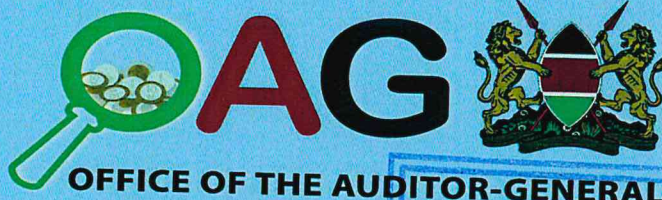


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2022	DAY: Wed
TABLED BY: CLERK AT THE TABLE:	The majority Whip Hon E. Wangwe, MP.

**REPORT**

**OF**

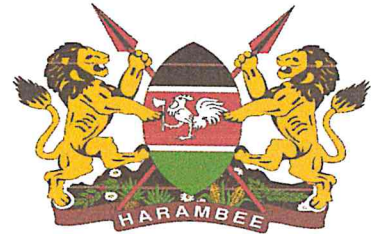
**THE AUDITOR-GENERAL**

**ON**

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

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





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

**REPORTS AND FINANCIAL STATEMENTS**

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

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





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 LAIKIPIA NORTH CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LAIKIPIA NORTH CONSTITUENCY**

**Reports and Financial Statements  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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





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

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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.

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	A.I.E holder	Isaak Hassan Adan
2.	Sub-County Accountant	Winfred Wambui
3.	Chairman NG - CDFC	John Ole Tingoi
4.	Member NG - CDFC	Josephine Lima Puda

**(d) Fiduciary Oversight Arrangements**

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

**(e) NG - CDF Laikipia North Constituency Headquarters**

P.O. Box 21 - 10401  
NG - CDF Office Building  
Nanyuki - Doldol Road  
**DOLDOL**



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

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

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**(f) NG – CDF Laikipia North Constituency Contacts**

Telephone: (254) 720 907 270

E-mail: [iadan@ngcdf.go.ke](mailto:iadan@ngcdf.go.ke) / [laikipianorthcdf@gmail.com](mailto:laikipianorthcdf@gmail.com)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NG – CDF Laikipia North Constituency Bankers**

Equity Bank  
Nanyuki Branch  
Account No: 0270261109758  
P.O. Box 1482 – 10400  
**NANYUKI**

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

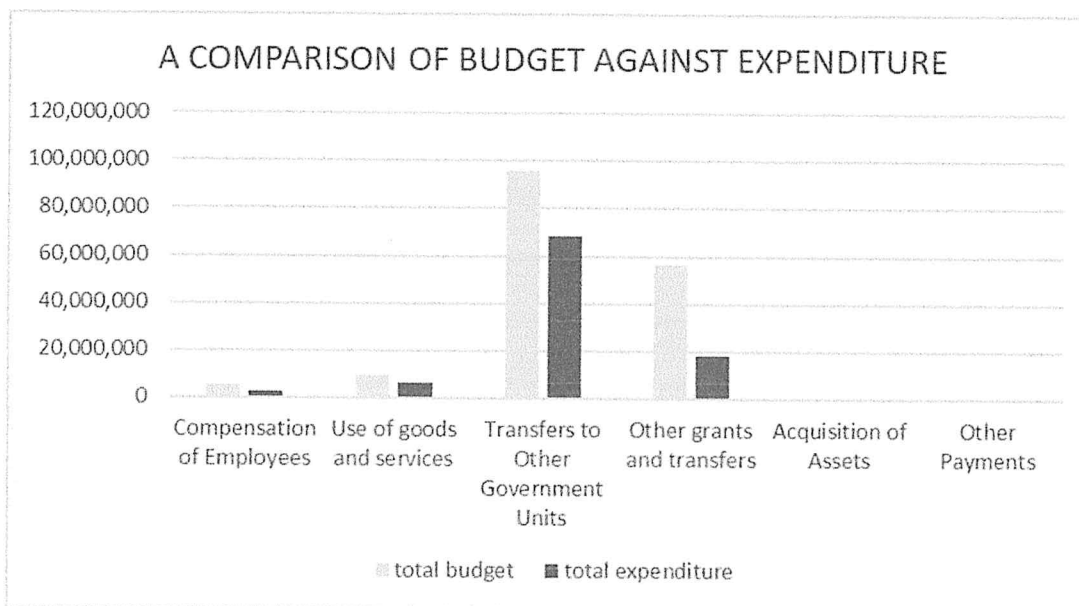
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF)  
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**FORWARD BY THE CHAIRMAN NG - CDF COMMITTEE**

The allocation of financial year 2019/2020 was ksh137.367,724 which brought the final budget to 168,112,788. The analysis of expenditure against final budget is as per the graph below.



The Constituency was able to absorb funds up to 57%. This was partly due to late receiving of funds for Financial Year 2019/2020. The NG-CDF Board sent the last half of Financial Year 2019/2020 in late June, it wasn't possible to absorb all the half within the short period.

The Constituency has done well in terms of project implementation. Among successful projects is a number of classrooms and Administration blocks for primary schools. During the year under review the Constituency has done staff houses for police and office for a chief. The NG-CDF have improved the Education and security infrastructures in Laikipia North Constituency.

Some challenges affecting project implementation is the late disbursement of funds, late approval of proposals and reallocations. The constituency is also very sparse and almost all the schools have very poor infrastructures. The issue of early marriages and FGM is also rampant in the constituency.

The constituency has developed and launched a five-year strategic plan to address the above challenges. The plan will assist in developing infrastructures in Education institutions and security agencies in the Constituency.

The Laikipia North NG-CDF Committee is also having periodical ward meetings to build capacity of the constituents in understanding the operations of the fund.

The NG-CDF Committee has come up with measures to ensure projects are completed within a financial year i.e. no issue of on-going projects.

The constituency is doing capacity building of NG-CDF Committees and the Project Management Committees in areas of project planning, implementation, monitoring and evaluation. The



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

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Committees have also been trained in Risk management and control.

Attached please find pictures of some projects.








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

John Ole Tingoi 

**CHAIRMAN NG – LAIKIPIA NORTH COMMITTEE**



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF)**  
**LAIKIPIA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
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**II. 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 NG – CDF Laikipia North Constituency's 2018 - 2022 strategic plan is to:

- a) Enhanced security and peaceful co-existence
- b) Improved access to quality affordable education for all school going children in the constituency
- c) Quality universal health care access
- d) Integrated robust infrastructure
- e) Sustainable environment for responsive development
- f) Mainstreaming of climate change, disaster risk reduction and other crosscutting issues

**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 access to quality affordable education for all school going children in the constituency	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- Number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- Number of bursaries beneficiaries at all levels</li> </ul>	<p>In FY 19/20</p> <ul style="list-style-type: none"> <li>- We increased number of classrooms by 46, dormitories by 4 and administration blocks by 5</li> <li>- Bursary beneficiaries increased to 7,500 secondary schools, 800 in tertiary institutions at all levels were increased.</li> </ul>



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

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Security	Enhanced security and peaceful co-existence	Enhanced security infrastructure through construction/ improving police stations, AP camps and patrol bases	Construction of Chief offices and toilets for Police stations. Number of infrastructures in Chief's offices and police station	Increased number of chiefs offices by 2, police offices by 1 and increased number of sanitation facilities done for police stations to 20 latrines
Environment	Sustainable environment for responsive development	Assist the community groups to acquire necessary facilities to conserve environment and other social amenities	Number of institutions NG-CDFC has planted tree and provided of water tanks to conserve environment	Increased number of schools with tree planted and water tanks provided to 32 schools
Disaster Management	Mainstreaming of climate change, disaster risk reduction and other crosscutting issues	Support establishment of PWDs friendly infrastructure in public institutions at all levels	Making sure all buildings done by Laikipia North NG-CDF have provisions for persons with disabilities	increased number of classrooms, dormitories and sanitation facilities with provisions of ramps and other needs for PWDs



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF)  
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**For the year ended June 30, 2020**

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

NG - CDF Laikipia North Constituency 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**

NG – Laikipia North CDF has implemented Sustainability strategy and profile in the following ways:

- i. Implementation of the constituency strategic plan.
- ii. All stakeholders envisaged to per take in the implementation of the prioritized projects.
- iii. Preparation of constituency annual workplan and its implementation.
- iv. Preparation of annual procurement plan and its implementation.
- v. Preparation of constituency service charter and its implementation.

**2. Environmental performance**

NG – Laikipia North CDF has implemented Environmental performance in the following ways:

- i. Assisting schools in acquiring tree seedlings for environmental conservation.
- ii. Assisting schools in purchasing water tanks to conserve water.
- iii. Procuring dustbins for schools for waste management.
- iv. Assisting schools with connections to sewerage systems for waste management.

**3. Employee welfare**

NG – Laikipia North CDF has implemented Employee welfare in the following ways:

- i. Annual training plans for employees.
- ii. Hiring staff by considering 30% gender rule.
- iii. Insuring staff with annual leaves.
- iv. Providing staff with T-shirts with organization logo
- v. Providing staff with Constituency I.D. cards for identification purposes.
- vi. Having staff appraisal annually and rewarding best performing staff.
- vii. Staff training on new skills.

**4. Market place practices**

NG – Laikipia North CDF has implemented Market place practices in the following ways:

- i. Pre-qualifying contractors/ suppliers annually.





***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF)  
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- ii. Awarding tenders competitively and fairly as per procurement guidelines and regulations.
- iii. Advertising for works competitively.
- iv. Having complaints resolution committee to resolve procurement complaints.
- v. Honouring of contracts by making sure the suppliers/ contracts are paid as per their contract agreements.
- vi. Reserving 30% tenders for youths, women and PWD's.

**5. Community Engagements**

NG – Laikipia North CDF has implemented Community Engagements in the following ways:

- i. Having community participation forums.
- ii. Handing over of projects to communities for sustainability and project security.
- iii. Organization of constituency sports tournament to promote youth talents and promote cohesive coexistence of communities.
- iv. Awarding of best performing students from poor families by offering them full scholarships.



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

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**IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NG – CDF Laikipia 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

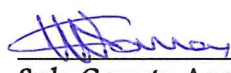
The Accounting Officer in charge of the NG – CDF Laikipia North Constituency accepts responsibility for the entity’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity’s* financial statements give a true and fair view of the state of entity’s transactions during the financial year ended June 30, 2020, and of the entity’s financial position as at that date. The Accounting Officer charge of the NG – CDF Laikipia North Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity’s financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NG – CDF Laikipia North Constituency financial statements were approved and signed by the Accounting Officer on 07/09/2020 2020.

  
Fund Account Manager  
Isaak Hassan Adan

  
Sub-County Accountant  
Winfred Wambui

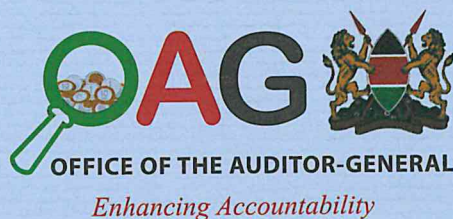


SUB-COUNTY ACCOUNTANT  
NATIONAL TREASURY  
LAIKIPIA NORTH SUB-COUNTY  
P.O. Box 25 DOLDOL



# REPUBLIC OF KENYA

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

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laikipia North Constituency set out on pages 14 to 49, which comprise the statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and 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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund -Laikipia North Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund-Laikipia 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 opinion.

#### Key Audit Matters

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

## **Other Matter**

### **1. Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2020 reflects final budgeted receipts and actual on comparable basis of Kshs.168,112,788 and Kshs.98,745,064 respectively resulting to shortfall in disbursements from the National Government Constituencies Development Fund Board of Kshs.69,367,724 representing 41% of the budgeted amount. Further, the total actual expenditure for the year was Kshs.95,740,747 representing an absorption rate of 97% of actual receipts.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the constituents of Laikipia North Constituency.

### **2. Prior Year Unresolved Issues**

In the report of the previous year, several issues were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the Management has indicated that all the issues have been resolved, the matters remained unresolved as the National Assembly has yet to deliberate on the audit report for 2018/2019.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for conclusion on lawfulness and effectiveness in use of public resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Unutilized Projects**

##### **1.1 Emergency Project - Munipicha primary school**

Note 7 to the financial statements reflects emergency projects expenditure of Kshs.2,860,000, which includes an expenditure of Kshs.200,000 incurred in respect of construction of toilets at Munipicha Primary School. However, an inspection of the project in February, 2021 revealed that despite the project being complete, the facility had not been put to the intended use. No satisfactory explanation was provided for failure to utilize the toilets even though the project was earmarked as an emergency.

## **1.2 Sirimon Day Secondary School**

As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects Kshs.68,216,493 under transfer to other government entities which includes an expenditure of Kshs.14,650,000 out of which Kshs.1,900,000 was disbursed to Sirimon Day Secondary School for construction and completion of two classrooms. Records provided indicated that the project management committee awarded the contract on 30 January, 2020 at a cost of Kshs.1,890,980 to a construction firm and the project was completed as per the project implementation status dated 30 December, 2020. A physical verification carried out of the project in February, 2021 revealed that although the construction was complete, it had not been utilized. No explanation was provided for failure to use the classrooms for the intended purposes.

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 Fund's ability to continue to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in



which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

**04 February, 2022**

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

**Reports and Financial Statements**

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

**VI. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NG - CDF board	1	68,000,000	120,896,048
Proceeds from Sale of Assets	2	~	~
Other Receipts	3	~	~
<b>TOTAL RECEIPTS</b>		<b>68,000,000</b>	<b>120,896,048</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,419,744	1,635,160
Use of goods and services	5	6,607,510	8,289,144
Transfers to Other Government Units	6	68,216,493	58,585,468
Other grants and transfers	7	18,198,000	35,366,834
Acquisition of Assets	8	299,000	~
Other Payments	9	~	3,983,440
<b>TOTAL PAYMENTS</b>		<b>95,740,747</b>	<b>107,860,046</b>
<b>SURPLUS/ (DEFICIT)</b>		<b><u>(27,740,747)</u></b>	<b><u>13,036,002</u></b>

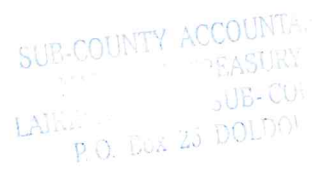
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG - CDF Laikipia North Constituency financial statements were approved on 07/09/2020 and signed by:



Fund Account Manager  
Isaak Hassan Adan



National Sub-County Accountant  
Winfred Wambui

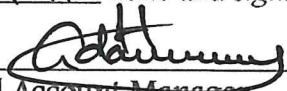


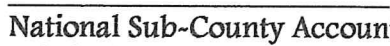


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF)****LAIKIPIA NORTH CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	10A	3,004,318	30,732,828
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>3,004,318</b>	<b>30,732,828</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,004,318</b>	<b>30,732,828</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>			
<b>NET FINANCIAL ASSETS</b>		<b>3,004,318</b>	<b>30,732,828</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	<b>13</b>	30,732,828	17,607,826
Prior year adjustments	14	12,236	89,000
Surplus/Defict for the year		(27,740,747)	13,036,002
<b>NET FINANCIAL POSITION</b>		<b>3,004,318</b>	<b>30,732,828</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG - CDF Laikipia North Constituency financial statements were approved on 02/09/2020 2020 and signed by:

  
 Fund Account Manager  
 Isaak Hassan Adan

  
 National Sub-County Accountant  
 Winfred Wambui





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

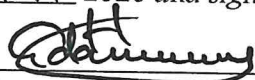
**Reports and Financial Statements**


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

**VIII. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NG - CDF Board	1	68,000,000	120,896,048
Other Receipts	3		
<b>Total receipts</b>		<b>68,000,000</b>	<b>120,896,048</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,419,744	1,635,160
Use of goods and services	5	6,607,510	8,289,144
Transfers to Other Government Units	6	68,216,493	58,585,468
Other grants and transfers	7	18,198,000	35,366,834
Other Payments	9		3,983,440
<b>Total payments</b>		<b>95,441,747</b>	<b>107,860,046</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	~	~
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	~	~
Prior year adjustments	14	12,236	89,000
<b>Net cash flow from operating activities</b>		<b>(27,429,511)</b>	<b>13,125,002</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	~	~
Acquisition of Assets	8	299,000	~
<b>Net cash flows from Investing Activities</b>		<b>(299,000)</b>	<b>~</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(27,728,510)</b>	<b>13,125,002</b>
Cash and cash equivalent at BEGINNING of the year	13	30,732,828	17,607,826
Cash and cash equivalent at END of the year		<u>3,004,318</u>	<u>30,732,828</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG - CDF Laikipia North Constituency financial statements were approved on 07/09/2020 and signed by:

  
Fund Account Manager  
Isaak Hassan Adan

  
National Sub-County Accountant  
Winfred Wambui







IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NG - CDF Board	137,367,724	30,745,064	168,112,788	98,745,064	69,367,724	57.0%
Proceeds from Sale of Assets						
Other Receipts						
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>30,745,064</b>	<b>168,112,788</b>	<b>98,745,064</b>	<b>69,367,724</b>	<b>57.0%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,400,800	2,114,840	5,515,640	2,419,744	3,095,896	43.9%
Use of goods and services	8,662,294	1,228,253	9,890,547	6,607,510	3,283,037	66.8%
Transfers to Other Government Units	80,717,104	15,209,999	95,927,103	68,216,493	27,710,610	71.1%
Other grants and transfers	44,287,526	12,175,412	56,462,938	18,198,000	38,264,938	32.2%
Acquisition of Assets	300,000		300,000	299,000	1,000	99.7%
Other Payments		16,560	16,560		16,560	0.0%
<b>TOTALS</b>	<b>137,367,724</b>	<b>30,745,064</b>	<b>168,112,788</b>	<b>95,740,747</b>	<b>72,372,041</b>	<b>57.0%</b>

The NG - CDF Laikipia North Constituency financial statements were approved on 02/09/2020 and signed by:



Fund Account Manager  
Isaak Hassan Adan





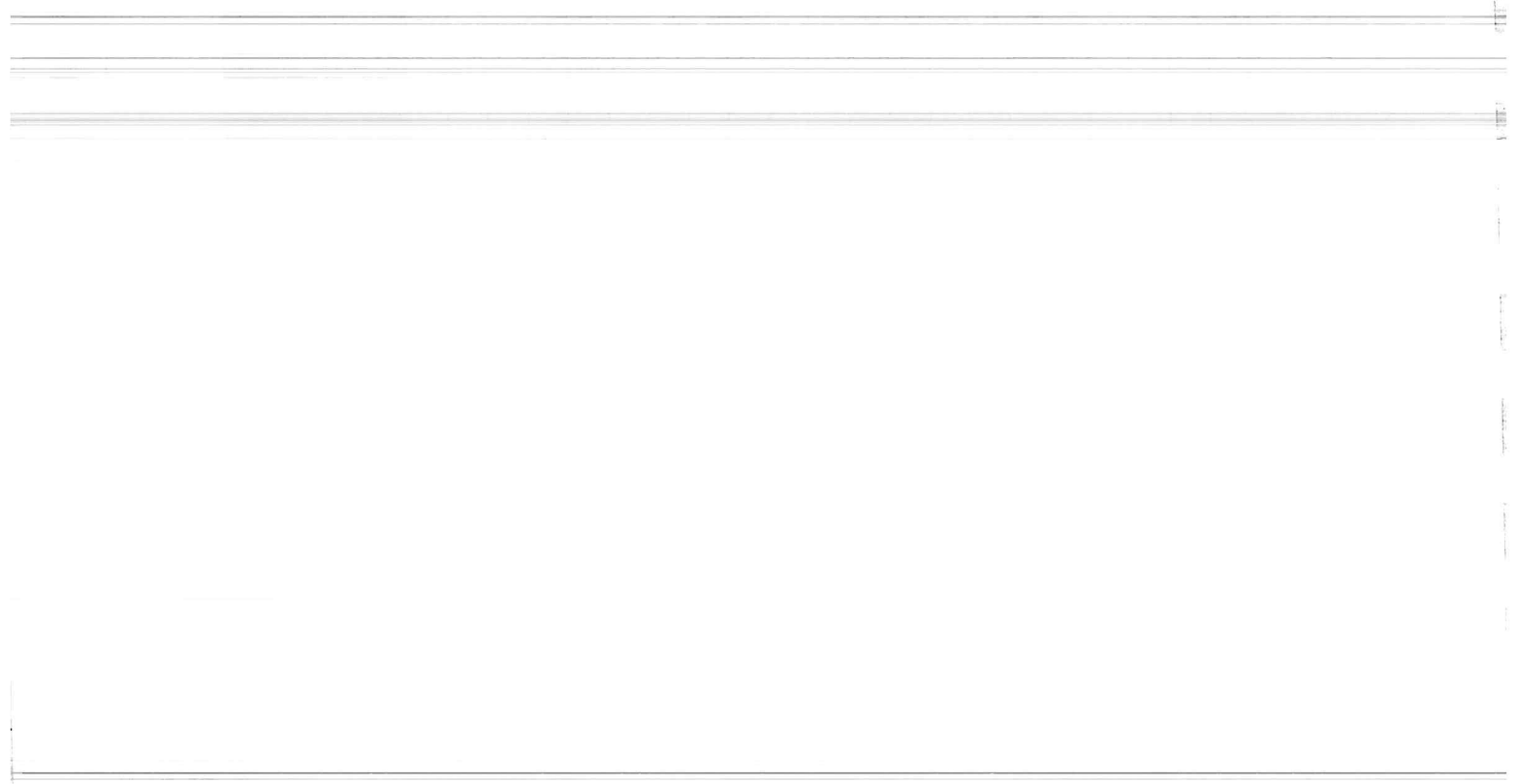
Sub-County Accountant  
Winfred Warmbui

SUB-COUNTY ACCOUNTANT  
NATIONAL TREASURY  
LAIKIPIA NORTH SUB-COUNTY  
P.O. Box 25 DOLDOL



BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,400,800	2,114,840	5,515,640	2,419,744	3,095,896
1.2 Committee allowances	3,337,262	-	3,337,262	1,716,500	1,620,762
1.3 Use of goods and services	1,204,000	949,488	2,153,488	1,982,355	72,133
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,050,000	-	1,050,000	522,000	528,000
2.2 Committee allowances	1,584,000	100,000	1,684,000	1,128,000	556,000
2.3 Use of goods and services	1,487,032	280,000	1,767,032	1,258,655	508,377
<b>3.0 Emergency</b>					
3.1 Emergency	7,198,241	5,985,459	13,183,700	7,016,493	6,167,207
Ngarendare primary school	950,000	-	950,000	950,000	-
Olotasha primary school	950,000	-	950,000	950,000	-
Jikaze primary school	950,000	-	950,000	950,000	-
Mia moja primary school	400,000	-	400,000	400,000	-
Lekiji primary school	400,000	-	400,000	400,000	-
Marura Narok primary school	1,900,000	-	1,900,000	1,900,000	-
Mowuarak primary school	200,000	-	200,000	200,000	-
Kimanjio police station	200,000	-	200,000	200,000	-
Tiamanut primary school	200,000	-	200,000	200,000	-
Munipicha primary school	200,000	-	200,000	200,000	-
Lairagwan primary school	200,000	-	200,000	200,000	-
Kimanjio primary school	466,493	-	466,493	466,493	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAIKIPIA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
<b>Sub-totals</b>					
<b>4.0 Primary Schools</b>					
Mbogoini Primary School	1,900,000	120,000	2,020,000	2,020,000	-
Sirat Primary School	950,000.00	120,000	1,070,000	1,070,000	-
Kisargei Primary School	950,000	-	950,000	950,000	-
Mutirithia Primary School	1,500,000	-	1,500,000	1,500,000	-
Lekiji Primary School	1,900,000	-	1,900,000	1,900,000	-
Tiamanut Primary School	950,000	-	950,000	950,000	-
Soitotasho Primary School	1,900,000	-	1,900,000	1,900,000	-
Munipicha Primary School	950,000	-	950,000	950,000	-
Soitoudo Primary School	1,500,000	-	1,500,000	1,500,000	-
Lokusero Primary School	200,000	-	200,000	200,000	-
Bokish Primary School	500,000	-	500,000	200,000	300,000
Olkingei Primary School	3,500,000	-	3,500,000	3,500,000	0
Olotasha Primary School	1,050,000	120,000	1,170,000	1,070,000	100,000
Olokirisai Primary School	1,500,000	-	1,500,000	1,500,000	-
Ngarendare Primary School	950,000	-	950,000	950,000	-
Sieku Primary School	200,000	-	200,000	200,000	-
Ethi Primary School	200,000	-	200,000	200,000	-
Mia Moja Primary School	1,000,000	-	1,000,000	-	1,000,000
Githima Primary School	1,900,000	-	1,900,000	1,900,000	-
Dam Mbili Primary School	2,100,000	-	2,100,000	2,100,000	-
Minjore Primary School	400,000	-	400,000	400,000	-
Marura Narok Primary School	1,900,000	120,000	2,020,000	2,020,000	-
Mertgwet Primary School	1,900,000	-	1,900,000	1,900,000	-
Kanjul Primary School	1,150,000	-	1,150,000	1,150,000	-
Ohmutanyi Primary School	1,150,000	-	1,150,000	1,150,000	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAIKIPIA NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Mbombo Primary School	1,900,000	-	1,900,000	1,900,000	-
Oi Moran Primary School	1,900,000	-	1,900,000	1,900,000	-
Kandutura Primary School	950,000	-	950,000	950,000	-
Ndunyu Primary School	200,000	-	200,000	200,000	-
Ndonyoiwo Primary School	950,000	-	950,000	950,000	-
Nkirachi Primary School	1,150,000	-	1,150,000	1,150,000	-
Kaitigire Bidii Primary School	250,000	-	250,000	250,000	-
Mithuri Primary School	950,000	-	950,000	950,000	-
Saramba Primary School	-	2,620,000	2,620,000	2,620,000	-
Seek Primary School	-	1,900,000	1,900,000	1,900,000	-
Kiwanja Ndege Special School	-	950,000	950,000	950,000	-
Kiwanja Ndege Primary School	-	1,070,000	1,070,000	1,070,000	-
Mowarak Primary School	-	120,000	120,000	120,000	-
Gathanji Primary School	-	3,500,000	3,500,000	3,500,000	-
Mutarakwa Primary School	-	120,000	120,000	120,000	-
<b>5.0 Secondary Schools</b>					
Mukima Secondary School	3,500,000	-	3,500,000	3,500,000	-
Itura Secondary School	400,000	-	400,000	400,000	-
Ewaso Secondary School	950,000	-	950,000	950,000	-
Kurum Secondary School	1,900,000	-	1,900,000	1,900,000	-
Sirimon Secondary School	2,100,000	-	2,100,000	2,100,000	-
Louniek Secondary School	1,050,000	-	1,050,000	1,050,000	-
Githima Secondary School	467,104	-	467,104	-	467,104
Mithuri Secondary School	7,500,000	-	7,500,000	-	7,500,000
Naihor Day Secondary School	7,500,000	-	7,500,000	-	7,500,000
Lokusero Secondary School	7,500,000	-	7,500,000	-	7,500,000





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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kimanjio Secondary School	7,500,000	-	7,500,000	-	7,500,000
Mia Moja Secondary School	-	3,500,000	3,500,000	3,500,000	-
Chumvi Secondary School	-	950,000	950,000	950,000	-
<b>6.0 Bursary and Social Security</b>					
4.2 Secondary Schools	18,000,000	-	18,000,000	9,340,000	8,660,000
4.3 Tertiary Institutions	16,341,931	1,688,717	18,030,648	1,598,000	16,432,648
<b>7.0 Sports</b>					
7.1 Sport	2,747,354	2,000,000	4,747,354	2,000,000	2,747,354
Olysa football club	-	250,000	250,000	250,000	-
Navila football club	-	250,000	250,000	250,000	-
Redmark football club	-	250,000	250,000	250,000	-
Ngarendare football club	-	250,000	250,000	250,000	-
Mbombo football club	-	250,000	250,000	250,000	-
Louniek football club	-	250,000	250,000	250,000	-
Ndikir football club	-	250,000	250,000	250,000	-
Endana football club	-	250,000	250,000	250,000	-
<b>Sub-total</b>					
<b>8.0 Security</b>					
Naibor Anti Stock Theft Unit	-	2,400,000.00	2,400,000	2,400,000	-
<b>9.0 Acquisition of Assets</b>					
9.1 Purchase of ICT Equipment, Software and Other ICT Assets	300,000	-	300,000	299,000	1,000
<b>10.0 Other payments</b>					
10.1 Strategic Plan	-	16,560	16,560	-	16,560
<b>GRAND TOTAL</b>	<b>137,367,724</b>	<b>30,745,064</b>	<b>168,112,788</b>	<b>72,372,041</b>	<b>57.0%</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme

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based. Ensure that this document is completed to enable consolidation by the National Treasury)



**X. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and basis of Preparation**

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

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

**2. Reporting Entity**

The financial statements are for the NG – CDF Laikipia 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**

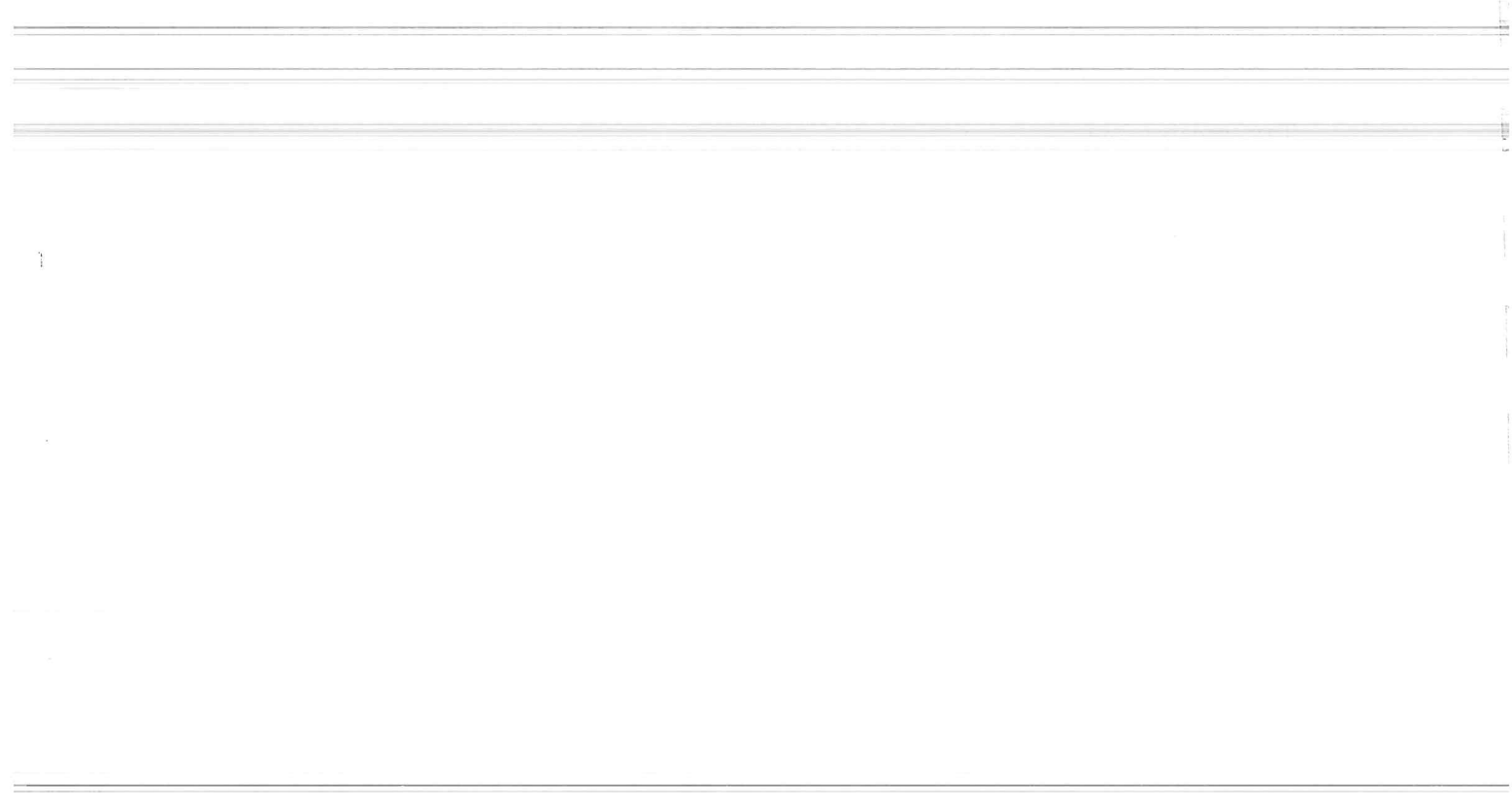
The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**Tax Receipts**

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

**Transfers from the Exchequer**

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



**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

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

**Other receipts**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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





**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

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**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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



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**XI. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NG - CDF Board			
AIE NO: B005057	1.		11,379,310
AIE NO: B005194	2.		475,862
AIE NO: B030085	3.		10,000,000
AIE NO: B030471	4.		12,000,000
AIE NO: B006419	5.		8,000,000
AIE NO: A724452	6.		11,000,000
AIE NO: B042928	7.		13,000,000
AIE NO: B041010	8.		55,040,876
AIE NO: B047499	9.	4,000,000	
AIE NO: B041308	10.	18,000,000	
AIE NO: B047727	11.	5,000,000	
AIE NO: B047949	12.	6,000,000	
AIE NO: B049346	13.	14,000,000	
AIE NO: B104370	14.	21,000,000	
<b>TOTAL</b>		<b>68,000,000</b>	<b>120,896,048</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
<b>Total</b>		



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**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,167,744	1,467,160
Personal allowances paid as part of salary	252,000	168,000
Pension and other social security contributions (Gratuity)		
Employer Contributions Compulsory national social security schemes		
<b>Total</b>	<b>2,419,744</b>	<b>1,635,160</b>





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**5. USE OF GOODS AND SERVICES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	2,844,500	5,103,250
Utilities, supplies and services		
Communication, supplies and services		
Domestic travel and subsistence		173,000
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	522,000	
Hospitality supplies and services		
Insurance costs		
Specialized materials and services		
Office and general supplies and services	1,158,655	1,384,250
Other operating expenses		8,391
Routine maintenance – vehicles and other transport equipment	2,082,355	1,620,223
Routine maintenance – other assets		
<b>Total</b>	<b>6,607,510</b>	<b>8,289,144</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	53,566,493	41,082,579
Transfers to secondary schools (see attached list)	14,650,000	17,502,889
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)		
<b>TOTAL</b>	<b>68,216,493</b>	<b>58,585,468</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	9,298,000	19,149,125
Bursary – tertiary institutions (see attached list)	1,640,000	14,000,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)	2,400,000	1,595,209
Sports projects (see attached list)	2,000,000	
Environment projects (see attached list)		
Emergency projects (see attached list)	2,860,000	622,500
<b>Total</b>	<b>18,198,000</b>	<b>35,366,834</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets	299,000	
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>	<b>299,000</b>	

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan		3,983,440
ICT Hub		
<b>TOTAL</b>		<b>3,983,440</b>



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

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Laikipia North NG-CDF Account NO : 0270261109758 Nanyuki</i>	3,004,318	30,732,828
<b>Total</b>		
<b>10B: CASH IN HAND</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>specify</i> )		
<b>Total</b>		
<i>[Provide cash count certificates for each]</i>		





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**11: OUTSTANDING IMPRESTS**

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

*Total*

**12A. RETENTION**

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

**12B. GRATUITY DEPOSITS**

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



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**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	30,732,828	17,607,826
Cash in hand		
Imprest		
<b>Total</b>	<b>30,732,828</b>	<b>17,607,826</b>

**14. PRIOR YEAR ADJUSTMENTS**

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

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

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

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

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



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**17. OTHER IMPORTANT DISCLOSURES**

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

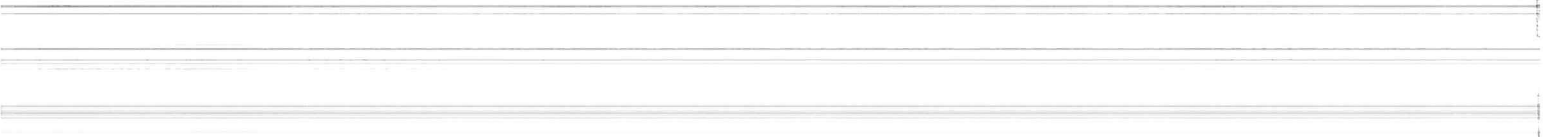
	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		

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

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

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

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,896,379.04	2,114,840
Use of goods and services	5,521,031.72	1,216,017
Amounts due to other Government entities (see attached list)	32,067,104.00	15,209,999
Amounts due to other grants and other transfers (see attached list)	32,887,526.38	12,175,412
Acquisition of assets	-	-
Others ( <i>specify</i> )	-	16,560
<b>TOTAL</b>	<b>72,372,042</b>	<b>30,732,828</b>



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

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	15,155,360.20	25,242,433.80
<b>TOTAL</b>	<b>15,155,360.20</b>	<b>25,242,433.80</b>





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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.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
11.					
12.					
Sub-Total					
Grand Total					



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

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



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/2020	Outstanding Balance 2018/19	Comments
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees		2,996,296	2,114,840	
1.2 Committee allowances		1,720,361.76	-	
1.3 Use of goods and services		172,133.00	916,017	
<b>2.0 Monitoring and evaluation</b>				
2.1 Capacity building		528,000	-	
2.2 Committee allowances		556,000	-	
2.3 Use of goods and services		508,377	300,000	
<b>Amounts due to other Government entities</b>			15,209,999	
3.1 Primary Schools				
Bokish Primary School		300,000		
Olotasha Primary School		100,000		
Mia Moja Primary School		1,000,000		
<b>3.2 Secondary Schools</b>				
Githima Secondary School		467,104		
Mithuri Secondary School		7,500,000		
Naihor Day Secondary School		7,500,000		
Lokusero Secondary School		7,500,000		
Kimanijo Secondary School		7,500,000		
<b>Amounts due to other grants and other transfers</b>			12,175,412	
Emergency		6,167,207.38		
<b>4.0 Bursary and Social Security</b>				
4.2 Secondary Schools		8,660,000		
4.3 Tertiary Institutions		16,432,648		
<b>5.0 Sports</b>		<b>2,747,354</b>		
7.0 Strategic Plan		16,560.00	16,560	
<b>GRAND TOTAL</b>		<b>72,372,042</b>	<b>80,732,828</b>	









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

Asset class	Historical Cost b/f (Kshs) 2018/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/19
Land				
Buildings and structures	12,644,195			12,644,195
Transport equipment	6,158,843			6,158,843
Office equipment, furniture and fittings	1,814,918			1,814,918
ICT Equipment, Software and Other ICT Assets	460,800	299,000		161,800
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>21,078,756</b>	<b>299,000</b>		<b>20,779,756</b>



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

No.	Name of Project	Bank	Branch	Account No.	Balance
1.	Nanyoki Primary School	Equity	Nanyuki	0270264552235	560.00
2.	Ewaso Secondary School	Equity	Nanyuki	0270278549371	65,709.55
3.	Kanjul Primary School	Equity	Nyahururu	0160263148624	650,885
4.	Mathanji Primary School	Equity	Nyahururu	0160168693987	73.65
5.	Kiwanja Ndege Primary School	Equity	Nanyuki	0270271682975	44,634.25
6.	Lariakorok Primary School	Equity	Nanyuki	0270269503892	960.00
7.	Lowabene Primary School	Equity	Nyahururu	0160262498462	250.00
8.	Ntabas Primary School	Equity	Nyahururu	0160263291953	535.00
9.	Noositet Primary School	Equity	Nyahururu	0160262386608	53.25
10.	Rabal Primary School	Equity	Nyahururu	0160262386617	10.00
11.	Lekasuiyan Primary School	Equity	Nyahururu	0160262386607	0.00
12.	Mowarak Primary School	Equity	Nyahururu	0160278572905	962.30
13.	Olokirisiai Primary School	Equity	Nanyuki	0270262238555	352,943.00
14.	Mowarak T.T.I.	Equity	Nyahururu	0160171415186	1894.50
15.	Mowarak D. O's House	Equity	Nyahururu	0160171775228	1,090.00
16.	Tassia AP Line Fence	Equity	Nanyuki	0270271778200	690.00
17.	Sangumai Primary School	Equity	Nyahururu	0160171415628	120.00



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18.	St. Ann Nosirai Primary School	Equity	Nanyuki	0270271707394	13,884.00
19.	Ereri Baptist Primary School	Equity	Nanyuki	0270271651223	1,706.00
20.	Laikipia North Environment	Equity	Nanyuki	0270163347822	1,880.00
21.	Moriyo Primary School	Equity	Nanyuki	0270262359538	1,645.00
22.	Kiwanja Ndege Special School	Equity	Nanyuki	0270264242023	11,687.25
23.	Ndonyoriwo Primary School	Equity	Nyahururu	0160263148573	949,847.05
24.	Kisargei Primary School	Equity	Nanyuki	0270264119609	0.00
25.	Mowarak Police Post	Equity	Nyahururu	0160163151511	1,068.60
26.	Mowarak Secondary School	Equity	Nyahururu	0160172946325	1,390.00
27.	Seek Primary School	Equity	Nanyuki	0270262307145	5,280.00
28.	Laikipia North Sports Organization	Equity	Nanyuki	0270263153042	102.00
29.	Naiperere Primary School	Equity	Nanyuki	0270278685826	54,694.05
30.	Olkinyei Primary School	Equity	Nanyuki	0270279783106	205,050
31.	Olotasha Primary School	Equity	Nanyuki	0270279032501	92,141.00
32.	Kurum Primary School	Equity	Nanyuki	0270190532410	1,506.20
33.	Kurikuri Primary School	Equity	Nanyuki	0270268908719	22,456.00
34.	Mia Moja Primary School	Equity	Nanyuki	0270299835273	4,358.00
35.	Dam Mbili Primary School	Equity	Nyahururu	1830279572024	732.50



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36.	Nakwiang Primary School	Equity	Nyahururu	0160168694752	40.00
37.	Sirat Primary School	Equity	Nanyuki	0270263870399	76,943.50
38.	Kandutura Primary School	Equity	Nyahururu	0160268654328	44,704.75
39.	Ngare Mare Primary School	Equity	Nyahururu	0160278624766	0.00
40.	Reteti Primary School	Equity	Nanyuki	0270262835174	30.00
41.	Kairigire Bidii Primary School	Equity	Nanyuki	0270268702514	559.85
42.	Irura Primary School	Equity	Nanyuki	0270271100564	590.00
43.	Lera Primary School	Equity	Nyahururu	0160171232377	227,170.00
44.	Narok Primary School	Equity	Nyahururu	0160191693466	3,106.60
45.	Nkiloriti Primary School	Equity	Nanyuki	0270278676331	3,569.00
46.	Luoniek Primary School	Equity	Nyahururu	0160262477002	2,963.40
47.	Ewaso Boarding & Day Primary School	Equity	Nanyuki	0270271708541	2,390.00
48.	Sirimon Primary School	Equity	Nanyuki	0270272405830	135.00
49.	Arjju Primary School	Equity	Nanyuki	0270272925933	650.00
50.	Olmotonyi Primary School	Equity	Nanyuki	0160272917680	451,050.00
51.	Soitoudo Primary School	Equity	Nanyuki	0270272872705	357,402.00
52.	Muramati Secondary School	Equity	Nanyuki	0270278522553	265,780.60
53.	Arjju Secondary School	Equity	Nanyuki	0270272521742	2,240.00
54.	Mukima Chief's Office	Equity	Nanyuki	0270271173455	760.00

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55.	Mukima Secondary School	Equity	Nanyuki	0270199845656	640.50
56.	Chumvi Secondary School	Equity	Nanyuki	0270269663898	15,813.50
57.	Mutirithia Primary School	Equity	Nanyuki	0270276345737	712,920.00
58.	Ngenia Primary School	Equity	Nanyuki	0270276244549	3,508.00
59.	Shiloh Naibor Primary School	Equity	Nanyuki	0270276511830	41.50
60.	Muramati Police Patrol Base	Equity	Nanyuki	0270276775354	546.00
61.	Doldol Police Station	Equity	Nanyuki	0270276356006	533.00
62.	Bokish Primary School	Equity	Nanyuki	0270262368232	1,000.00
63.	Endana Primary School	Equity	Nanyuki	0270276349260	2,280.00
64.	Doldol AP Line	Equity	Nanyuki	0270277404999	890.00
65.	Sherton Musul Primary School	Equity	Nanyuki	0270277382244	3,515.15
66.	Marura Narok Primary School	Equity	Nyahururu	0160276253847	89,960.00
67.	Tangi Nyeusi Primary School	Equity	Nanyuki	0270277394375	710.00
68.	Muramati Primary School	Equity	Nanyuki	0270277383331	797.00
69.	Saramba Primary School	Equity	Nanyuki	0270278944730	22,597.25
70.	Ngenia Secondary School	Equity	Nanyuki	0270273633113	5,613.00
71.	Kemsii Primary School	Equity	Nyahururu	0160173978264	130.00
72.	Ethi Primary School	Equity	Nanyuki	0270193078775	200,726.40
73.	Mbogoini Primary School	Equity	Nanyuki	0270273698053	273,588.50



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74.	Mutarakwa Primary School	Equity	Nyahururu	0160276262633	44,595.00
75.	Gathanji Primary School	Equity	Nyahururu	0160276262346	52.25
76.	Mirango Primary School	Equity	Nyahururu	0160276263009	56.90
77.	Olmutunyi Primary School	Equity	Nyahururu	0160272917680	451,050.00
78.	Olgirgiri Primary School	Equity	Nanyuki	0270298076604	1,200.00
79.	Olmaisor Primary School	Equity	Nyahururu	0160276254160	1,445.00
80.	Mithuri Secondary School	Equity	Nyahururu	0160278674979	880.00
81.	Naiperere Primary School	Equity	Nanyuki	0270278685826	54,694.05
82.	Tiamamut Primary School	Equity	Nanyuki	0270278685864	450,481.65
83.	Ndunyu Primary School	Equity	Nyahururu	0160278642365	243,895.00
84.	Mbombo Primary School	Equity	Nyahururu	0160278642797	1,945,060
85.	Kahuho Primary School	Equity	Nyahururu	0160278609412	43,952.50
86.	Survey Primary School	Equity	Nyahururu	0160278643451	56,858.50
87.	Kanjul Primary School	Equity	Nyahururu	0160263148624	650,885.00
88.	Magadi Primary School	Equity	Nyahururu	0160278595980	1,060.00
89.	Munipicha Primary School	Equity	Nanyuki	0270278958092	230,648.50
90.	Doldol Primary School	Equity	Nanyuki	0270278998142	630.00
91.	Uaso Nyiro Primary School	Equity	Nanyuki	0270278960885	291.00
92.	Ngabolo Primary School	Equity	Nanyuki	0270278959934	880.00



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93.	Kimanzo Primary School	Equity	Nanyuki	0270278981725	28,431.00
94.	Lairagwan Primary School	Equity	Nanyuki	0270278998252	368.50
95.	Ngaremare Primary School	Equity	Nyahururu	0160278624766	0.00
96.	Naibor Anti stock Theft Unit	Equity	Nanyuki	0270279031421	39,880.00
97.	Naibor P & D Primary School	Equity	Nyahururu	0160279016949	455.00
98.	Irura Secondary School	Equity	Nanyuki	0270278998025	4,090.00
99.	Kurum Mixed Secondary School	Equity	Nanyuki	0270277498853	4,310.00
100.	Soitoitashe Primary School	Equity	Nanyuki	0270279586857	952,050.00
101.	Sirimon Day Secondary School	Equity	Nanyuki	0270279586463	90,640.00
102.	Merigwit Primary School	Equity	Nyahururu	0160279577427	945,765.65
103.	Luoniek Secondary School	Equity	Nyahururu	1830279575154	232,590.00
104.	Mithuri Primary School	Equity	Nyahururu	0160279685188	452,320.00
105.	Olmoran Primary School	Equity	Nyahururu	0160279710588	959,465.00
106.	Nkirachi Primary School	Equity	Rumuruti	1830279893273	1,150,000.00
107.	Kimanzo Police Station	Equity	Nanyuki	0270279893098	200,000.00
108.	Lokusero Primary School	Equity	Nanyuki	0270279897232	200,000.00
109.	Minjore Primary School	Equity	Nyahururu	0160279707364	120.00
110.	Githima Primary School	Equity	Nyahururu	0160279603439	89,365.00
111.	Lekiji Primary School	KCB	Nanyuki	1182813941	2,202.50



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112.	Jikaze Primary School	KCB	Nanyuki	1137292806	49,923.50
113.	Sieku Primary School	KCB	Nanyuki	1131248872	202,120.00
114.	Ngarendare Primary School	KCB	Nanyuki	1137365943	90,535.05
115.	Naibor Secondary School	KCB	Nanyuki	1134966318	2,362.00
116.	Doldol Secondary School	KCB	Nanyuki	1103080393	13,059.00

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put date when you expect the issue to be resolved)
	Supply of Metallic Beds	<p>Laikipia North NG-CDFC used Kshs 322,500 to fund the purchase of beds for Sanga Primary School from Emergency kitty. The school had requested for the beds as an Emergency because most students were sleeping on the floor due to lack of beds. The Dormitory was constructed for the school by another donor who did not equip the dormitory with beds. After the NG-CDF Committee received the request the committee visited the school and witnessed the deplorable conditions of the students sleeping on the floor. The place is cold and the committee saw a healthy risk to the students.</p> <p>The project could not have waited for consideration as a normal project because it was urgent in nature and it involved the health of students. Hence the NG-CDF Committee approved it as an Emergency.</p> <p>Money was used for intended purpose, there was no loss of funds.</p>	Fund Account Manager	Resolved	N/A

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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)	Time taken: (Put a date when you expect the issue to be resolved)
		<p>The school had done a market survey hence giving the exact budget as the budget approved by NG-CDF Committee.</p> <p>Attached please find the school request and the NG-CDFC minutes that approved the Emergency.</p>			
	Security Projects	<p>The two security projects were both awarded in May 2018 but the projects had not been allocated enough funds in the Financial year 2017/2018.</p> <p>When the NG-CDF Board allocated each constituency an additional budget of Kshs 11,379,311.17 for the FY 2017/2018 the NG-CDF Committee allocated both projects additional funds to fund the projects to completion as per the evaluated contract sums.</p> <p>Doldol police station was allocated Kshs 775,223 to complete the two staff houses and Muramati police patrol base was allocated Kshs 819,986 to complete the two staff houses.</p> <p>The contract sum for Doldol police station was Kshs 1,775,223, the project had been allocated Kshs 1,000,000 initially in FY 2017/2018, hence the</p>	Fund Account Manager	Resolved	N/A



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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)	Time frame: (Put a date when you expect the issue to be resolved)
		<p>addition of Kshs 775,223 in the additional budget to complete the contract sum. The contract was awarded on May 30<sup>th</sup> 2018 one week after evaluation.</p> <p>The contract sum for Muramati police patrol base was Kshs 1,796,986, the project had been allocated Kshs 950,000 initially in FY 2017/2018, hence the addition of Kshs 819,986 in the additional budget to complete the contract sum. The contract was awarded on May 9<sup>th</sup> 2018 one week after evaluation</p> <p>Attached please find the NG-CDFC minutes that approved the additional budget, evaluated contract sums and the contract award letters for the two projects.</p>			
	<p>Unsupported Expenditure on Monitoring and Evaluation Activities</p>	<p>The Committee did two monitoring and evaluation exercises between 20-23<sup>rd</sup> November 2018 and 6<sup>th</sup> to 15<sup>th</sup> march 2019 costing Kshs 210,000 and Kshs 297,000 respectively. Attached please find the Monitoring and Evaluation reports for the two exercises and copies of work ticket to support the expenditures. Also find attached the NG-CDFC minutes that approved</p>	<p>Fund Account Manager</p>	<p>Resolved</p>	<p>N/A</p>



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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)
		the activities.			
	Unsupported Expenditure on Benchmarking Exercise	<p>The committee went for benchmarking tour of four constituencies that is Kitui West, Kibra, Kajiado West and Kikuyu.</p> <p>The committee visited each constituency for a day and two days were for travelling hence the exercise took six days.</p> <p>Attached please find the NG-CDFC minutes that approved the exercise and the vehicle work ticket to support the expenditure.</p>	Fund Account Manager	Resolved	N/A
	Irura Secondary School	<p>The NG-CDF Committee constructed two classrooms at the above secondary school at a cost of Kshs 1,900,000 in the FY 2018/2019. The classrooms are complete.</p> <p>The school had not started by the time of audit because of lack of sanitation facilities. But the NG-CDF Committee allocated the school Kshs 400,000 for 8 toilets construction in the FY 2019/2020 Budget. Currently the toilets are under construction and by mid-march 2020 they will be complete.</p> <p>The school admitted some form one students who are currently being taught at the adjacent Irura primary</p>	Fund Account Manager	Resolved	N/A





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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)	Time taken: (Put date when you expect the issue to be resolved)
		<p>school. Immediately the toilets are complete the students will shift to the new classrooms.            This was a priority of the community and funds were used well for intended purpose.            Attached please find the NG-CDFC minutes that approved the budget for toilets construction to make school operational.</p>			
	Uaso Nyiro Primary School Project	<p>The NG-CDF Committee constructed one classroom in the above school in the FY 2018/2019. The classroom is complete and in use now. By the time of audit the classroom had not been used because the school was waiting for final inspection from the Public works office to give them the go ahead to use the class. Currently the classroom is being utilised for the purpose it was constructed for.</p>	Fund Account Manager	Resolved	N/A
	Ethi Mixed Secondary School Project	<p>The NG-CDF Committee did a modern Administration block at the school in the FY 2018/2019. The project is complete and in use. The project had 3 ring beams. The cost of the other 2 ring beams was absorbed by extra works done at the</p>	Fund Account Manager	Resolved	N/A



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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)
		<p>foundation level. The foundation was suspended due to nature of the soil. The roofing was done as per the square metres in the drawing and the plan. Iron sheets put as per the design and drawing. No part of the roofing was uncovered.</p>			
	<p>Doldol Primary School Project</p>	<p>The NG-CDF Committee did an Administration block in the above school in the FY 2018/2019. The project is complete and in use. The roofing was done as per the square metres in the drawing, design and plan. No part of the roofing was uncovered. Iron sheets put as per the design and drawing.</p>	<p>Fund Account Manager</p>	<p>Resolved</p>	<p>N/A</p>
	<p>Tangi Nyeusi Primary School</p>	<p>The committee constructed a classroom at a cost of Kshs 950,000 through the school committee. The classroom is complete and in use. There were visible patches on the verandah at the time of audit. The contractor had not been paid the 5% retention hence he has gone back to site to repair the small patches on the verandah. Inside the class there are no defects.</p>	<p>Fund Account Manager</p>	<p>Resolved</p>	<p>N/A</p>



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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)	Time taken (Put date when you expect the issue to be resolved)
	Mathanji Primary School Project	<p>The NG-CDF Committee did one classroom in the above school in FY 2018/2019. The classroom is complete and in use.</p> <p>At the time of audit some some visible cracks were seen on some window lines. The contractor has since went back to site to repair the small cracks, repaint the classroom and replace one of the window panes that had been broken by herders around the school as the school has no fence.</p> <p>The contractor had not been paid the 5% retention amount of Kshs 45,125.</p> <p>The classroom is now in good condition.</p>	Fund Account Manager	Resolved	N/A
	Mowarak Primary School Project	<p>The NG-CDF Committee funded construction of two classrooms in the above school at a cost of Kshs 1,900,000.</p> <p>The classrooms are complete and in use. At the time of audit there were desks in the new classroom a sign that the classrooms are in use. The classroom was being labelled at the time of audit.</p> <p>The contractor have not been paid the 5% retention amount amounting to Kshs 90,250.</p> <p>The contractor has repaired</p>	Fund Account Manager	Resolved	N/A



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		the small cracks on the wall and applied red oxide on the floor after the audit findings. The classrooms are now in good condition. The cracks were just on the plaster and were not deep into the walls.			
	Marura Narok Primary School Project	The school had two classrooms constructed in FY 2018/2019. The classrooms are complete and in use. At the time of audit there were patches on the floor. The contractor has repaired the floor because the defect period of six months was not over. The classrooms are now in good condition.	Fund Account Manager	Resolved	N/A
	Unpresented Stale Cheques Included in Bank Reconciliation Statement	The NG-CDF Committee has already reallocated the stale cheques to other needy students in the constituency. The committee was waiting for the end of the financial year to reallocate the cheques.	Fund Account Manager	Resolved	N/A
	Budgetary Performance	The absorption rate of the budget was 78% in the year under audit. The under absorption of Kshs 30,643,828 was caused by delay of funds release from the NG-CDF Board.	Fund Account Manager	Resolved	N/A





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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)
		<p>The office had done requisition of funds from the NG-CDF Board in good time. The office has no control on the NG-CDF Board release of funds but requisition for funds had been done in good time.</p> <p>The absorption rate had been affected by late release of funds from the NG-CDF Board.</p>			

