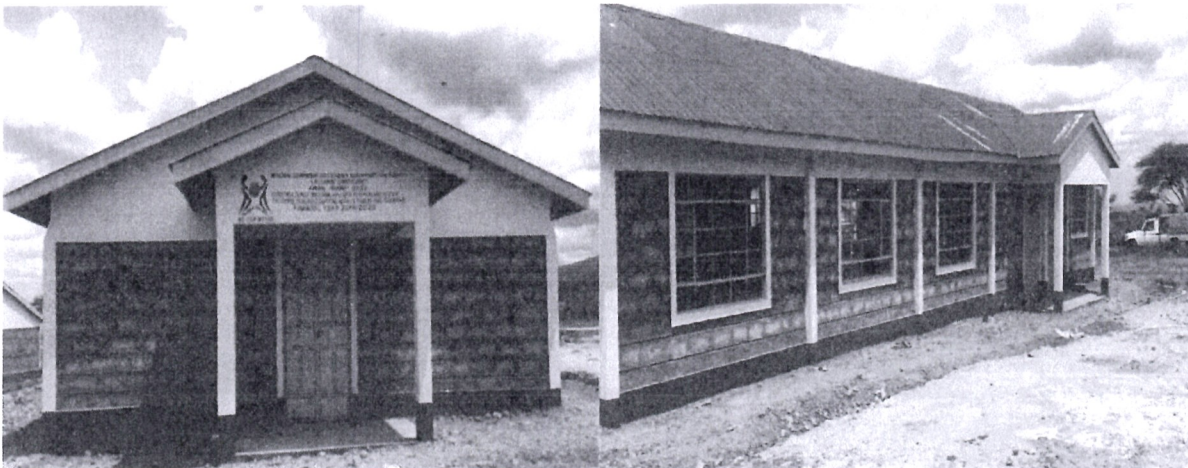
For the year ended June 30, 2020

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

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

NG-CDF is making critical investments in public projects and the demands for NG-CDF projects is rising day by day. Laisamis NG-CDFC has paid over Khs 20 Million in Bursary during the Financial year as school closed down due to Covid-19. Most student who are still doing their class online benefited adequately.

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



*Figure 3: Arapal Primary School-Construction of one dining hall (20m x 8m), kitchen and store to completion*

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

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


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

- That at least the NG-CDF funding be raised from the current 2.5% of the revenue to a higher percentage to ensure increased funding to support development projects at the grassroot. NG-CDF has since inception done wonderful grassroot 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

- 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.

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

**NG-CDF LAISAMIS  
CHAIRPERSON  
P. O. Box 71 - 60500,  
MARSABIT**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES**

**Introduction**

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

Laisamis 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-Laisamis Constituency’s 2018-2022 plan are to:**

In underscoring the above, the key development objectives of Laisamis Constituency’s 2018-2022 plan included but not limited to;

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

	<b>Strategic Objectives/goals</b>	<b>Outcomes</b>
1	Build a stronger education sector in Laisamis to support children and youth	<ul style="list-style-type: none"> <li>• Improved school infrastructure in the constituency</li> <li>• Sustained provision of bursary for needy students</li> <li>• Improved support services in schools</li> <li>• Improve performance at primary and secondary levels</li> </ul>
2	Support security agencies in the Constituency for enhanced security	<ul style="list-style-type: none"> <li>• Improved housing conditions for security agencies</li> <li>• Improved security monitoring</li> <li>• Improved response time to security agencies</li> </ul>
3	Strengthen social protection measures in the Constituency through increased registration into existing social protection programs	<ul style="list-style-type: none"> <li>• Increased enrollment and benefits from NHIF registration</li> <li>• Increased awareness of available social protection programs</li> </ul>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

4	Key stakeholders are working in harmony for a coordinated development interventions in the Constituency	<ul style="list-style-type: none"> <li>Stakeholder-owned, evidence based good practice is developed and disseminated</li> <li>• All actors adopt and implement evidence based good practice in policies and programs</li> <li>• Consultation and monitoring by communities for all initiatives</li> <li>• Stakeholders are working in synergy towards a coherent community owned vision of development in the drylands</li> </ul>
---	---	---

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

LAISAMIS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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:

Education

Strategy	Outcome	Output	Performance indicators
Build a stronger education infrastructure in Laisamis to support children and youth	Improved learning environment with a modern, secure and safe educational infrastructure	At least 2 new fully equipped classrooms in all primary and secondary schools in the constituency	Number of classrooms built and equipped per school
		Renovate existing infrastructure to current standard	Number of buildings renovated
		Equip and modernize all classrooms furniture	Number of classrooms equipped with modern furniture
Connect students to resources they need inside and outside schools	Pupils and students have all the classroom resources required for their development	An equipped library for every school	Number of libraries
		An equipped computer lab for every school	Number of computer labs
		A standardized games facilities and equipment for every school	Number of standardized sports facilities
		A county-wide sports day for all the schools in the constituency for both primary and secondary schools	Number of sports day organized
		Exchange visits for all schools at least once a year	Number of exchange visits
Support families to improve academic achievement	A stronger family-school-community relationships and a stronger culture of educational importance	Consistent and sustained CDF bursaries for all in Laisamis Constituency	Percentage allocation of CDF funds to bursaries

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

LAISAMIS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Strategy	Outcome	Output	Performance indicators
		Laisamis CDF is linked to allocation to village Harambees	Number of linkages established
		Established Scholarships for orphans, extremely needy and top performers	Number of orphans, extremely needy and top performance awarded scholarships
		Laisamis CDF is linked to other bursary and scholarship opportunities in Marsabit County	Linkages and working relations with other bursary schemes and County scholarships
Engage students in innovation and life-long learning while at school	Improved learning environment with engagement in extra-curricular activities	At least one ward science fair and one constituency-wide science fair in a year	Number of ward and constituency science fairs
		At least one ward sports tournament and one constituency-wide sports tournament	Number of ward and constituency sports fairs
		At least one school visit to historic and important events in a year	Number of visits to historic sites and important events
Monitoring progress and productivity assessment of teachers	Teachers have the required motivation and incentives for teaching and child development	Provision of at least one mock exams per term per school	Number of mock exams
		Bench-marking visits to schools within and outside the constituency	Number of bench-marking visits
		Teacher price giving days	Number of Prizes and prize events

**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**Security**

Strategy	Outcome	Output	Performance indicators
Improve security communication in remote areas of the constituency	Security incidences are reported and mitigated on time	Communication equipment	To be determined
Improve the working environment of chiefs in the Constituency	Chiefs have better working environments to support provision of timely services	Office infrastructure	To be determined
Support security agencies in security monitoring in the Constituency	Security agencies are working with local elders and KPRs	Ways of Working	To be determined
Improve the Nyumba Kumi monitoring initiative for enhanced security	Enhanced security within locations and access to NK resources	Community policing initiatives and organizations	To be determined
Increase NHIF registration by 750 households per year	Households in Laisamis Constituency have access to NHIF coverage	750 new NHIF registrations per year	

**Social Protection**

Strategy	Outcome	Output	Performance indicators
Facilitate County Government of Marsabit NHIF registration	Marsabit County Government meets its pledge of 500 households sponsorship of NHIF contributions	2500 new NHIF registrations per year	
Laisamis Constituency have increased access to other social protection programs (HSNP, OVC	Increased registration of beneficiaries for national government social protection programs	Increased registration in other national govt social protection schemes	

**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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
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 benefiting 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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

**VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – Laisamis 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 Laisamis 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 is 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 Laisamis NG-CDF Committee endeavoured 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.

**Vision**

Communities in Laisamis are empowered and are at the center of all development interventions

**Mission**

To ensure all stakeholders are working in synergy to support development interventions in Laisamis and practice that is community-centered and prioritizes the root causes of vulnerability.

**Values**

Individual Responsibility; Collective Accountability; Collaboration; Innovation

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

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

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

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

**Our Environmental Policy**

In this policy statement, Laisamis 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**

Laisamis 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:

Impact Area	Approach
<b>Capacity Building</b>	<ul style="list-style-type: none"> <li>• Promote environmental awareness by sensitizing the Laisamis NG-CDFC, NG-</li> <li>• NG-CDFC staff and PMCs on good conservation practices</li> <li>• To encourage, through regular communication to Laisamis NG-CDFC, staff , and other stakeholders changes in individual behavior to reduce usage</li> </ul>
<b>Conservation of Energy and Resources</b>	<ul style="list-style-type: none"> <li>• To maximize use of available technologies to remove the need to use paper</li> <li>• To encourage our clients to engage with us using electronic means where possible</li> <li>• To maximize on rain water harvesting</li> </ul>
	<ul style="list-style-type: none"> <li>• To make energy efficiency a key factor in the selection of any new energy devise</li> </ul>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**

**LAISAMIS CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

	<ul style="list-style-type: none"><li>• being purchased</li><li>• To invest in available energy saving technologies and devices within our existing premises</li></ul>
<b>Environmental Protection and Conservation</b>	<ul style="list-style-type: none"><li>• To promote use of volt guards to control power surges</li><li>• We have constructed culverts and gabions to prevent soil erosion</li><li>• To encourage tree planting in the constituency to improve the forest cover.</li><li>• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires</li></ul>
<b>Pollution Control and Waste Management</b>	<ul style="list-style-type: none"><li>• To ensure that all paper waste is recycled</li><li>• To ensure segregation of waste</li><li>• To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks</li></ul>

**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**

Laisamis 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.

**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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

**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.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

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 fund. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Fund 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 Fund 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.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

---

then present the registration certificate from the National Council for Persons with Disabilities to the Fund 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 fund 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

**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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

---

*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 Laisamis 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.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

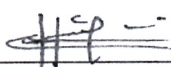
The Accounting Officer in charge of the NG-CDF- Laisamis Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

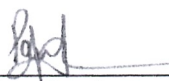
The Accounting Officer in charge of the NG-CDF- Laisamis Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *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- Laisamis Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

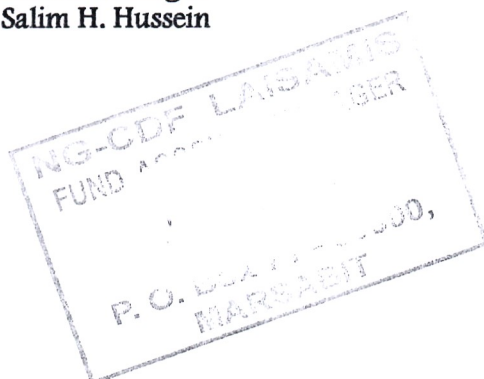
The Accounting Officer in charge of the NG-CDF- Laisamis Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the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

**Approval of the financial statements**

The NG-CDF- Laisamis Constituency financial statements were approved and signed by the Accounting Officer on **07<sup>th</sup> December 2020.**

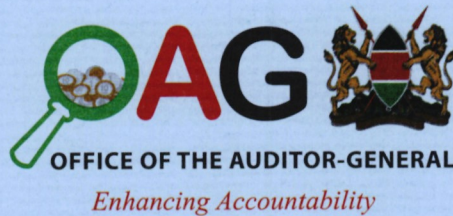
  
Fund Account Manager  
Name: Salim H. Hussein

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



# REPUBLIC OF KENYA

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



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

---

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laisamis Constituency set out on pages 24 to 54, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Laisamis Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

#### **Basis for Qualified Opinion**

##### **1. Accuracy of the Financial Statements - Unutilized Balance**

The summary statement of appropriation - recurrent and development combined reflects an amount of Kshs.67,843,449 in respect of adjustments which relates to unutilized funds for the year 2018/2019. However, a similar statement for the year 2018/2019 reflects an amount of Kshs.68,043,449 in respect of budget utilization difference which relates to unutilized funds for the same year resulting to unexplained variance amounting to Kshs.200,000.

In addition, Note 17.3 to the financial statements reflects a balance of Kshs.69,367,724 in respect of unutilized funds. However, a review of documents provided for audit reflects an amount of Kshs.78,590,572 in respect of the same item resulting to unexplained variance amounting to Kshs.9,222,848.

In the circumstances, the accuracy of the balance of Kshs.67,843,449 and Kshs.69,367,724 in respect of adjustments and unutilized funds respectively could not be confirmed.

## **2. Transfer to Other Government Entities**

### **2.1 Unimplemented but Paid for Works**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.66,228,386 in respect of transfer to other government entities which includes a balance of Kshs.39,978,386 in respect of transfers to primary schools. Included in the expenditure is a balance Kshs.6,528,386 transferred to Arapal Primary School for construction of a dining hall and a kitchen. However, physical verification carried out in December, 2020 reflects works worth Kshs.751,400 was paid for but not implemented.

In the circumstances, the validity and value for money for the expenditure totalling to Kshs.751,400 expenditures could not be confirmed.

### **2.2 Unsupported Payments on Construction of Concrete Tank and Gutters**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.66,228,386 in respect of Transfer to Other Government Entities which includes a balance of Kshs.39,978,386 in respect of Transfer to Primary Schools. Included in the expenditure is an amount of Kshs.1,000,000 spent on construction of a concrete tank at Gatab Primary School. However, the Bank Statements and Inspection and Acceptance Committee minutes were not provided for audit. Further, review of documents including payment vouchers reflects that a total of Kshs.49,988 was paid to a contractor as management fee. However, no supporting documents including invoices or fee notes were provided for audit.

In addition, review of the records provided for audit and physical verification carried out in December, 2020 revealed that the contractor was paid an amount of Kshs.175,000 as a provisional sum for gutters but the same remained unimplemented as at the end of the financial year.

In the circumstances, value for money for the expenditure amounting to Kshs.1,000,000 could not be confirmed.

## **3. Other Grants and Other Payments**

### **3.1 Unconfirmed Bursaries to Secondary Schools and Tertiary Institutions**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.40,847,984 in respect of Other Grants and Other Payments

which include a balance of Kshs.12,525,000 and Kshs.10,295,000 all totalling to Kshs.22,820,000 in respect of bursary transfer to secondary schools and tertiary institutions respectively. However, no acknowledgments from the beneficiary institutions were provided for verification. It was therefore not possible to ascertain whether the Kshs.22,820,000 bursaries were utilized for the intended purpose.

### **3.2 Payment for Works not Done - Construction of a Perimeter Fence**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.40,847,984 in respect of Other Grants and Other Payments which includes a balance of Kshs.8,500,000 in respect of security projects which further includes a balance of Kshs.1,700,000 transferred to Arapal AP post for construction of a perimeter fence. However, included in the amount of Kshs.8,500,000 is an expenditure of Kshs.1,596,000 paid to a contractor for various works including installation of 6 strands galvanized barbed wire, mortised mass concrete between the posts and one coat red-oxide primer and two finishing coats of approved high gross quality paint. However, only 4 strands of galvanized barbed wire were installed while mortised mass concrete between the posts, coat of red-oxide primer and two finishing coats of approved high gloss quality paint was paid for but not done.

### **3.3 Payment for Works not Done - Construction of a Perimeter Fence**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.40,847,984 in respect of Other Grants and Other Payments which includes a balance of Kshs.8,500,000 in respect of security projects. Included in the expenditure is an amount of Kshs.1,500,000 transferred to Korr AP post for construction of a perimeter fence. However, comparison of the Bill of Quantities to the Actual Work done revealed that only 400 meters out of 1,000 meters as specified in the Bills of Quantity was constructed resulting to 600 meters worth Kshs.840,000 (at Kshs.1,400 per meter) paid for but not constructed.

### **3.4 Payment for Works not Done - Construction of Perimeter Fence**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects expenditure of Kshs.40,847,984 in respect of Other Grants and Other Payments which includes a balance of Kshs.8,500,000 in respect of security projects. Included is an amount of Kshs.1,500,000 transfer to Kargi AP post for construction of a perimeter fence. However, comparison of the Bill of Quantities with the actual work done reflects that only 800 meters out of 1,000 meters as specified in the Bills of Quantity was done resulting to 200 meters worth Kshs.249,600 (at Kshs.1,248 per meter) paid but not done.

Further, the contractor was paid for works including mortised mass concrete between the posts, one coat of red-oxide primer and two finishing coats of approved high gross quality paint all totalling to Kshs.1,248,000. However, physical verification carried out in December reflects that the same had not been done.

### **3.5 Emergency Projects**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.40,847,984 in respect of Other Grants and Other Payments which includes expenditure amounting to Kshs.6,500,000 in respect of emergency projects. Included is an amount of Kshs.380,000 transferred to Deputy County Commissioner (DCC) Loiyangalani for purchase of seven (7) tyres for a water boozier. However, no evidence was provided for audit to confirm whether the project was an emergency in accordance with Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, value for money for Other Grants and Other Payments amounting to Kshs.40,847,984 could not be confirmed.

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

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

#### **Other Matter**

##### **Budgetary Control and Performance**

The Fund's summary statement of appropriation - recurrent and development combined reflects an approved receipt budget and actual comparable basis of Kshs.205,211,173 and Kshs.135,843,449, respectively resulting to an underfunding of Kshs.69,367,724 or 34% of the budget. Similarly, the Fund expended Kshs.126,620,600 against an approved budget of Kshs.205,211,173 resulting to an under expenditure of Kshs.78,590,573 or 38% of the budget.

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

#### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

##### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Non-Adherence to the Prescribed Format**

The Fund's financial statements for the year under review were not prepared in accordance with the Public Sector Accounting Standard Board (PSASB) issued in June, 2020 or International Public Sector Accounting Standards (IPSAS) 1 as follows:-

- i. The statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined does not indicate that they are "for the year ended 30 June, 2020" while the statement of assets and liabilities does not indicate the financial year is "as at 30 June, 2020,"
- ii. The Fund's financial statements contain balances that are in decimals contrary to the best accounting practice which requires balances in the financial statements to be round off to the nearest shilling,
- iii. The Fund's financial statements for the year under review does not contain separate summary statements of appropriation for recurrent and development contrary to the requirement of the Public Sector Accounting Standards reporting template issued by the Board in June, 2020.

Consequently, the financial statements for the year under review are not prepared in accordance with the PSASB and IPSAS prescribed formats.

### **2. Over Expenditure**

The Fund's summary statement of appropriation - recurrent and development combined reflects an approved receipt budget and actual comparable basis of Kshs.205,211,173 and Kshs.126,620,60, respectively. Included is an over expenditure amounting to Kshs.2,325,000. There was no evidence that the Kshs.2,325,000 over expenditure was approved by the board.

Consequently, the Fund contradicted Section 6(2) of the National Government Constituencies Development Fund Act, 2015.

### **3. Unimplemented Projects**

As disclosed in Note 6 and 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.66,228,386 and Kshs.40,847,984 in respect of Transfers to Other Government Units and Other Grants and Other Payments respectively both totalling Kshs.107,076,370 which was transferred to various institutions to implement projects during the year ended 30 June, 2020. However, review of the project implementation status report as at 30 June, 2020 reflects that out of the ninety-one (91) projects worth Kshs.187,096,959 sixty-five (65) projects worth Kshs.108,398,386 were

completed, four (4) projects worth Kshs.11,955,011 were ongoing while twenty-two (22) projects worth Kshs.66,743,562 were not implemented.

In the circumstances, the residents of Laisamis Constituency did not get the planned services equivalent to Kshs.11,955,011 in respect of ongoing projects and Kshs.66,743,562 being the budgeted projects that were not implemented during the year under review all totalling to Kshs.78,698,573.

#### **4. Non-Provision of Procurement Documents**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.66,228,386 in respect of Transfer to Other Government Entities which includes a balance of Kshs.39,978,386 in respect of Transfer to Primary Schools. Included in the balance is Kshs.7,200,000 transferred to six primary schools (Urweino, Larachi, Dhakane, Losikiriach, Jija and Dadaab Ti Malab) at Kshs.1,200,000 each for construction of a classroom in each school. However, Inspection and Acceptance Committee minutes were not provided for audit contrary to Section 17(3)(b) of the Public Procurement and Asset Disposal (Amendments) Regulations, 2013.

In the circumstances, value for money for the expenditure amounting to Kshs.7,200,000 could not be confirmed. In addition, the Fund is in breach of the Law.

#### **5. Unconfirmed Compensation of Employees**

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.2,607,428 in respect of compensation of employees. However, review of the records including payrolls and personal files reflects that the Fund had a total of ten (10) employees contrary to National Government Constituencies Development Fund Board circular reference number CDF BOARD/CIRCULARS/VOL1.1/166 dated 24 June, 2013 which states that the committee may employ staff, not exceeding five (5) in number and such staff shall have knowledge in Construction, Basic Accounting, Information and Communication Technology. Further review of the personal files reflects that the engagement contracts, interview minutes, certified copies of educational certificates and copy of identification cards of the said employees were not included in the personal files.

Further, records provided for audit reflects that the Fund paid an amount of Kshs.240,000 and Kshs.616,608 both totaling to Kshs.856,608 in respect of salaries for two security officers and two drivers. However, the Fund's office is located at deputy commissioner's premises which is guarded by administration police. Further, the Fund has only one motor vehicle and therefore not clear why three (3) drivers are employed. Therefore, the expenditure incurred on the security officers and two extra drivers was unnecessary.

In the circumstances, the validity and value for money for the expenditure amounting to Kshs.856,608 could not be confirmed. In addition, the Fund is in breach of the Law.

#### **6. Transfer to Primary Schools**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.66,228,386 in respect of transfer to other government entities

which includes a balance of Kshs.39,978,386 in respect of transfer to various primary schools meant for implementing various projects. Review of the procurement documents for the said projects reflects that the works carried out by the PMCs were above Kshs.500,000. However, the Fund used request for quotation procurement method to procure works contrary to the first schedule – Threshold Matrix for class C procuring entities of the Public Procurement and Asset Disposal (Amendment) Regulations, 2013.

In the circumstance, the Fund contravened Threshold Matrix for class C procuring entities of the Public Procurement and Asset Disposal (Amendment) Regulations, 2013.

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


08 February, 2022

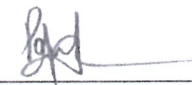
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NG-CDF board	1	122,840,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>122,840,876</b>	<b>108,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,607,428	2,421,256
Use of goods and services	5	7,011,802	8,430,972
Transfers to Other Government Units	6	66,228,386	71,959,416
Other grants and transfers	7	40,847,984	46,628,321
Acquisition of Assets	8	9,925,000	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>126,620,600</b>	<b>129,439,965</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(3,779,725)</b>	<b>(20,655,482)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- Laisamis Constituency financial statements were approved on 07<sup>th</sup> December 2020 and signed by:

  
Fund Account Manager  
Name: Salim H. Hussein

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

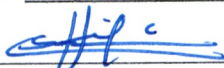



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	9,222,849	13,002,573
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>9,222,849</b>	<b>13,002,573</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,222,849</b>	<b>13,002,573</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>9,222,849</b>	<b>13,002,573</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	13	13,002,573	33,658,055
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(3,779,725)	(20,655,482)
<b>NET FINANCIAL POSITION</b>		<b>9,222,848</b>	<b>13,002,573</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- Laisamis Constituency financial statements were approved on 07<sup>th</sup> December 2020 and signed by:

  
Fund/Account Manager  
Name: Salim H. Hussein

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



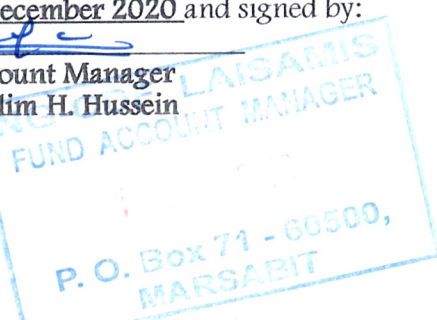
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)**  
**LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**


**IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NG-CDF Board	1	122,840,876	108,784,483
Other Receipts	3		-
<b>Total receipts</b>		<b>122,840,876</b>	<b>108,784,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,607,428	2,421,256
Use of goods and services	5	7,011,802	8,430,972
Transfers to Other Government Units	6	66,228,386	71,959,416
Other grants and transfers	7	40,847,984	46,628,321
Other Payments	9	-	-
<b>Total payments</b>		<b>116,695,600</b>	<b>129,439,965</b>
<b>Total Receipts Less Total Payments</b>		<b>-</b>	<b>-</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>6,145,275</b>	<b>(20,655,482)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	9,925,000	-
<b>Net cash flows from Investing Activities</b>		<b>9,925,000</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(3,779,725)</b>	<b>(20,655,482)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>13,002,573</b>	<b>33,658,055</b>
<b>Cash and cash equivalent at END of the year</b>		<b>9,222,848</b>	<b>13,002,573</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- Laisamis Constituency financial statements were approved on 07<sup>th</sup> December 2020 and signed by:

Fund Account Manager  
Name: Salim H. Hussein



  
National Sub-County Accountant  
Name: Paul Abade  
ICPAK Member Number: 19621

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**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 %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	67,843,449	205,211,173	135,843,449	69,367,724	66.2%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts						
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>67,843,449</b>	<b>205,211,173</b>	<b>135,843,449</b>	<b>69,367,724</b>	<b>66.2%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,040,000.00	3,090,801.55	6,130,802	2,607,428	3,523,374	42.5%
Use of goods and services	9,323,095.17	2,660,316.59	11,983,412	7,011,802	4,971,609	58.5%
Transfers to Other Government Units	49,928,386.21	27,450,062.00	77,378,448	66,228,386	11,150,062	85.6%
Other grants and transfers	52,626,242.76	18,540,568.84	71,166,812	40,847,984	30,318,828	57.4%
Acquisition of Assets	0	7,600,000.00	7,600,000	9,925,000	(2,325,000)	130.6%
Other Payments	22,450,000.00	8,501,700.00	30,951,700	-	30,951,700	0.0%
<b>TOTALS</b>	<b>137,367,724</b>	<b>67,843,449</b>	<b>205,211,173</b>	<b>126,620,600</b>	<b>78,590,573</b>	<b>61.7%</b>

(a) The revenue items exclude the AIA for the Year 2019/2020. The Constituency did not realise any AIA. The adjustments comprise of funds for the Fiscal Year 2018/2019 not received as at 30th June 2019 and the Balance of the funds received but not utilised (Opening Cash Book Balance as 1<sup>st</sup> July 2019) Total: 67,843,449.

(b) The adjustments comprise of funds for the Fiscal Year 2018/2019 not received as at 30<sup>th</sup> June 2019 (Kshs 54,840,876) and the Balance of the funds received but not utilised (Kshs. 13,002,573 Cash Book Balance).


(c) The Constituency had one over utilization during the year, 131% purchase of motor vehicle. The cost of Kshs.9, 925,000 include 7,600,000 allocation from 2018/2019 and Kshs. 2,338,513.60 reallocated from Constituency Innovation Hubs 2017/2018.


(d) The total utilization of the Annual budget stood at 62% depicted by less fund disbursement by NG-CDF board as compared to previous year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

- The Compensation of Employees scored a utilization percentage of 44% for the year. This result from a balance brought forward from previous years.
- Use of goods and services had a utilization of 58% for the year. This is also as a result of balance brought forward and late receipt of funds that did not allow the Committee to disburse all the received funds.
- Transfer to other Government Entities had a utilization of 131% and this originated from fund yet to be received as at 30<sup>th</sup> June 2019.
- Other Grants and Transfers stood at 41% and this resulted from the delay in receipt of funds from the Board and closure of school due to Covid-19 affected bursary disbursement for secondary schools.

The NG-CDF- Laisamis Constituency financial statements were approved on 07<sup>th</sup> December 2020 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Salim H. Hussein

  
\_\_\_\_\_  
National Sub-County Accountant  
Name: Paul Abade  
ICPAK M. No: 19621



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on		Budget	
	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	30/06/2020	Kshs	30/06/2020	Kshs
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	3,040,000.00		3,090,801.55		6,130,801.55		2,607,428.00		3,523,373.55	
1.2 Committee allowances	2,800,000.00		11,372.40		2,811,372.40		904,270.00		1,907,102.40	
1.3 Use of goods and services	2,402,063.45		165,724.53		2,567,787.98		2,400,562.46		167,225.52	
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	1,500,000.00		1,334,896.50		2,834,896.50		725,000.00		2,109,896.50	
2.2 Committee allowances	1,321,031.72		900,024.56		2,221,056.28		1,791,400.00		429,656.28	
2.3 Use of goods and services	1,300,000.00		248,298.60		1,548,298.60		1,190,570.00		357,728.60	
<b>3.0 Emergency</b>	7,198,241.38		1,768,922.93		8,967,164.31		6,500,000.00		2,467,164.31	
<b>3.1 Primary Schools</b>										
Ndikir Primary School	3,000,000.00		0.00		3,000,000.00		3,000,000.00		0.00	
Lbaarok Primary School	150,000.00		0.00		150,000.00		0.00		150,000.00	
Logologo Muslim Primary School	2,150,000.00		0.00		2,150,000.00		2,150,000.00		0.00	
Burri Aramia Primary School	150,000.00		0.00		150,000.00		0.00		150,000.00	
Arnalio Primary school	150,000.00		0.00		150,000.00		150,000.00		0.00	
Ngurunit Primary school	400,000.00		0.00		400,000.00		0.00		400,000.00	
Guaram Primary School	1,550,000.00		0.00		1,550,000.00		0.00		1,550,000.00	
Farakoren Primary School	5,500,000.00		0.00		5,500,000.00		500,000.00		5,000,000.00	
Lmoti Primary School	150,000.00		0.00		150,000.00		150,000.00		0.00	
Lekuchula Primary school	150,000.00		0.00		150,000.00		0.00		150,000.00	
Titus Ngyoni Primary school	500,000.00		0.00		500,000.00		500,000.00		0.00	
Ngororoi Primary School	150,000.00		0.00		150,000.00		150,000.00		0.00	
Arapal Primary School	6,528,386.21		0.00		6,528,386.21		6,528,386.00		0.21	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget		Adjustments	Final Budget		Actual on comparable basis 30/06/2020	Budget utilization difference
	2019/2020			2019/2020			
Gatab Primary School	300,000.00	0.00	0.00	300,000.00	300,000.00	0.00	0.00
Urweino Primary School	150,000.00	0.00	0.00	150,000.00	-	150,000.00	150,000.00
Dakhane Primary school	150,000.00	0.00	0.00	150,000.00	-	150,000.00	150,000.00
Dadab Timalab Primary school	150,000.00	0.00	0.00	150,000.00	-	150,000.00	150,000.00
Civicon Primary School	500,000.00	0.00	0.00	500,000.00	500,000.00	0.00	0.00
Jijja Primary school	300,000.00	0.00	0.00	300,000.00	-	300,000.00	300,000.00
Legologo Muslim Primary School	1,200,000.00	0.00	0.00	1,200,000.00	-	1,200,000.00	1,200,000.00
Burri Aramia Primary School	1,200,000.00	0.00	0.00	1,200,000.00	0.00	1,200,000.00	1,200,000.00
Amalio Primary school	1,200,000.00	0.00	0.00	1,200,000.00	1,200,000.00	0.00	0.00
Lmoti Primary School	1,200,000.00	0.00	0.00	1,200,000.00	1,200,000.00	0.00	0.00
Urweino Primary School	1,200,000.00	0.00	0.00	1,200,000.00	1,200,000.00	0.00	0.00
Tirgamo Primary School	0.00	300,000.00	300,000.00	300,000.00	300,000.00	0.00	0.00
Laisamis Primary School	0.00	300,000.00	300,000.00	300,000.00	300,000.00	0.00	0.00
Kamatonyi Primary School	0.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	0.00	0.00
Lontolio Primary School	0.00	600,000.00	600,000.00	600,000.00	600,000.00	0.00	0.00
Sakardala Primary School	0.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00	0.00
Mercy Primary School	0.00	300,000.00	300,000.00	300,000.00	300,000.00	0.00	0.00
Ulauli Primary School	0.00	500,000.00	500,000.00	500,000.00	500,000.00	0.00	0.00
Lbaarok Primary School	0.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00	0.00
Legologo Muslim Primary School	0.00	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	0.00	0.00
kamboye Primary School	0.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00
Legologo Primary School	0.00	300,000.00	300,000.00	300,000.00	300,000.00	0.00	0.00
Korr Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00	0.00
Amalio Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00	0.00
Ngurunit Primary school	0.00	300,000.00	300,000.00	300,000.00	300,000.00	0.00	0.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Namarei Primary school	0.00	300,000.00	300,000.00	300,000.00	0.00
Faith Primary school	0.00	300,000.00	300,000.00	300,000.00	0.00
Lekuchula Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Titus Ngoyoni Primary school	0.00	500,000.00	500,000.00	500,000.00	0.00
Loiyangalani Primary School	0.00	300,000.00	300,000.00	300,000.00	0.00
Arapal Primary School	0.00	200,000.00	200,000.00	200,000.00	0.00
Gatab Primary School	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Olorot Primary school	0.00	150,000.00	150,000.00	150,000.00	0.00
Losikiriachi Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Larachi Primary School	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Dakhane Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Dadab Yimalab Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Jija Primary school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Loglogo Primary school	0.00	400,000.00	400,000.00	400,000.00	0.00
Tirim Nomadic Primary School	0.00	200,062.00	200,062.00	200,000.00	62.00
Sericho Primary School	0.00			200,000.00	-200,000.00
<b>5.2 Secondary schools</b>					
Kulal Girls Secondary School	8,650,000.00		8,650,000.00	8,650,000.00	0.00
Merrile Day Mixed Secondary School	4,800,000.00		4,800,000.00	4,000,000.00	800,000.00
Korr Day Mixed Secondary School	4,800,000.00		4,800,000.00	4,800,000.00	0.00
Korolle Boys Secondary School	2,400,000.00		2,400,000.00	2,400,000.00	0.00
Korr Day Mixed Secondary School	1,200,000.00		1,200,000.00	1,200,000.00	0.00
Korr Day Mixed Secondary School (New School)	0.00	2,500,000.00	2,500,000.00	2,500,000.00	0.00
Korolle Boys Secondary School	0.00	200,000.00	200,000.00	200,000.00	0.00
Merrile Day Mixed Secondary School	0.00	2,500,000.00	2,500,000.00	2,500,000.00	0.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
<b>3.4 Security projects</b>					
Kargi AP Line	1,500,000.00		1,500,000.00	1,500,000.00	0.00
Korr AP Line	1,500,000.00		1,500,000.00	1,500,000.00	0.00
Olorot AP Line	1,550,000.00		1,550,000.00		1,550,000.00
Loglogo Assistant County Commissioner (ACC) Resident	200,000.00		200,000.00	200,000.00	0.00
Loiyangalani Deputy County Commissioner (DCC) Office	600,000.00		600,000.00		600,000.00
Kargi Assistant County Commissioner (ACC) office	1,500,000.00		1,500,000.00		1,500,000.00
Merile Chiefs office		1,600,000.00	1,600,000.00	1,600,000.00	0.00
Arapal AP Post		1,300,000.00	1,300,000.00	1,300,000.00	0.00
Loglogo Assistant County Commissioner (ACC) resident		500,000.00	500,000.00	500,000.00	0.00
Laisamis Director of Criminal Investigation (DCIO) office		200,000.00	200,000.00	200,000.00	0.00
Arapal AP Post		1,700,000.00	1,700,000.00	1,700,000.00	0.00
<b>4.0 Bursary and Social Security</b>					
4.2 Secondary Schools	20,026,685.34		20,026,685.34	12,525,000.00	7,501,685.34
4.3 Tertiary Institutions	14,341,931.04		14,341,931.04	10,295,000.00	4,046,931.04
Social security programs-NHIF		5,000,000.00	5,000,000.00		5,000,000.00
<b>5.0 Sports</b>					
5.1 Sports Projects			0.00		0.00
	2,459,385.00	1,780,995.41	4,240,380.41	1,777,984.00	2,462,396.41
<b>6.0 Environment</b>					
Kargi primary school	250,000.00	3,454.00	3,454.00		3,454.00
Amalio primary school	500,000.00		250,000.00	250,000.00	0.00
Jijia primary school	500,000.00		500,000.00	500,000.00	0.00
Korr Day Mixed Secondary School	500,000.00		500,000.00		500,000.00
<b>11.0 Acquisition of assets</b>					
			0.00		0.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
11.1 Motor Vehicles	0.00	7,600,000.00	7,600,000.00	7,600,000.00	0.00
12.0 Others			0.00	0.00	0.00
NG- CDF office	22,450,000.00	8,000,000.00	30,450,000.00	0.00	30,450,000.00
Strategic Plan	0.00	501,700.00	501,700.00	0.00	501,700.00
Road Projects	0.00	790	790.00	0.00	790.00
Mocks and Cats	0.00	9,379.30	9,379.30	0.00	9,379.30
ICT HUB	0.00	4,677,027.20	4,677,027.20	2,325,000.00	2,352,027.20
<b>GRAND TOTAL</b>	<b>137,367,724</b>	<b>67,843,449</b>	<b>205,211,173</b>	<b>126,620,600</b>	<b>78,590,573</b>

(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)

## **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.

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Policy not Applicable)

#### **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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

**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 30<sup>th</sup> 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 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

---

**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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

---

**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 1<sup>st</sup> July 2019 to 30<sup>th</sup> 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.

**13. Subsequent Events**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2020

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
NG-CDF Board		
AIE NO. 2017/2018/882		54,784,483.15
AIE NO. 2018/2019/141		10,000,000.00
AIE NO. 2018/2019/393		10,000,000.00
AIE NO. 2018/2019/715		6,000,000.00
AIE NO. 2018/2019/1091		12,000,000.00
AIE NO. 2018/2019/1292		16,000,000.00
AIE NO. 2018/2019/B047182	50,440,875.50	
AIE NO. 2018/2019/B104129	4,400,000.00	
AIE NO. 2019/2020/B041101	4,000,000.00	
AIE NO. 2019/2020/B041494	20,000,000.00	
AIE NO. 2019/2020/B047951	6,000,000.00	
AIE NO. 2019/2020/B049349	14,000,000.00	
AIE NO. 2019/2020/B104372	15,000,000.00	
AIE NO. 2019/2020/B096593	9,000,000.00	
<b>TOTAL</b>	<b>122,840,876</b>	<b>108,784,483</b>

**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		~
Receipts from sale of office and general equipment	~	~
Receipts from the Sale Plant Machinery and Equipment	~	~
<b>Total</b>	<b>~</b>	<b>~</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

*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	~	~
	~	~
<b>Total</b>	~	~

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,385,258.00	2,421,255.95
Personal allowances paid as part of salary	~	~
Pension and other social security contributions (Gratuity)	~	~
Employer Contributions Compulsory national social security schemes & NHIF	222,170	~
<b>Total</b>	<b>2,607,428</b>	<b>2,421,256</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	-	-
Utilities, supplies and services	428,700.00	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	385,800.00
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	725,000.00	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	559,385.00	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	536,300.00
Routine maintenance – other assets	-	-
Strategic Plan	-	-
Office rent	565,000.00	-
Committee allowance	4,213,040.00	6,185,892.79
Bank service commission and charges	20,677.46	-
Fuel , oil & lubricants	500,000.00	1,322,979.00
<b>Total</b>	<b>7,011,802</b>	<b>8,430,972</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*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	39,978,386	49,459,816.00
Transfers to secondary schools	26,250,000	22,499,600.00
Transfers to tertiary institutions		-
Transfers to health institutions	-	-
<b>TOTAL</b>	<b>66,228,386</b>	<b>71,959,416</b>

**7. OTHER GRANTS AND TRANSFERS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	12,525,000	18,465,400
Bursary – tertiary institutions	10,295,000	11,541,500
Bursary – special schools		
Mock & CAT		
Security projects	8,500,000	4,940,000
Sports projects	1,777,984	1,351,421
Environment projects	1,250,000	1,000,000
Emergency projects	6,500,000	8,330,000
Strategic Plan		1,000,000
<b>Total</b>	<b>40,847,984</b>	<b>46,628,321</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2020

*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	9,925,000	~
Overhaul of Vehicles and Other Transport Equipment	~	~
Purchase of Household Furniture and Institutional Equipment	~	~
Purchase of Office Furniture and General Equipment	~	~
Purchase of ICT Equipment, Software and Other ICT Assets	~	~
Purchase of Specialised Plant, Equipment and Machinery	~	~
Rehabilitation and Renovation of Plant, Machinery and Equip.	~	~
Acquisition of Land	~	~
Acquisition of Intangible Assets	~	~
<b>Total</b>	<b>9,925,000</b>	~

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan		~
ICT Hub		~
		~

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**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 .Laisamis NG-CDF: 1102641855</i>	9,222,849	13,002,573.46
	~	~
<b>Total</b>	<b>9,222,849</b>	<b>13,002,573.46</b>
<b>10B: CASH IN HAND</b>		
Location 1	~	~
Location 2	~	~
Location 3	~	~
Other Locations ( <i>specify</i> )	~	~
	~	~
<b>Total</b>	~	~
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

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

**12A. RETENTION**

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

*[Provide short appropriate explanations as necessary]*

**12B. GRATUITY DEPOSITS**

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

*[Provide short appropriate explanations as necessary]*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	13,002,573	33,658,055
Cash in hand	~	~
Imprest	~	~
<b>Total</b>	<b>13,002,573</b>	<b>33,658,055</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 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> )	~	~	~
	~	~	~

**a. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	~	~
Imprest issued during the year (B)	~	~
Imprest surrendered during the Year (C)	~	~
Net changes in account receivables D= A+B-C	~	~

**b. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> 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	~	~

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**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	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NG-CDFC Staff	-	509,059.68
Others ( <i>specify</i> )	-	-
	-	509,059.68

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,900,000.00	1,645,528.00
Use of goods and services	1,500,000.00	1,867,363.13
Amounts due to other Government entities (see attached list)	11,078,386.21	500,000.00
Amounts due to other grants and other transfers (see attached list)	32,439,337.93	35,427,984.39
Acquisition of assets	0	7,600,000.00
Others ( <i>specify</i> )	22,450,000.00	8,000,000.00
	69,367,724.14	55,040,875.52

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	9,200,380	60,980
<b>TOTAL</b>	<b>9,200,380</b>	<b>60,980</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**XIV. ANNEXURE**

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

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	Laisamis
Daniel Lemara		62,094.24			62,094.24	NG-CDFC
Midaye Abdinoor		62,094.24			62,094.24	Staff
Jamah Khobocha		62,094.24			62,094.24	gratuity
Alex Lenakuram		62,094.24			62,094.24	
Adan Ismael Rage		62,094.24			62,094.24	
Inkaderu Esimonte		62,094.24			62,094.24	
Silago Lengima		37,200.00			37,200.00	
Ukureh Akulallo		37,200.00			37,200.00	
Farhiya Mohamed		62,094.24			62,094.24	
<b>Grand Total</b>		<b>509,059.68</b>			<b>509,059.68</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2019/2020	2019/2020	
Compensation of employees		1,900,000.00		
Use of goods & services		1,500,000.00		
<b>Amounts due to other Government entities</b>				
Lbaarok Primary School	Purchase of 20 metal frame desks	150,000.00		
Burri Aramia Primary School	Purchase of 20 Metal Frame Desk @150,000	150,000.00		
Ngurunit Primary school	Supply of 3 solar batteries 12V200AH/10HR, 3 solar panel 200Watt,solar charger, 20 bulb, installation system, wiring and inverters@400,000ksh	400,000.00		
Guuram Primary School	Construction of one administration block with Principal office and staffroom to completion	1,550,000.00		
Farakoren Primary School	Hydrogeological Survey @Ksh.500,000 Bore hole Drilling and equipping with solar water pump system@5m	5,000,000.00		
Lekuchula Primary school	Purchase of 20 metal frame desks	150,000.00		
Urweino Primary School	Purchase of 20 metal frame desks	150,000.00		
Dakhane Primary school	Purchase of 20 metal frame desks	150,000.00		
Dadab Timalab Primary school	Purchase of 20 metal frame desks	150,000.00		
Jijia Primary school	Purchase of 40 metal frame desks	300,000.00		
Logologo Muslim Primary School	Construction of one classroom to completion	928,386.21		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Burri Aramia Primary School	Construction of one classroom to completion @1.2m	1,200,000.00	
Merile Day Mixed Secondary School	Construction of modern Administration block:Principal office,Deputy office, Secretary office, Senior Teacher office, store and staff room @4.5m to completion,supply of 40 lockers/chairs @300,000	800,000.00	
Sub-Total		11,078,386.21	
<b>Amounts due to other grants and other transfers</b>			
Bursary Secondary Schools	Payment of bursary to needy students in Secondary Schools	11,488,021.89	
Bursary Tertiary Schools	Payment of bursary to needy students in tertiary schools	14,341,931.04	
Sports Projects	Purchase of sports kits i.e.5 balls, 22 kit uniforms, 22 sport shoes for the following each schools-inter class competition tournament:	2,459,385.00	
Environment Project	Construction of one double door pit latrines to completion	500,000.00	
Security Project			
Oltorot AP Line	Construction of one unit with 3 -rooms staff house at Oltorot to completion	1,550,000.00	
Loiyangalani Deputy County Commissioner (DCC) Office	Renovation of three rooms DCC office. New Ceiling board,roofing repair and painting to completion	600,000.00	
Kargi Assistant County Commissioner (ACC) office	Fencing of 900 metres length with metallic poles and barbed wires, wide steel gate on a concrete post to completion	1,500,000.00	
Sub-Total		32,439,337.93	
<b>Others (specify)</b>			
NG-CDFC office	Construction of one storey Laisamis NG-CDFC/Constituency office block to completion	22,450,000.00	
Sub-Total		22,450,000.00	
Grand Total		69,367,724.14	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**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	10,335,050	9,925,000		20,260,050
Office equipment, furniture and fittings	121,500			121,500
ICT Equipment, Software and Other ICT Assets	121,750			121,750
Other Machinery and Equipment	31,300			31,300
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>10,609,600</b>	<b>9,925,000</b>		<b>20,534,600</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –  
LAISAMIS CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance	Bank Balance
			2019/20	2018/19
Loglogo Muslim Primary School	KCB	1258915499	150,230	0
Ngororoi Primary School	KCB	1239868367	744,795	185
Amalio Primary School	KCB	1239233736	1,356,350	760
Kamatonyi Primary School	KCB	1246843994	710	880
Merile Security Group	KCB	1258922762	1,157.10	500
Jiija Primary School	KCB	1254913556	1,724.00	1,014.00
Kulal Girls Secondary School	KCB	1252511949	551,620	52,710
Ndikir Primary School	KCB	1252146531	900.235	100
Kargi Administration Police Line	KCB	1252310323	1,613.00	770
Arapal Primary School	KCB	1267176539	1,036.00	0
Korr Day Mixed Secondary School	KCB	1259723771	2,229,326	1,000.00
Merile Day Mixed Secondary School	KCB	1259948129	3,857,010	0
Laisamis Sports NG-CDF PMC AC	KCB	1246856883	1,805.00	1,301.00
Faith Primary School	KCB	1239536119	299,344	1,760.00
Korr AP Line NG-CDF PMC	KCB	1271960133	2,760.00	0
<b>TOTAL</b>			<b>9,200,380</b>	<b>60,980</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**XV. 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 LAISAMIS NG-CDF					