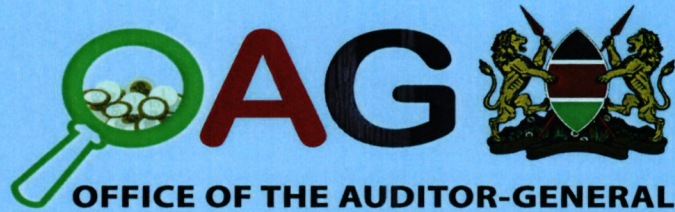


REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

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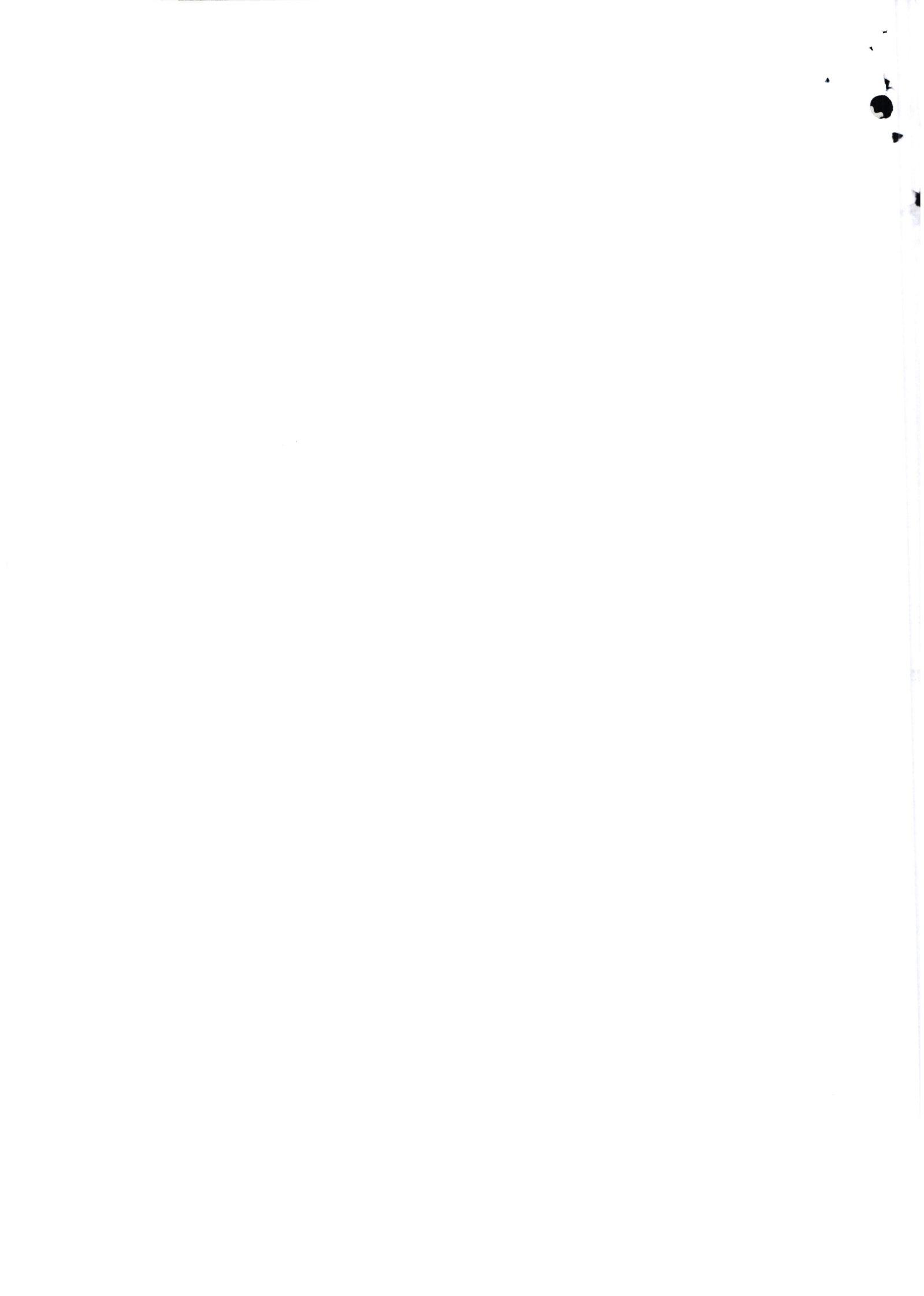
THE NATIONAL ASSEMBLY	
DATE: 22 NOV 2022	DAY: Tuesday
TABLED BY: KOM	
CLERK-AT THE-TABLE: Lemuna	

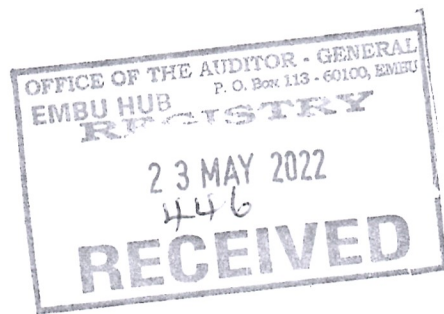
## THE AUDITOR-GENERAL

### ON

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ISIOLO NORTH CONSTITUENCY

### FOR THE YEAR ENDED 30 JUNE, 2021





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

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

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

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**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Ibrahim Tawane
2.	Sub-County Accountant	Ngugi Kinuthia
3.	Chairman NGCDFC	Nicholas Lolchuragi
4.	Member NGCDFC	Asna Wario

**(d) Fiduciary Oversight Arrangements**

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

**(e) ISIOLO NORTH Constituency NGCDF Headquarters**

P.O. Box 5-60300  
Isiolo North NG-CDF Building  
Isiolo- Moyale Road  
Isiolo, KENYA

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

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**(f) ISIOLO NORTH Constituency NGCDF Contacts**

Telephone: (254) 727996 781  
E-mail: [cdfisiolonorth@ngcdf.go.ke](mailto:cdfisiolonorth@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) ISIOLO NORTH Constituency NGCDF Bankers**

Equity Bank  
Account Number: 0410261949254  
Isiolo Branch

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. NG-CDFC CHAIRMAN'S REPORT



### NGCDFC CHAIRPERSON-NICHOLAS LOLCHURAGI

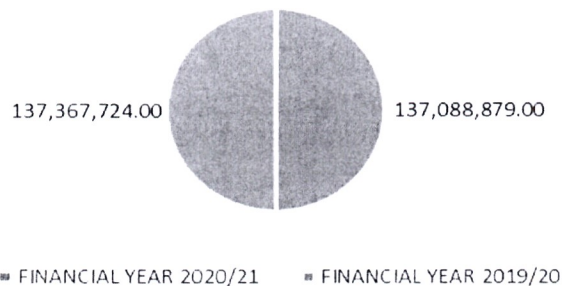
It gives me great pleasure to provide the foreword to the Isiolo North National Government Constituencies Development Fund Annual Reports and Financial Statements for 2020/21 as follows: During the 2020/21 Financial Year, we set out to improve on our overall operations. On Bursary for example, we increased our allocation to Kshs 30,000,000.00 in order to ensure as many children as possible are assisted to complete their studies

On Education, we began to map out keenly the needs of our institutions of learning, both primary and secondary schools. This was aimed at ensuring that no single needy institution is left out in terms of infrastructural development. This has resulted in a more targeted approach to resource allocation. In doing this, we were also cognisant of the need to ensure that we don't spread our resources too thin as to make any meaningful impact.

#### o GRAPHICAL COMPARISONS BETWEEN FY 2020/21 AND FY 2019/20:

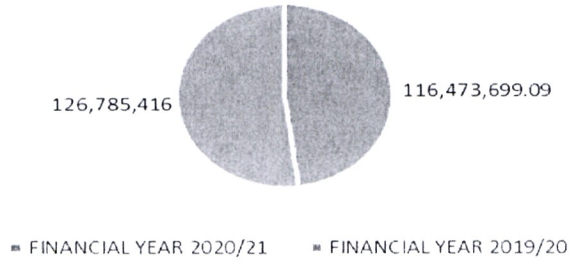
##### 1. NG-CDF Board Allocations to the Constituency

#### BOARDS ALLOCATION FY 2020-21 VS 2019-20

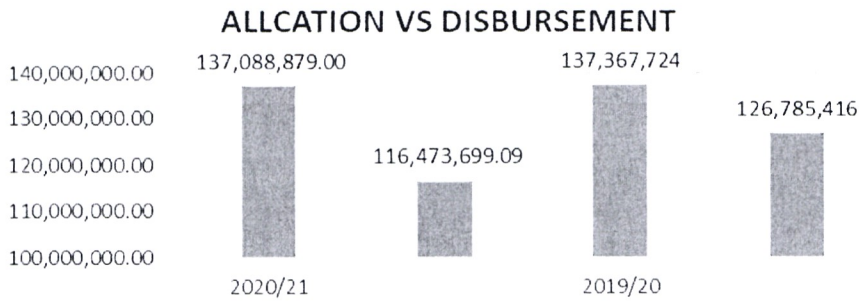


**2. DISBURSEMENTS BY THE NGCDF IN THE FY 2020/21 VS FY 2021**

**DISBURSMENT FOR FY 2020/21 VS FY 2019/20**



**3. COMPARISON BETWEEN ALLOCATION VS DISBURSMENTS: -**



**• SAMPLE OF THE PROJECTS IMPLEMENTED**

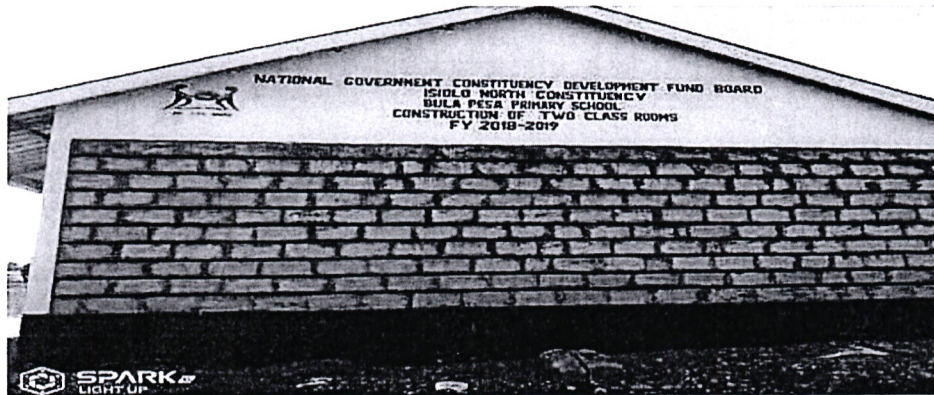
1. Construction of 2 classrooms



2. BULA PESA PRIMARY SCHOOL- Construction of 2 classrooms

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

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Signature

CHAIRMAN NGCDF COMMITTEE

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

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

**Introduction**

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

The key development objectives of *ISIOLO NORTH Constituency 2018-2022* plan are to:  
**(Enumerate all the objectives of the constituency as per the Strategic Plan)**

- ✓ Enhance access to quality education by all boys and girls of school going age in the constituency
- ✓ Enhance capacities of communities to conserve, restore and sustainably manage their rangelands to support livelihoods resilience
- ✓ Enhance capacity of youth and women to sustainably use cultural and natural heritage, sport, athletics, and musical talents for self-empowerment
- ✓ Work with national and county government department of infrastructure to improve transport and communication network in the constituency
- ✓ Enhance security for people and their properties in the constituency

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improved Education standards.	Improved retention of learners in primary schools and improved transition to secondary schools as well as enhance a conducive learning environment for learners and teachers.	Number of usable physical infrastructure renovated and/or built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	8 additional classrooms were budgeted for in the financial year for various schools, 4 others were renovated. A fully furnished dormitory is being implemented at Most of the education projects Funded

**ISIOLO NORTH Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Reports and Financial Statements for The Year Ended June 30, 2021**

				in Financial year 2020/21 are at implementation stage.
Security	Enhanced security and safety within the Constituency.	Improved service delivery, Enhanced security infrastructure and improved working environment for the security and administrative personnel.	Number of usable security sector physical infrastructure renovated and/ or built and equipped in the constituency.	one projects on security were prioritized in Financial year 2020/21 and are at implementation stage.
Environment	Improve and sustain safe and clean environment.	Improved and sustained environmental conservation.	Number of tree seedlings planted and water tanks delivered to schools.	Two environmental projects were budgeted for during the year and were at implemented
Sports	Enhanced development of sporting activities within the constituency.	Engagement of the constituents in sporting activities, enhanced social cohesion, talent identification and nurturing.	Isiolo North Soccer tournament.	Tournament undertaken.

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

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

**1. Sustainability strategy and profile -**

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

**2. Environmental performance**

- During the FY 2020/21, management did not carry out environmental activity due to covid 19 pandemic
- During the FY 2020/21, NGCDFC did not carry out sensitization due to covid 19 pandemic.
- NG-CDF carried out mini tournament due to covid 19 pandemic
- NGCDF staff did not carried out staff day out sensitization due to ban on social gatherings

**3. Employee welfare**

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

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

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

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

**4. Market place practices-**

ISIOLO NORTH NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

**5. Community Engagements-**

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

**Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

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

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**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.

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

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

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

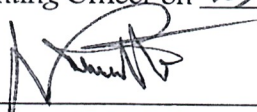
The Accounting Officer in charge of the NGCDF-ISIOLO NORTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

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

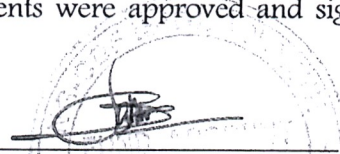
The Accounting Officer in charge of the NGCDF ISIOLO NORTH Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used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

**Approval of the financial statements**

The NGCDF- ISIOLO NORTH Constituency financial statements were approved and signed by the Accounting Officer on 29.09.2021 2021.



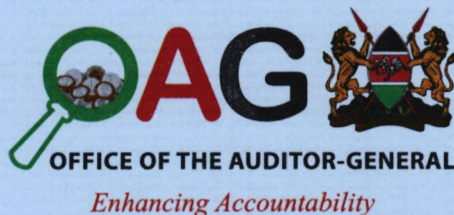
Chairman NGCDF Committee  
Name:



Fund Account Manager  
Name: Ibrahim Tawane

# REPUBLIC OF KENYA

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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 - ISIOLO NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Isiolo North Constituency set out on pages 15 to 56,

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

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

### **Basis for Qualified Opinion**

#### **1.0 Inaccuracies in Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.33,507,717 as disclosed in Note 11A to the financial statements . However, the bank reconciliation statement showed unrepresented cheques amounting to Kshs.15,099,528, which includes twenty-one (21) stale cheques totalling Kshs.2,884,225 that had not been replaced or reversed in the cash book in April, 2022.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.33,507,717 could not be confirmed.

#### **2.0 Inaccuracies in the Statement of Cash flows**

The statement of cash flows reflects a balance of Kshs.100,000 relating to prior year adjustments as disclosed in Note 14 to the financial statements. However, the note does not explain or show how this balance was arrived at or what it relates to.

In the circumstances, the accuracy and regularity of the balance of Kshs.100,000 in the statement of cash flows could not be confirmed.

#### **3.0 Unsupported Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.71,125,118 which, as disclosed in Note 6 to the financial statements includes an amount of Kshs.32,425,118 relating to transfers to Secondary Schools. However, disbursement to three (3) Secondary Schools amounting to Kshs.6,850,000 did not have supporting documents such as tenders, quotations, Opening Evaluation and Award Minutes, Professional Opinion, Letters of Offer and Acceptance and Contract Agreements.

In the circumstances, the accuracy and completeness of transfers to other Government units expenditure of Kshs.6,850,000 could not be confirmed.

#### **4.0 Unsupported Other Grants and Transfers**

The statement of receipts and payments reflects other grants and transfers expenditure of Kshs.34,867,003 which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.4,145,000 relating to bursary disbursements to Secondary Schools which in turn includes an amount of Kshs.3,832,000 and Kshs.5,973,000 totalling to Kshs.9,805,000 disbursed to various institutions. However, the bursary disbursements were not supported with student applications and vetting records together with acknowledgement letters or receipts from the beneficiary institutions.

Further, the balance includes an amount of Kshs.18,263,200 in respect to bursary disbursements to tertiary institutions which further include Kshs.6,145,200 disbursed to various Kenya Medical Training Centre (KMTC) Campuses for the fully sponsored students. However, review of records revealed that the disbursements were not supported with the Bursary Vetting Committee Minutes that authorized the full scholarship programme and student application forms as evidence that the students applied and qualified for the full sponsorship programme. Also, the basis for the award of full sponsorship to KMTC students could not be confirmed.

In the circumstances, accuracy and completeness of other grants and transfers expenditure of Kshs.15,950,200 could not be confirmed.

#### **5.0 Inaccuracies in Unutilized Funds**

The unutilized fund as disclosed in Note 17.3 reflects a balance of Kshs.78,496,596. However, Annex 3 on the same item reflects a balance of Kshs.89,104,221 resulting to an unreconciled or unexplained variance of Kshs.10,607,625.

In the circumstances, accuracy of unutilized funds balance of Kshs.10,607,625 could not be confirmed.

#### **6.0 Inaccuracies in Project Management Committee Account Balances**

Note 17.4 reflects a balance of Kshs.10,149,374 relating to Project Management Committee Account balances while Annex 5 on the same item reflects Kshs.79,204 resulting to an unreconciled variance of Kshs.10,070,170.

In the circumstances, the accuracy and completeness of Project Management Committee Account balance of Kshs.10,149,374 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 - Isiolo North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

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

## **Other Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.194,970,295 and Kshs.149,881,416 respectively resulting to under-funding of Kshs.45,088,879 or 23% of the budget. Further, the Fund expended a total of Kshs.116,473,699 against an approved budget of Kshs.194,970,295 resulting to an under-expenditure of Kshs.78,496,597 or 40% of the budget.

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

### **2.0 Unresolved Prior Year Matters**

In the report of the previous year, several issues were raised under report on the financial statements and report on lawfulness and effectiveness in use of public resources. However, review of the progress on follow up of Auditor's recommendations showed that the Management had not resolved the issues. Management did not give reasons for the delay in resolving the issues.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Qualified Opinion sections 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**

#### **1.0 Non - Compliance with the Public Sector Accounting Standards Board (PSASB) Requirements**

The progress on follows up of auditor recommendations included in the annual report and financial statements is not signed by the accounting officer. This was contrary to Public Sector Accounting Standard Board (PSASB) template which requires the same to be signed by the accounting officer.

In the circumstances, the annual reports and financial statements do not fully comply with the PSASB prescribed format.

## **2.0 Irregular Re-allocation of Project Funds**

The statement of receipts and payments reflects an amount of Kshs.71,125,118 relating to transfer to other Government units as disclosed in Note 6 to the financial statements includes an amount of Kshs.32,425,118 relating to transfers to secondary schools, which further includes an amount of Kshs.2,400,000 disbursed to Korbasa Day Secondary School for completion of a science laboratory through plastering, flooring, painting, gas installation, plumbing works, fixing doors and windows. However, documents presented for audit revealed the disbursement was used in construction of two (2) classrooms. The approval from the NG-CDF Board for the reallocation of the funds was not provided contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

In the circumstances, Management was in breach of the law.

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

#### **Basis for Conclusion**

##### **Untagged Fixed Assets**

As reported in previous years, Annex 4 to the financial statements reflects Kshs.27,612,000 relating to summary of fixed assets as at 30 June, 2021, which includes assets valued at Kshs.1,812,500 which were not tagged for ease of tracking and identification contrary Regulation 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

In the circumstances, existence of effective controls of assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as 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 controls, risk management and overall governance.

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

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

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

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

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

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

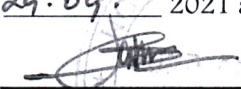
06 September, 2022


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


**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
			<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from NGCDF Board	<b>1</b>	147,000,000	123,040,876
Proceeds from Sale of Assets	<b>2</b>	-	-
Other Receipts	<b>3</b>	-	-
<b>TOTAL RECEIPTS</b>		<b>147,000,000</b>	<b>123,040,876</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	3,092,020	1,769,417
Use of goods and services	<b>5</b>	7,389,558	9,311,695
Transfers to Other Government Units	<b>6</b>	71,125,118	71,715,918
Other grants and transfers	<b>7</b>	34,867,003	43,988,386
Acquisition of Assets	<b>8</b>	-	-
Other Payments	<b>9</b>	-	-
<b>TOTAL PAYMENTS</b>		<b>116,473,699</b>	<b>126,785,416</b>
<b>SURPLUS/DEFICIT</b>		<b>30,526,301</b>	<b>(3,744,540)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ISIOLO NORTH Constituency financial statements were approved on 29.09.2021 and signed by:

  
 Fund Account Manager  
 Name: Ibrahim Tawane

  
 National Sub-County  
 Accountant  
 Name: CPA G.N. KINUTHIA  
 ICPAK M/No: 18805


  
 Chairman NG-CDF Committee  
 Name: Ibrahim Tawane  
Nicholas Lotchuragi

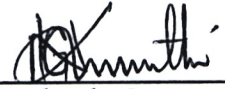
**ISIOLO NORTH Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

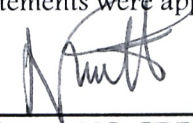
**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	33,507,717	2,881,416
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>33,507,717</b>	<b>2,881,416</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>33,507,717</b>	<b>2,881,416</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>33,507,717</b>	<b>2,881,416</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	2,881,416	6,625,956
Prior year adjustments	14	100,000	
Surplus/Defict for the year		30,526,301	(3,744,540)
<b>NET FINANCIAL POSITION</b>		<b>33,507,717</b>	<b>2,881,416</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ISIOLO NORTH Constituency financial statements were approved on 29.09.2021 and signed by:

  
 Fund Account Manager  
 Name: Ibrahim Tabane

  
 National Sub-County  
 Accountant  
 Name: CPA G.N. KINUTHIA  
 ICPAK M/No: 18805

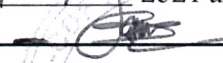
  
 Chairman NG-CDF Committee  
 Name: Nicholas Ilochmangi

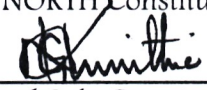
**ISIOLO NORTH Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

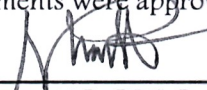
**IX. STATEMENT OF CASHFLOW**

		<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	147,000,000	123,040,876
Other Receipts	3	-	-
		<b>147,000,000</b>	<b>123,040,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,092,020	1,769,417
Use of goods and services	5	7,389,558	9,311,695
Transfers to Other Government Units	6	71,125,118	71,715,918
Other grants and transfers	7	34,867,003	43,988,386
Other Payments	9	-	-
		<b>116,473,699</b>	<b>126,785,416</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	100,000	-
<b>Net Adjustments</b>		<b>100,000</b>	-
<b>Net cash flow from operating activities</b>		<b>30,626,301</b>	<b>(3,744,540)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>30,626,301</b>	<b>(3,744,540)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>2,881,416</b>	<b>6,625,956</b>
<b>Cash and cash equivalent at END of the year</b>		<b>33,507,717</b>	<b>2,881,416</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ISIOLO NORTH Constituency financial statements were approved on 29.09.2021 and signed by:

  
Fund Account Manager  
Name: Ibrahim Jawane

  
National Sub-County  
Accountant  
Name: CPA G.N. KINUTHIA  
ICPAK M/No: 18805

  
Chairman NG-CDF Committee

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

**X. SUMMARY STATEMENT OF APPROPRIATION**

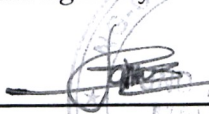
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	55,000,000	194,970,295	149,881,416	45,088,879	76.9%
Proceeds from Sale of Assets			0	-	-	0.0%
Other Receipts			0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>55,000,000</b>	<b>194,970,295</b>	<b>149,881,416</b>	<b>45,088,879</b>	<b>76.9%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,315,484	571,023	4,249,093	3,092,020	1,157,073	72.8%
Use of goods and services	9,022,515		9,473,917	7,389,558	2,084,360	78.0%
Transfers to Other Government Units	79,075,118	40,350,000	121,492,545	71,125,118	50,367,427	58.5%
Other grants and transfers	42,675,762	14,078,977	56,754,740	34,867,003	21,887,737	61.4%
Acquisition of Assets	3,000,000		3,000,000	-	3,000,000	0.0%
Other Payments	0		0	-	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>55,000,000</b>	<b>194,970,296</b>			<b>59.7%</b>

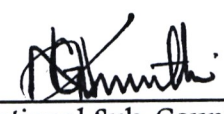


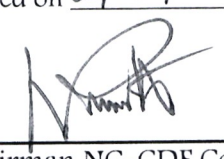
**ISIOLO NORTH Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	78,496,596
Less undisbursed funds receivable from the Board as at 30th June 2021	45,088,879
	33,407,717
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	100,000
Cash and Cash Equivalents at the end of the FY 202021	33,507,717

The NGCDF-ISIOLO NORTH Constituency financial statements were approved on 29.09. 2021 and signed by:

  
 Fund Account Manager  
 Name: Ibrahim Tawane

  
 National Sub-County  
 Accountant  
 Name: CPA G.N. KINUTHIA  
 ICPAK M/No:  
 18805

  
 Chairman NG-CDF Committee  
 Name: Nicholas Lotchwager

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

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

Programme/Sub-programme	Original Budget(a) 2020/2021 Kshs	Adjustments(b)		Final Budget c = (a+b) 2020/2021 Kshs	Actual on comparable basis(d) 30/06/2021 Kshs	Budget utilization difference(e = c-d) Kshs	% of Utilisation(f= d/c %)
		Opening Balance (C/Blk) and AIA	Previous years Outstanding Disbursements				
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,315,484	362,586	571,023	4,249,093	3,092,020	1,157,073	73%
1.2 Committee allowances	2,000,000			2,000,000	2,000,000	-	100%
1.3 Use of goods and services	2,909,848	191,403		3,101,251	3,101,251	0	100%
<b>Total</b>	<b>8,225,333</b>	<b>553,989</b>	<b>571,023</b>	<b>9,350,345</b>	<b>8,193,271</b>	<b>1,157,073</b>	<b>88%</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,100,000	260,000		1,360,000	260,000	1,100,000	19%
2.2 Committee allowances	1,100,000			1,100,000	1,100,000	-	100%
2.3 Use of goods and services	1,912,666			1,912,666	928,307	984,359	49%
<b>Total</b>	<b>4,112,666</b>	<b>260,000</b>	<b>-</b>	<b>4,372,666</b>	<b>2,288,307</b>	<b>2,084,359</b>	<b>52%</b>
<b>3.0 Emergency</b>							
	7,192,207	-		7,192,207	-	7,192,207	0%
<b>KORBESA PRY. SCH. PMC</b>					2,400,000	(2,400,000)	
<b>ACCESS LINK</b>							



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

Biliqo Primary School	2,600,000			2,600,000		2,600,000		
DololoDakiye Primary School	500,000			500,000	500,000	2,100,000		19%
Gamachu Primary School	3,000,000			3,000,000		3,000,000		0%
Gambella Primary School	2,600,000			2,600,000	2,600,000	-		100%
Goda Primary School	2,700,000			2,700,000		2,700,000		0%
Kom Primary School	2,600,000			2,600,000	2,600,000	-		100%
Lafe Primary School	2,600,000			2,600,000		2,600,000		0%
Lagaman Primary School	2,600,000			2,600,000	2,600,000	-		100%
Lakole Primary School	2,600,000			2,600,000		2,600,000		0%
Lenguruma Primary School	2,600,000			2,600,000	2,600,000	-		100%
Longopito Primary School	1,300,000			1,300,000	1,300,000	-		100%
Manyatta Zebra Primary School	2,600,000			2,600,000	2,600,000	-		100%
Mlandanur Primary School	3,000,000			3,000,000		3,000,000		0%
Mwangaza Primary School	3,000,000			3,000,000	3,000,000	-		100%
Ntalabany Primary School	1,300,000			1,300,000		1,300,000		0%
Ntepes Primary School	1,300,000							0%



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

Kisima Girls Secondary School	5,000,000			5,000,000			5,000,000	0%
Labarishereki Secondary School	2,600,000			2,600,000			2,600,000	0%
Uhuru Secondary School	2,875,118			2,875,118		2,875,118	0	100%
Uhuru Secondary School	2,600,000			2,600,000			2,600,000	0%
LEPARUA Secondary. SCH. PMC		3,000,000		3,000,000		3,000,000	-	100%
MERTI BOYS Secondary SCH. PMC		1,500,000		1,500,000		1,500,000	-	100%
BARRACK Secondary SCH. PMC		1,300,000		1,300,000		1,300,000	-	100%
KAMBI GARBA Secondary SCH. PMC		3,000,000		3,000,000		3,000,000	-	100%
BULA MPYA Secondary SCH. PMC		3,000,000		3,000,000		3,000,000	-	100%
ST. PAUL Secondary SCH. PMC		3,000,000		3,000,000		3,000,000	-	100%
KORBESA DAY Secondary. SC PMC		2,400,000		2,400,000		2,400,000	-	100%
BILIQO Secondary ONDA RY SCH. PMC		850,000		850,000		850,000	-	100%
LEPARUA MIXED DAY Secondary. SCH. PMC		2,700,000		2,700,000		2,700,000	-	100%
ISIOLO BOYS Secondary SCHOOL		2,800,000		2,800,000		2,800,000	-	100%

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BULA MPYA Secondary ODARY SCH.PMC				1,000,000	1,000,000	1,000,000	1,000,000	-	-	100%
<b>Total</b>	<b>25,675,118</b>			<b>24,550,000</b>	<b>50,225,118</b>	<b>32,425,118</b>	<b>17,800,000</b>			<b>65%</b>
9.0 Tertiary institutions Projects										
<b>Total</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
10.0 Security Projects										
MALKA GALLA ACC PMC				1,569,749	1,569,749	1,569,749	-	-	-	100%
<b>Total</b>	<b>-</b>			<b>1,569,749</b>	<b>1,569,749</b>	<b>1,569,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>
11.0 Acquisition of assets										
11.1 Motor Vehicles										
11.2 Renovation of CDF office					3,000,000					
11.3 Purchase of furniture and equipment										
11.4 Purchase of computers										
<b>Total</b>	<b>3,000,000</b>			<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>3,000,000</b>	<b>0%</b>
12.0 Other payments										
<b>Total</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
13.0 unallocated fund										
Unapproved projects										
AIA										

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PMC savings										
<b>Total</b>	-	2,881,416	55,000,000	194,970,296	116,473,699	78,496,596	-	-		60%

**STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)**

Receipt/Expense Item	Original Budget a	Opening Balance (C/Bk) and AIA	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>PAYMENTS</b>							
Compensation of Employees	3,315,484	362,586	571,023	4,249,093	3,092,020	1,157,073	73%
Use of goods and services	9,022,515	451,403	-	9,473,918	7,389,558	2,084,360	78%
Transfers to Other Government Units	79,075,118	2,067,427	40,350,000	121,492,545	71,125,118	50,367,427	59%
Other grants and transfers	42,675,762	-	14,078,977	56,754,740	34,867,003	21,887,737	61%
Acquisition of Assets	3,000,000	-	-	3,000,000	-	3,000,000	0%
Other payments	-	-	-	-	-	-	
UNALLOCATED FUND	-	-	-	-	-	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>2,881,416</b>	<b>55,000,000</b>	<b>194,970,296</b>	<b>116,473,699</b>	<b>78,496,596</b>	<b>60%</b>

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## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

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

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

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

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

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

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

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

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

#### **Other receipts**

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

#### ***Unutilized Funds from PMCs.***

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

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**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 11 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	B041082		55,040,876
Normal Allocation	B047426		4,000,000
	B047805		18,000,000
	B049276		15,000,000
	B104298		15,000,000
	B0986562		16,000,000
	B104716	20,000,000	
	A823519	35,000,000	
	B124524	9,000,000	
	B124950	8,500,000	
	B140549	12,000,000	
	B119805	12,000,000	
	B128095	6,900,000	
	B128406	7,000,000	
	B138818	12,000,000	
	B126114	6,000,000	
	B13215	7,000,000	
	B126403	11,600,000	
Conditional Grants			
	AIE NO...		
Receipt from other Constituency			
<b>TOTAL</b>		<b>147,000,000</b>	<b>123,040,876</b>

2. PROCEEDS FROM SALE OF ASSETS

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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEPTS**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,092,020	1,769,417
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	-
<b>TOTAL</b>	<b>3,092,020</b>	<b>1,769,417</b>

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**5. USE OF GOODS AND SERVICES**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services	9,450	0
Electricity	73,430	83,379
Water & sewerage charges	-	
Office rent		
Communication, supplies and services	0	
Domestic travel and subsistence	0	
Printing, advertising and information supplies & services	78,410	200,000
Rentals of produced assets		
Training expenses	260,000	
Hospitality supplies and services	0	
Other committee expenses	5,885,000	4,374,348
Committee allowance	1,050,000	3,953,500
Insurance costs		
Specialised materials and services		
Office and general supplies and services	0	
Fuel , oil & lubricants	0	310,968.20
Other operating expenses	0	-
Bank service commission and charges	33,268	-
Other Operating Expenses	-	
Security operations		
Routine maintenance - vehicles and other transport equipment	0	389,500.00
Routine maintenance- other assets		0
<b>TOTAL</b>	<b>7,389,558</b>	<b>9,311,695</b>

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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	38,700,000	40,369,950
Transfers to Secondary Schools	32,425,118	28,345,968
Transfers to Tertiary Institutions		3,000,000
<b>TOTAL</b>	<b>71,125,118</b>	<b>71,715,918</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary	4,145,000	18,883,502
Bursary -Tertiary	18,263,200	13,853,300
Bursary- Special Schools	-	-
Mocks & CAT	-	-
Social Security programmes (NHIF)		
Security Projects	1,569,749	4,000,000
Sports Projects	2,741,700	1,500,000
Environment Projects	2,747,354	-
Emergency Projects	5,400,000	5,751,584
<b>TOTAL</b>	<b>34,867,003</b>	<b>43,988,386</b>

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**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	-	-

**9. OTHER PAYMENTS**

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10: CASH BOOK BANK BALANCE**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

	<b>Account Number</b>	<b>2020-2021 Kshs</b>	<b>2019-2020 Kshs</b>
Equity Bank, Isiolo Branch. Isiolo North NG-CDF	A/C no.0410261949254	33,507,717	2,881,416
		-	-
		-	-
<b>TOTAL</b>		<b>33,507,717</b>	<b>2,881,416</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

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

*[Provide short appropriate explanations as necessary.]*

**12B. GRATUITY**

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

*[Provide short appropriate explanations as necessary]*

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**13. BALANCES BROUGHT FORWARD**

		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs (1/7/2021)</b>	<b>Kshs (1/7/2020)</b>
Bank accounts		2,881,416	6,625,956
Cash in hand			
Imprest			
<b>TOTAL</b>		<b>2,881,416</b>	<b>6,625,956</b>

**14. PRIOR YEAR ADJUSTMENTS**

	<b>Balance b/f FY 2019/2020 as per Audited Financial statements</b>	<b>Adjusments</b>	<b>Adjusted Balance** b/f FY 2019/2020</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank accounts balances	-		-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (Funds refund for over paid Project)	-	100,000	100,000
<b>Total</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST\***

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

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

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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

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

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

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

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

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of Employees	1,157,073	933,609
Use of goods and services	2,084,360	451,403
Transfers to Other Government Units	50,367,427	41,966,360
Other grants and transfers	21,887,737	14,530,044
Acquisition of Assets	3,000,000	-
Other Payments	-	-
<b>TOTALS</b>	<b>78,496,596</b>	<b>57,881,415</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	2020-2021	2019-2020
	Kshs	Kshs
PMC account Balances (see attached list)		
	10,149,374.00	4,028,400
	10,149,374.00	4,028,400

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

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<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>					

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

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

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance		Comments
		2020/21	2019/20	
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	ngcdf staff salaries	1,157,073	571,023	Ongoing
<b>Total</b>		<b>1,157,073</b>	<b>571,023</b>	Ongoing
<b>2.0 Monitoring and evaluation</b>		-		Ongoing
2.1 Capacity building	ngcdf training expenses	1,100,000		Ongoing
2.3 Use of goods and services	purchase of fuel, stationaries among others	984,359		Ongoing
<b>Total</b>		<b>2,084,359</b>		Ongoing
<b>3.0 Emergency</b>				Ongoing
<b>Total</b>	to cater for unforeseen circumstances	<b>4,192,207</b>		Ongoing
<b>4.0 Bursary and Social Security</b>				Ongoing
<b>Total</b>	Payment of bursary to needy students	<b>14,953,674</b>		Ongoing
<b>5.0 Sports</b>	facilitation of sports tournament			Ongoing
<b>Total</b>		<b>78</b>		Ongoing
<b>6.0 Environment</b>				Ongoing
Bula Pesa Primary School	Construction of 8 number door twin pit-latrines to completion	2,741,778		Ongoing
B/F		-		Ongoing

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Uhuru Secondary School	Construction of 2NO. 2door Twin pit latrines to completion . the high cost of construction is due to the fact that the pit latrine are located in a black cotton soil	1,373,677		
KambiGarba Primary School	Construction of 2NO. 2door Twin pit latrines to completion . the high cost of construction is due to the fact that the pit latrine are located in a black cotton soil	1,373,677		
6.1		1,637,930		Ongoing
<b>Total</b>		<b>4,379,708</b>		
<b>7.0 Primary Schools Projects</b>				
Alango Primary School	Construction of two classrooms		2,600,000	Ongoing
Awarsitu Primary School	Construction of one classroom		1,300,000	Ongoing
Biliqi Primary School	Construction of two classrooms		2,600,000	Ongoing
Biliqo Primary School	Construction of two classrooms		2,600,000	Ongoing
DololoDakiye Primary School	Construction of 3 door Pit latrines to completion		500,000	Ongoing
Gamachu Primary School	Construction of two classrooms		3,000,000	Ongoing
Goda Primary School	Renovation of 4 classroom		2,700,000	Ongoing
Lafe Primary School	Construction of two classrooms		2,600,000	Ongoing
Lakole Primary School	Construction of two classrooms		2,600,000	Ongoing
Mlandanur Primary School	Construction of two classrooms		3,000,000	Ongoing
Ntalabany Primary School	Construction of one classroom		1,300,000	Ongoing
Ntepes Primary School	Construction of one classroom		1,300,000	Ongoing
Ramadhan Primary School	Construction of two classrooms		3,000,000	Ongoing
Rumate Primary School	Construction of one classroom		1,300,000	Ongoing

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Uhuru Primary School	Renovations of 8 classrooms	3,200,000	Ongoing
Ramadhan primary school	Construction of one classroom	1,300,000	Ongoing
Kawalash Primary School	Construction of a 4 NO. one room teachers houses to completion.	2,000,000	Ongoing
Biliqo Muslim Primary school	Purchase and Delivery of 83 desks and chairs each pair @ Kshs.6,024	500,000	Ongoing
Wabera Primary School	Construction of masonry perimeter wall fence 130 metres to completion.	1,300,000	Ongoing
Lenywenyi Primary School	Construction of 2NO. classrooms to Completion	2,600,000	Ongoing
Ramadhan primary school	Construction of 1NO. classrooms to Completion	1,300,000	Ongoing
Mata Muka Primary School	Construction of 1NO. classroom to Completion	-100,000	Ongoing
Khalifa Primary School	Construction of 1NO. classroom to Completion	1,200,000	Ongoing
Isiolo School for the deaf		1,500,000	Ongoing
Akadeli Primary School 2017/2018		2,000,000	Ongoing
Kiwanjani Primary School 2017/2018		800,000	Ongoing
<b>Total</b>		<b>37,600,000</b>	
<b>8.0 Secondary Schools Projects</b>		-	Ongoing
Arenet Secondary School	Construction of two classrooms	2,600,000	Ongoing
Basaa Day Secondary School	Construction of a laboratory	5,000,000	Ongoing
Bulesa Secondary School	Construction of a 120 capacity dormitory	5,000,000	Ongoing
Kisima Girls Secondary School	Construction of a laboratory with capacity of	5,000,000	Ongoing

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Labarishereki Secondary School	Construction of two classrooms	2,600,000	Ongoing
Barracks secondary School	Construction of 1NO. classrooms to Completion	1,300,000	Ongoing
merti boys secondary School	Construction of 3 NO. one room teachers houses to completion the high cost of construction is due to the fact that the classrooms are located in a black cotton soil. Therefore, to avoid cracks in buildings, the construction have ground beams and columns for soil stabilization	1,500,000	Ongoing
KambiGarba day Secondary School	Construction of 2NO. classrooms to Completion.	3,000,000	Ongoing
Bula mpya secondary School	Construction of 2NO. classrooms to Completion.	2,500,000	Ongoing
Biliqo day secondary School	Construction of a laboratory to completion serving 20 students per session	5,000,000	Ongoing
St Pauls secondary School	Construction of 2NO. classrooms to Completion.	3,000,000	Ongoing
Leparua secondary school	Completion of a Science laboratory;.	3,000,000	Ongoing
Isiolo boys secondary School	Construction of a masonry perimeter wall fence 140 metres length to completion.	2,800,000	Ongoing
Korbesa day secondary School	Completion of a Science laboratory;	2,400,000	Ongoing
oldonyiro Secondary School	purchase of assorted laboratory Equipments for Physics, chemistry and Biology	1,000,000	Ongoing

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Bula mpya secondary School	purchase of assorted laboratory Equipments for Physics, chemistry and Biology		1,000,000	Ongoing
<b>Total</b>		<b>20,737,000</b>		
<b>9.0 Tertiary institutions Projects</b>		-		Ongoing
Merti TTI	Drilling, equipping and commissioning of a borehole		7,000,000.00	Ongoing
<b>Total</b>			<b>7,000,000.00</b>	
<b>10.0 Security Projects</b>		-		Ongoing
Kom Chief office	Construction of chiefs officers	1,000,000		Ongoing
MaikaGalla Assistant County Commissioners office	Construction of a Assistant County Commissioners office of floor area of 70 sqmtrs to completion		1,569,748	Ongoing
Kom Chief office	Purchase of Office furnitures:executive desk@70,000, Metallic filing cabinet with lockable drawers@ 70,000, 1 executive chair@30,000, reception desk and chair @ 30,000, 4 executive visitors chairs@15,000= 60,000, linked steel chairs at waiting room @75,000. completion of office construction 665,000 by plastering,fixing of doors and windows, flooring, painting, fencing of the the chief's office compound using concrete posts and Chainlink@1,000,000(1 Acre)		1,000,000	
<b>Total</b>		<b>1,000,000</b>		Ongoing
<b>11.0 Acquisition of assets</b>		-		Ongoing

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11.2 Renovation of CDF office	Renovation of NGCDF office	3,000,000	Ongoing
<b>Total</b>		<b>3,000,000</b>	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)				(Kshs)	
	2019/2020				2020/2021	
Land						
Buildings and structures	18,000,000		-	-	18,000,000	
Transport equipment	7,799,500		-	-	7,799,500	
Office equipment, furniture and fittings	1,562,500		-	-	1,562,500	
ICT Equipment, Software and Other ICT Assets	51,000		-	-	51,000	
Other Machinery and Equipment	199,000		-	-	199,000	
	<b>27,612,000</b>				<b>27,612,000</b>	

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

S/N O	PMC	Bank	Account number	2020/2021	2019/2020
1	WASO SEC SCHOOL	EQUITY BANK-ISIOLO	410278975015	1,361.38	-
2	MWANGAZA GIRLS	EQUITY BANK-ISIOLO	0410279604294	1,469.50	-
3	NGARAMARA SEC	EQUITY BANK-ISIOLO	410279868198	74,414.95	-
4	DADACHABASA SEC SCHOOL	EQUITY BANK-ISIOLO	0410279731838	1,571.00	-
5	AWARSITU PRY SCHOOL	EQUITY BANK-ISIOLO	0410279944815	387.50	-
6	Biliqo Day Secondary School PMC	Equity	410278987288	-	529,000
7	Bula Mpya secondary School PMC	Equity	410278988228	-	499,400
8	Waso Secondary school PMC	Equity	410278975015	-	3,000,000
				<b>79,204.33</b>	<b>4,028,400</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>5.1 Transfers to Primary Schools</b>	Note 6 to the financial statements reflects Kshs. 20,917,033 in respect to transfers to other government entities which includes Kshs. 2,250,000 in respect to transfers to primary Schools which further includes Kshs, 250,000 allocated and disbursed to Kambi Garba Primary School for purchase of school desks.  However, procurement documents, delivery notes, invoices and inspection and acceptance reports were not availed for review	The file containing the documents required was availed for audit	<i>Not Resolved</i>	N/A
<b>5.2 Transfers to Tertiary Institutions</b>	transfers to other government entities which includes Kshs. 2,000,000 in respect to transfers to tertiary institutions being money disbursed for the construction of one classroom to completion and	<i>The file containing the documents was held at KMTC by the PMC. during the exercise.</i>	<i>Not Resolved</i>	N/A

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	<p>and tutors' offices at Kenya Medical Training College, Isiolo during the year ended 30 June 2020. In the circumstances, the propriety and value for money of the Kshs. 2,000,000 expenditure for the year ended 30 June 2020 could not be ascertained.</p>	<p><i>exercise. However, as per the physical verification we carried out with your team, there is value for money and the structure is expected to be in use by the institution. Please find the file containing the said documents.</i></p>		
<p><b>6.0 Project Management Implementation</b></p>	<p>Note 6 and 7 to the financial statements reflects Kshs. 20,917,033 and Kshs. 33,525,261 in respect to transfers to other Government entities and other grants and other payments respectively both totaling Kshs. 54,442,294 for the year ended 30 June 2020. However, the project implementation status was not availed for audit review. In the circumstances, it has not been possible to ascertain the implementation status of projects worth Kshs. 54,442,294 for the year ended 30</p>	<p><i>We provided the project implementation status report in soft copy during the audit exercise. Please again find the attached project implementation status report.</i></p>	<p><i>Not Resolved</i></p>	<p>N/A</p>

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	June 2020 .				
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