


REPUBLIC OF KENYA



*Enhancing Accountability*

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING <b>REPORT</b> DATE: 21 OCT 2021 DAY: Thursday	
TABLED BY:	LOMP.
CLERK-AT THE-TABLE:	OF Maria Wanyika

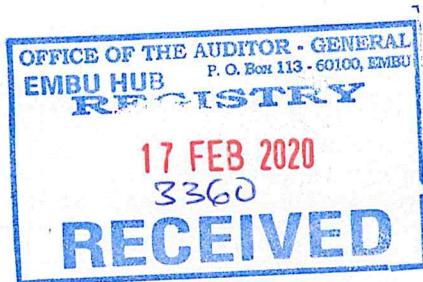
**THE AUDITOR-GENERAL**

**ON**

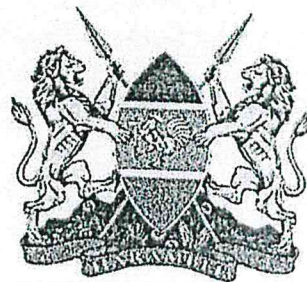
**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – LAISAMIS CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2019**





*Revised Template 30<sup>th</sup> June 2019*



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
LAISAMIS CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019

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

## 1. 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)(ii) 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

LAISAMIS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF Laisamis Constituency Contacts

Telephone: (254) 720 108 050  
E-mail: cdfkaisamis@ngcdf.go.ke  
Website: www.ngcdf.go.ke

(g) NGCDF Laisamis Constituency Bankers

Kenya Commercial Bank  
Marsabit Branch,  
A/C No. 1102625191

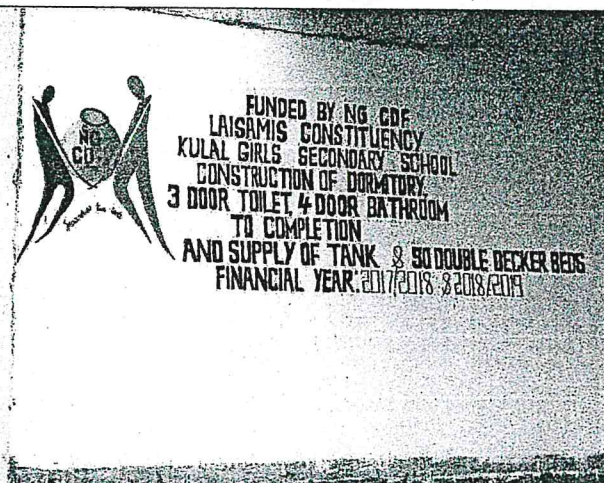
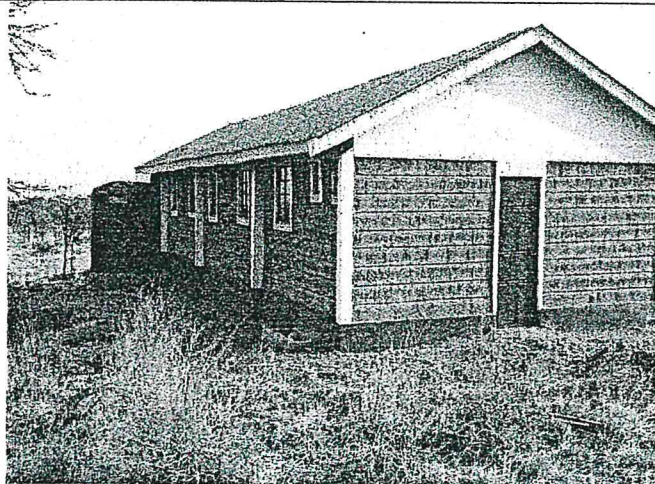
(h) Independent Auditors

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





**KUSAL GIRLS SECONDARY SCHOOL-CONSTRUCTION OF DORMITORY-FY: 2017/2018 & 2018/2019**

Laisamis constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary which was allocated a budget of Ksh.27, 260,218.88 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 which will go a long way in developing middle level skills in youth.

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.

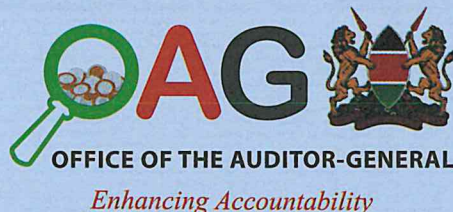
I wish to urge the NG-CDF Board/NASC to continually increase the NG-CDF allocations to enable more projects uptake and also timely disbursement of funds to constituencies.

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



# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
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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, 2019**

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### **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 7 to 47, which comprise the statement of assets and liabilities as at 30 June, 2019, 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 National Government Constituencies Development Fund - Laisamis Constituency as at 30 June, 2019, 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 Presentation of the Financial Statements**

The Fund financial statements for the year ending 30 June, 2019 revealed the following inconsistencies:

##### **1.1 Inconsistence of the Chairman's Report and the Financial Statements**

The chairman's report at page 4 of the financial statements reflects Kshs.54,000,000 as the money received by the Fund from the NG-CDF Board. However, the statement of receipts and payments reflects Kshs.108,784,483 as receipts from the Board during the year under review resulting to unexplained and unreconciled variance of Kshs.54,784,483.



In the circumstance, the accuracy of cash and cash equivalents balance of Kshs.13,002,573 as at 30 June, 2019 could not be confirmed.

### **2.3 Unsupported Committee Expenses**

Note 5 to the financial statements reflects Kshs.8,430,972 in respect to use of goods and services which includes Kshs.6,185,893 in respect to committee expenses which further includes Kshs.780,000 spent on monitoring and evaluation. However, supporting documents including the monitoring and evaluation reports, motor vehicle work-tickets, projects visited, and back to office report were not provided for audit review.

In the circumstance, the propriety and value for money for the Kshs.780,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

### **2.4 PMC Bank Accounts Listing Without Balances**

Annex 5 to the financial statements reflects PMC bank balances as at 30 June, 2019 which includes a list of the twenty-two (22) PMCs bank name and account numbers. However, the list did not include the respective bank balances as at 30 June, 2019. Further, certificate of bank balance, cash books and bank reconciliation statements were not provided for audit review.

In the circumstances, it was not possible to ascertain the existence and accuracy of the PMC bank balances as at 30 June, 2019.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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**

#### **1. Budget Control and Performance**

The Fund's summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 reflects an approved receipt budget of Kshs.197,483,414 while the actual receipts were Kshs.142,442,538 resulting to budget shortfall of Kshs.55,040,876 or 29% of the budget.

In the circumstance, the propriety and value for money for the Kshs.1,199,916 expenditure for the year ended 30 June, 2019 could not be confirmed.

### **1.2 Construction of Classroom and Supply of Metal Frame Desks at Kargi Primary School**

Note 6 to the financial statements reflects Kshs.71,959,416 in respect to transfer to other government entities which includes Kshs.49,459,816 in respect to transfer to primary schools which further includes Kshs.1,400,000 spent on construction of a classroom and supply of twenty (20) desks at Kargi Primary School. However, physical verification done in December, 2019 revealed that the floors had major cracks which is indicative of poor workmanship. In addition, the supporting documents for Kshs.30,000 paid to a contractor as provisional sum for supervision works were not availed for audit review.

In the circumstance, the propriety and value for money for the Kshs.1,400,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

### **1.3 Construction of a Dormitory at Kulal Girls Secondary School**

Note 6 of the notes to the financial statements reflects Kshs.71,959,416 in respect to transfer to other government entities which includes Kshs.22,499,600 in respect to transfer to secondary schools which further includes Kshs.6,400,000 spent on construction of phase I and II of a dormitory at Kulal Girls Secondary School. However, review of the records provided for audit in December, 2019 revealed that the contractor was paid Kshs.1,683,210 to undertake various works during the year under review but the same remained unimplemented as at the end of the financial year as follows;

No.	Works	Amount (Kshs.)
1	Pelmet Box	15,300
2	Curtain Tracks	1,224,000
3	Paving Slabs around Building	134,000
4	Electrical Works (all not done)	309,910
	<b>Total</b>	<b>1,683,210</b>

In the circumstance, the propriety and value for money for the Kshs.1,683,210 expenditure for the year ended 30 June, 2019 could not be confirmed.

### **1.4 Unverified Procurement Procedures for Security Projects**

Note 7 to the financial statements reflects Kshs.46,628,321 spent on other grants and other payments which includes Kshs.4,940,000 on security projects. However, Mt Kulal Administration Police (AP) line bank statements were not made available for audit review. In addition, bank statements and project files for Mt Kulal AP line, Kargi AP line and Korr Chiefs Office which would have contained quotations, tenders, evaluation committee minutes and inspection and acceptance committee minutes, interim and final completion certificate from the Department of Public Works were not provided for audit review.

Consequently, the propriety and value for money of the Kshs.4,940,000 expenditure for the year ended 30 June, 2019 could not be confirmed.



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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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 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.

- 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.

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**01 October, 2021**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**LAISAMIS CONSTITUENCY**

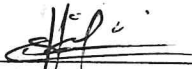
**Reports and Financial Statements**


**For the year ended June 30, 2019**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	108,784,483	84,353,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>108,784,483</b>	<b>84,353,447</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,421,256	1,433,299
Use of goods and services	5	8,430,972	7,802,300
Transfers to Other Government Units	6	71,959,416	18,370,704
Other grants and transfers	7	46,628,321	24,399,000
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>129,439,965</b>	<b>52,005,303</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(20,655,482)</b>	<b>32,348,144</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 13<sup>th</sup> sep 2019 2019 and signed by:

  
Fund Account Manager  
Name: Salim H Hussein

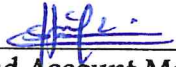
  
Sub-County Accountant  
Name: Stephen Mwangi  
ICPAK Member Number: 16546


THE NATIONAL SUB-COUNTY  
ACCOUNTANT  
MARSABIT CENTRAL

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****LAISAMIS CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****VI. STATEMENT OF CASHFLOW**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>2018 - 2019</b>	<b>2017 - 2018</b>
<b>Receipts</b>			
Transfers from NGCDF Board	1	108,784,483	84,353,447
Other Receipts	3	-	
<b>Total receipts</b>		<b>108,784,483</b>	<b>84,353,447</b>
<b>Payments</b>			
Compensation of Employees	4	2,421,256	1,433,299
Use of goods and services	5	8,430,972	7,802,300
Transfers to Other Government Units	6	71,959,416	18,370,704
Other grants and transfers	7	46,628,321	24,399,000
Other Payments	9	-	-
<b>Total payments</b>		<b>129,439,965</b>	<b>52,005,303</b>
<b>Total Receipts Less Total Payments</b>		<b>(20,655,482)</b>	<b>32,348,144</b>
<b>Adjusted for:</b>			
Prior year adjustments	14		(36,561)
<b>Net Adjustments</b>			
<b>Net cash flow from operating activities</b>		<b>(20,655,482)</b>	<b>32,311,583</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(20,655,482)</b>	<b>32,311,583</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>33,658,055</b>	<b>1,273,350</b>
<b>Cash and cash equivalent at END of the year</b>		<b>13,002,573</b>	<b>33,658,055</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 13<sup>th</sup> Sep 2019 and signed by:

  
Fund Account Manager  
Name: Salim H Hussein

  
Sub-County Accountant  
Name: Stephen Mwangi  
ICPAK Member Number: 16546

THE NATIONAL SUB-COUNTY  
ACCOUNTANT  
MARSABIT CENTRAL



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration</b>					
Employees' Salaries	2,895,528.00	950,000.00	3,845,528.00	2,421,255.95	1,424,272.05
Goods and Services	1,665,724.53	682,759.27	2,348,483.80	1,712,993.00	635,490.80
Committee Expenses	1,848,000.00	-	1,848,000.00	3,267,065.00	-1,419,065.00
NSSF	48,200.00	27,600.00	75,800.00	0.00	75,800.00
NHIF	85,000.00	25,920.00	110,920.00	0.00	110,920.00
<b>Sub-Total</b>	<b>6,542,452.53</b>	<b>1,686,279.27</b>	<b>8,228,731.80</b>	<b>7,401,313.95</b>	<b>827,417.85</b>
<b>2.0 Monitoring and Evaluation</b>					
Goods and Services	1,071,226.27	545,617.66	1,616,843.93	1,867,240.00	-250,396.07
Committee Expenses	1,300,000.00	300,000.00	1,600,000.00	1,583,673.79	16,326.21
Capacity Building of NG-CDFs/PMCs	900,000.00	400,000.00	1,300,000.00	0.00	1,300,000.00
<b>Sub-Total</b>	<b>3,271,226.27</b>	<b>1,245,617.66</b>	<b>4,516,843.93</b>	<b>3,450,913.79</b>	<b>1,065,930.14</b>
<b>3.0 Emergency</b>					
Emergency	5,738,993.45	1,637,931.03	7,376,924.48	8,330,000.00	-953,075.52
Emergency		3,000,000.00	3,000,000.00		3,000,000.00
<b>Sub-Total</b>	<b>5,738,993.45</b>	<b>4,637,931.03</b>	<b>10,376,924.48</b>	<b>8,330,000.00</b>	<b>2,046,924.48</b>
<b>4.0 Bursary and Social Security Programme</b>					
Bursary Secondary Schools	14,760,218.88	10,481,206.89	25,241,425.77	18,465,400.00	6,776,025.77
Bursary Tertiary Schools	12,000,000.00	387,192.94	12,387,192.94	11,541,500.00	845,692.94
Social Security Programmes - NHIF	500,000.00		500,000.00		500,000.00
<b>Sub-Total</b>	<b>27,260,218.88</b>	<b>10,868,399.83</b>	<b>38,128,618.71</b>	<b>30,006,900.00</b>	<b>8,121,718.71</b>
<b>5.0 Sports</b>					
LAISAMIS Sport Tournament	1,777,984.39	1,351,421.12	3,129,405.51	1,351,421.12	1,777,984.39

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Amalio Primary school	1,200,000.00		1,200,000.00	200,000.00	1,000,000.00
Balaah primary school	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Ngurunit Primary school	300,000.00		300,000.00	200,000.00	100,000.00
Namarei Primary school	300,000.00		300,000.00	200,000.00	100,000.00
Faith Primary school	300,000.00		300,000.00	200,000.00	100,000.00
Lekuchula Primary school	1,200,000.00		1,200,000.00	200,000.00	1,000,000.00
Titus Ngoyoni Primary school	500,000.00		500,000.00	1,400,000.00	-900,000.00
Santur Primary school	1,200,000.00		1,200,000.00	1,500,000.00	-300,000.00
Loiyangalani Primary School	300,000.00		300,000.00	1,200,000.00	-900,000.00
Arapal Primary School	200,000.00		200,000.00	1,500,000.00	-1,300,000.00
Gatab Primary School	1,000,000.00		1,000,000.00	150,000.00	850,000.00
Oltorot Primary school	150,000.00		150,000.00	1,400,000.00	-1,250,000.00
Loskiriachi Primary school	1,200,000.00		1,200,000.00	1,400,000.00	-200,000.00
Lkijata Primary School	200,000.00		200,000.00	200,000.00	0.00
Larachi Primary School	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Ririma Primary school	1,200,000.00		1,200,000.00	1,399,900.00	-199,900.00
Dakhahe Primary school	1,200,000.00		1,200,000.00	1,199,916.00	84.00
Dadab Timalab Primary school	1,200,000.00		1,200,000.00	1,400,000.00	-200,000.00
Jija Primary school	1,200,000.00		1,200,000.00	1,200,000.00	0.00
Logologo Primary School	400,000.00		400,000.00	400,000.00	0.00
Kurungu Primary school	1,200,000.00		1,200,000.00	400,000.00	800,000.00
Silapani Primary SCH		1,400,000.00	1,400,000.00	2,500,000.00	-1,100,000.00
Sakardala Primary SCH		220,000.00	220,000.00	400,000.00	-180,000.00
Nairibi Primary SCH		1,200,000.00	1,200,000.00	1,400,000.00	-200,000.00
Lontolio Primary SCH		400,000.00	400,000.00	1,400,000.00	-1,000,000.00
Kamatonyi Primary SCH		1,500,000.00	1,500,000.00	500,000.00	1,000,000.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Ndikir primary SCH		1,400,000.00	1,400,000.00	200,000.00	1,200,000.00
Amalio primary SCH		1,400,000.00	1,400,000.00	1,500,000.00	-100,000.00
Korr Primary School		600,000.00	600,000.00	900,000.00	-300,000.00
Namarei Primary School		200,000.00	200,000.00	1,200,000.00	-1,000,000.00
Lependera Primary School		200,000.00	200,000.00		200,000.00
Tirim Nomadic Primary School		600,000.00	600,000.00		600,000.00
Farakoren Primary School		200,000.00	200,000.00		200,000.00
Kargi Primary School		200,000.00	200,000.00		200,000.00
Ngororoi Primary School		400,000.00	400,000.00		400,000.00
Arapal Primary School		200,000.00	200,000.00		200,000.00
Santuri Primary School		200,000.00	200,000.00		200,000.00
Merile Primary School		200,000.00	200,000.00		200,000.00
Kamatonyi Primary School		200,000.00	200,000.00		200,000.00
Loitolio Primary School		200,000.00	200,000.00		200,000.00
Kamboe Primary School		300,000.00	300,000.00		300,000.00
Loglogo Primary School		600,000.00	600,000.00		600,000.00
Hadad Primary School		600,000.00	600,000.00		600,000.00
Nairibi Primary School		300,000.00	300,000.00		300,000.00
Loglogo Muslim Primary School		600,000.00			0.00
Ndikir Primary School		1,400,000.00			0.00
<b>Sub-Total</b>	<b>27,950,000.00</b>	<b>41,160,000.00</b>	<b>69,110,000.00</b>	<b>49,459,816.00</b>	<b>19,650,184.00</b>
<b>8.0 Secondary School Projects</b>					
Korolle Boys Secondary School	4,900,000.00		4,900,000.00	600,000.00	4,300,000.00
Loglogo Girls Secondary School	800,000.00		800,000.00	475,800.00	324,200.00
Kulal Girls Secondary School	4,000,000.00		4,000,000.00	4,924,000.00	-924,000.00
Korolle Boys Secondary School	600,000.00		600,000.00	500,000.00	100,000.00

## Reports and Financial Statements

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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
<b>12.0 Others</b>					
Strategic Plan	500,000.00	3,000,000.00	3,500,000.00	1,000,000.00	2,500,000.00
NG- CDF office	8,000,000.00	-	8,000,000.00		8,000,000.00
Constituency Innovation Hubs	-	4,677,027.20	4,677,027.20	0	4,677,027.20
<b>Sub-Total</b>	<b>16,100,000.00</b>	<b>7,677,027.20</b>	<b>23,777,027.20</b>	<b>1,000,000.00</b>	<b>22,777,027.20</b>
<b>GRAND TOTAL</b>	<b>109,040,876</b>	<b>88,442,538</b>	<b>197,483,414</b>	<b>129,439,965</b>	<b>68,043,448.86</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)

## **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 2019, 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.



## **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 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law.

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 2019.

### **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 (NGCDF) –  
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**3. OTHER RECEIPTS**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	2,421,256	1,418,299
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity – paid	-	-
~ accrued	-	-
Other personnel payments	-	15,000.00
<b>Total</b>	<b>2,421,256</b>	<b>1,433,299</b>





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

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	49,459,816	17,294,704
Transfers to secondary schools (see attached list)	22,499,600	1,076,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>71,959,416</b>	<b>18,370,704</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,465,400.00	11,001,000
Bursary – tertiary institutions (see attached list)	11,541,500.00	8,709,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	4,940,000	1,500,000
Sports projects (see attached list)	1,351,421	-
Environment projects (see attached list)	1,000,000	-
Emergency projects (see attached list)	8,330,000	1,189,000
Other capital grants and transfer	1,000,000	2,000,000
<b>Total</b>	<b>46,628,321</b>	<b>24,399,000</b>



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**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Kenya Commercial Bank, Marsabit Branch. Laisamis CDF A/C no.1102625191</i>	13,002,573	33,658,055
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
<b>Total</b>	<b>13,002,573</b>	<b>33,658,055</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )		
<b>Total</b>	<b>13,002,573</b>	<b>33,658,055</b>
<i>[Provide cash count certificates for each]</i>		

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**13. BALANCES BROUGHT FORWARD**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	33,658,055	1,273,350
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>33,658,055</b>	<b>1,273,350</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	-	36,561
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>-</b>	<b>36,561</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Daniel Lemara		62,094.24			62,094.24	
Midaye Abdinoor		62,094.24			62,094.24	
Jamah Khobocha		62,094.24			62,094.24	
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>	



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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Sakardala Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,200,000.00		
Mercy Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Ulauli Primary School	Construction of 2-Double door toilets and urinals for boys and teachers to completion	500,000.00		
Lbaarok Primary School	construction of one classroom to completion @1.2m	1,200,000.00		
Logologo Muslim Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
kamboye Primary School	construction of Modern administration block to completion	1,500,000.00		
Logologo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Korr Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Amalio Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Ngurunit-Primary school	Renovation-Shutters, roofing, plastering interior painting of 3 Classrooms to completion	300,000.00		
Namarei Primary school	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Faith Primary school	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Lekuchula Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Titus Ngoyoni Primary school	Renovation-Shutters, flooring, walling, windows, plastering, interior painting of 3 Classrooms to completion	500,000.00		
Loiyangalani Primary School	Supply and Delivery of 50 (3"X6) standard mattresses @Ksh300,000	300,000.00		
Arapal Primary School	Supply and Delivery of one number 10,000L Ken tank water storage	200,000.00		
Gatab Primary School	Construction of 20,000L concrete tank and gutters to completion	1,000,000.00		
Oloroi Primary school	Renovation-Shutters, flooring, plastering, interior painting of a dormitory to completion	150,000.00		

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**For the year ended June 30, 2019**

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Constituency Sports Tournaments	Purchase of sports kits for Ten (10) registered team i.e. balls, uniforms. Carry out Constituency Sports tournament starting from the ward level (Laisamis, Logologo, Korr/Ngurunit, Kargi/South Horr and Loiyangalani) to the constituency level then winning teams to be awarded with trophies, balls, and games kits	1,777,984.39		
Constituency Strategic Plan	Launching of Laisamis NG-CDF 5-year Strategic Plan 2018-2022	500,000.00		
Tirgamo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Laisamis Primary School	Renovation of perimeter fence of School compound:- up lifting of post, replace wooden post, chain links and wire to completion	300,000.00		
Kamatonyi Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
Lontolio Primary School	Construction of one unit 3-rooms teachers quarters with veranda to completion	600,000.00		
Sakardala Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,200,000.00		
Mercy Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Ulauli Primary School	Construction of 2-Double door toilets and urinals for boys and teachers to completion	500,000.00		
Lbaarok Primary School	construction of one classroom to completion @1.2m	1,200,000.00		
Logologo Muslim Primary School	construction of one classroom to completion @1.2m and supply of 20 Metal Frame Desk @200,000	1,400,000.00		
Kamboye Primary School	construction of Modern administration block to completion	1,500,000.00		
Logologo Primary School	Renovation-Shutters, flooring, plastering, interior painting of 3 Classrooms to completion	300,000.00		
Korr Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Amalio Primary school	construction of one classroom to completion @1.2m	1,200,000.00		
Ngurunit Primary school	Renovation-Shutters, roofing, plastering interior painting of 3 Classrooms to completion	300,000.00		

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAISAMIS CONSTITUENCY

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Arapal AP Post	Construction of one unit with 3-rooms chiefs office @1.3 to completion	1,300,000.00		
Loglogo Assistant County Commissioner (ACC) resident	Renovation: - wall repair, finishing and painting, fitting of floor tiles @ Kshs.250,000, leveling of compound grounds @ Kshs.50,000, ceiling joints and board @ kshs.100,000, windows and doors @ Kshs.50,000. Water connection and piping system @Kshs.50,000 ACC's residence to completion	500,000.00		
Laisamis Director of Criminal Investigation (DCIO) office	Supply of Furniture: 4 tables and 8 chairs at Kshs.200,000	200,000.00		
Laisamis Administration Police	Purchase of one remotely piloted aerial systems- drone for security surveillance and to capture of still images and video to gather information from distance	4,000,000.00		
<b>Sub-Total</b>		<b>35,427,984.39</b>		
<b>Acquisition of assets</b>				
NG-CDFC Motor vehicle	Purchase of NG-CDFC Toyota Land cruiser station wagon Hardtop	7,600,000.00		Fund not yet disbursed from the NG-CDFB
<b>Others (specify)</b>				
NG-CDFC office	Construction of two storey NG-CDFC office phase one (foundation, walling, concrete slab, floor and stair case) 1st floor containing six rooms and one boardroom	8,000,000.00		Fund not yet disbursed from the NG-CDFB
<b>Sub-Total</b>		<b>15,600,000.00</b>		
<b>Grand Total</b>		<b>55,040,875.52</b>		



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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
LOGLOGO MUSLIM PRIMARY SCHOOL	KCB BANK	1258915499		
NGOROROI PRIMARY SCHOOL	KCB BANK	1239868367		
AMALIO PRIMARY SCHOOL	KCB BANK	1239233736		
KAMATONYI PRIMARY SCHOOL	KCB BANK	1246843994		
MERILE SECURITY GROUP	KCB BANK	1258922762		
JIIJA PRIMARY SCHOOL	KCB BANK	1254913556		
LAISAMIS SECONDARY SCHOOL	KCB BANK	1254701796		
KULAL GIRLS SECONDARY SCHOOL	KCB BANK	1252511949		
NDIKIR PRIMARY SCHOOL	KCB BANK	1252146531		
KARGI ADMINISTRATION POLICE LINE	KCB BANK	1252310323		
ILBAROK PRIMARY SCHOOL	KCB BANK	1261423267		
NGURUNIT SECONDARY SCHOOL	KCB BANK	1209221896		
LEPENDERA PRIMARY SCHOOL	KCB BANK	1240270003		
LOGLOGO PRIMARY SCHOOL	KCB BANK	1254931287		
NEW DAWN PRIMARY SCHOOL	KCB BANK	1226566898		
KARGI PRIMARY SCHOOL	KCB BANK	1249754291		
KOROLLE BOYS HIGH SCHOOL	KCB BANK	1149510730		
LOIYANGALANI SECONDARY SCHOOL	KCB BANK	1128399431		
KARGI AP LINE NG-CDF PMC AC	KCB BANK	1252310323		
NAIRIBI PRIMARY SCHOOL	KCB BANK	1114746312		
SILAPANI PRIMARY SCHOOL	KCB BANK	1252837771		
NDIKIR PRIMARY SCHOOL	KCB BANK	1252146531		
<b>Total</b>				

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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)
	reflected in the financial year under review could not be ascertained.				
	<p><b>Cash and Cash Equivalents</b></p> <p>Note 10 A to the financial statements for the year under review reflects bank balance of Kshs 33,658,055. A review of the bank reconciliation statement revealed un-presented cheques totalling Kshs 4,939,557 which includes cheques totalling Kshs 1,926,470 which have been outstanding for a period of more than 6 months and are therefore stale. These stale cheques had not been reversed in the cashbook or replaced.</p> <p>In the circumstances, the cash and cash equivalents balance of Kshs 33,658,055 as at 30 June 2018 has been understated by the Kshs. 1,926,470.</p>				
	<p><b>Prior Year Adjustments</b></p> <p>The statement of assets and liabilities as at 30 June 2018 and the statement of cash flow for the year under review both reflect a prior year adjustments balance of Kshs. 36,561 which appeared more like a balancing figure in the financial statements as the respective supporting documentary evidence were not availed for audit review. This is contrary to International Public Sector Accounting Standard No. 3 Paragraph 47 which states that the entity shall correct material prior year errors retrospectively in the first set of financial statements authorized for issue.</p> <p>In the circumstances, the regularity and accuracy of the Kshs. 36,561 adjustments reflected in the financial statements as at 30 June 2018 could not be confirmed.</p>				
	<p><b>Incomplete Project- Gatab Primary School</b></p> <p>Note 6 to the financial statements for the year under review reflects Kshs.</p>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**

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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)
	Note 6 to the financial statements for the year under review reflects Kshs. 18,370,704 in respect to transfer to other government entities which includes Kshs. 17,294,704 transfers to primary schools which further includes Kshs.1,395,000 incurred for the construction of one (1) classroom and supply of twenty (20) desks to Lekuchula primary school. The classroom was to cost Kshs.1, 195,000 while the desks were to cost Kshs 200,000. According to the bills of quantities, roofing for the classroom was to be done with 28-gauge roofing sheets of 120m at a cost of 1200 per sq. m totaling Kshs.144, 000. However, a physical inspection carried out in January 2019 revealed that the contractor fitted 30-gauge roofing sheets of 120m whose average cost is Kshs 430 per sq.m totaling Kshs 51,600 leading to a loss of Kshs 92,400. Further the project is not labeled as required by Section 36 (4) (a) of Constituency Development Fund Act, 2015 which stipulates that the property shall bear the name and the number of the Constituency.				
	<b>Construction of Classroom – New Dawn Primary School</b> Note 6 to the financial statements for the year under review reflects Kshs. 18,370,704 in respect to transfer to other government entities which includes Kshs. 17,294,704 transfers to primary schools which further includes Kshs. 1,400,000 incurred for the construction of one (1) classroom and supply of twenty (20) metallic desks to New Dawn primary school. The classroom was to cost Kshs. 1,200,000 while the desks were to cost Kshs 200,000. According to the bills of quantities, roofing for the classroom was to be done with 28-gauge roofing sheets of 120m at a cost of 1200 per sq.				



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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)
	In the circumstances, the accuracy and propriety of the Kshs. 790,000 expenditure for the year ended 30 June 2018 could not be confirmed.				