

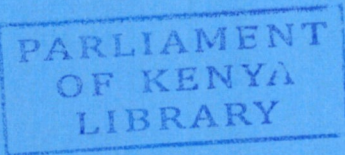
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**



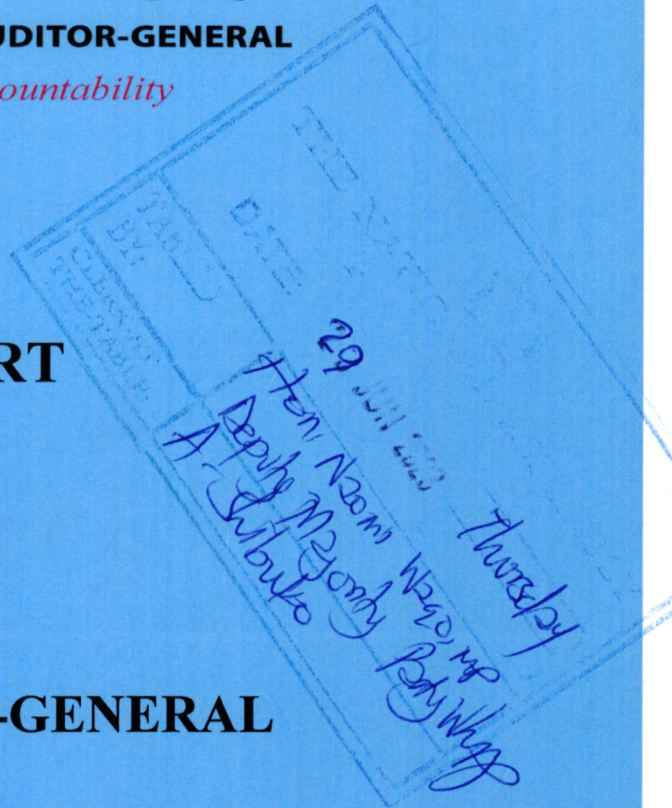
**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2022**





OFFICE OF THE AUDITOR GENERAL  
NORTH EASTERN REGIONAL OFFICE  
**30 MAR 2023**  
**RECEIVED**  
P. O. BOX 88-70100 GARISSA



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**LAGDERA CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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



**Lagdera Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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## **I. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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



***Lagdera Constituency***

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

***Annual Report and Financial Statements for The Year Ended June 30, 2022***

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- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
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.



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**Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Yussuf kilas Aden
2.	Sub-County Accountant	Victor N. Muindi
3.	Chairman NGCDFC	Dagane Abdullahi Daib
4.	Member NGCDFC	Hassan Aden Mohamed

**(d) Fiduciary Oversight Arrangements**

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

**(e) Lagdera Constituency NGCDF Headquarters**

P.O. Box 659-70100  
Garissa, KENYA

**(f) Lagdera Constituency NGCDF Contacts**

Telephone: (254) 723 504 365  
E-mail: [cdflagdera@ngcdf.go.ke](mailto:cdflagdera@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)



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**(g) Lagdera Constituency NGCDF Bankers**

Equity  
Garissa Branch  
Account Number: 0580283860216

**(h) Independent Auditors**

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

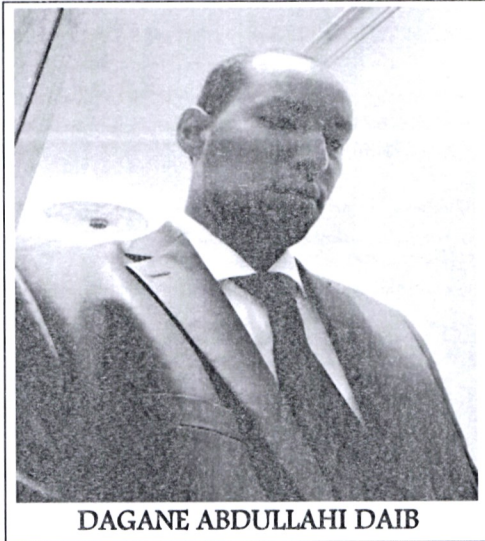
**(i) Principal Legal Adviser**

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

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**II. NG-CDFC Chairman's Report**



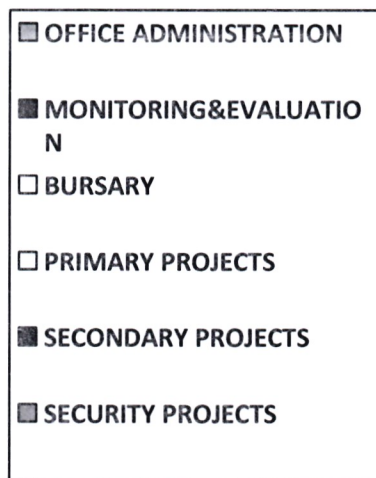
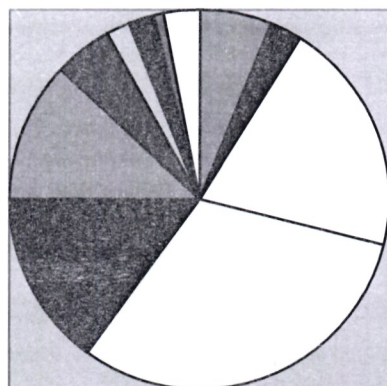
Lagdera national government constituency development funds as mandated by NG-cdf act, prioritized on projects for funding during the financial year 2021/2022. The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval. The following is the summary breakdown of proposed projects for funding during the financial year 2021/2022.

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
1.	Office administration	8,225,332.74	6
2.	Monitoring and evaluation	4,112,666.00	3
3.	Bursary	27,099,999.27	20
4.	Primary projects	42,300,000.00	31
5.	Secondary school projects	20,500,000.00	15
6.	Security projects	16,100,000.00	12
7.	Emergency reserve	7,192,206.00	5
8.	Sports activities	2,741,777.58	2
9.	Environmental projects	2,741,777.58	2
10.	Acquisition of assets	2,075,119.83	1
11.	others	4,000,000	3
	<b>TOTAL</b>	<b>137,088,879</b>	<b>100</b>



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**Percentage of sector allocation**



During the financial year the committee received amount of Kshs.170, 088,879 from the board that includes balances during last financial year 2020/21 and half of the allocation for 2021/22. The committee further managed to disburse funds to both pmcs and other contractors and the expenditure is as follows:

ITEM	AMOUNT SPENT
Compensation of employees	2,848,572.00
Use of goods and services	12,954,396.00
Transfers to Other Government Units	88,355,105.00
Other grants and transfers	84,467,354.00
Acquisition of Assets	2,216,650.00
Other payments	4,000,000.00
<b>TOTAL PAYMENTS</b>	<b>194,842,077.00</b>

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

**Achievements during the financial year**

1. NGCDFC Lagdera constructed almost 25 new classrooms, renovated 18 classrooms, constructed 4 adm blocks, 7 security offices, 4 concrete fence and 3 dining halls in primary, secondary schools and security agents, thus help in curbing covid 19 spread in the institutions.
2. Motivated staff by building 19 staff quarters in several schools within the constituency.
3. Made several emergency interventions that affected several schools within the constituency.

**Challenges during the financial year**

**Drought:**

Lack of water in most of the settlements established through ngcdf funds might be closed thus affecting the learning programs in schools within these settlements.

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**Poor road infrastructure:**

The committee experienced difficulties in monitoring process during the rainy season thus affecting implementation period of projects.

**Recommendations**

- NG-CDFC to liase with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will reduce the migration of communities leaving in those areas.
- Implement road projects in areas where ng-cdf projects are proposed to be implemented so that monitoring can be done easily.
- The board should try to release funds in time for ease of implementation.

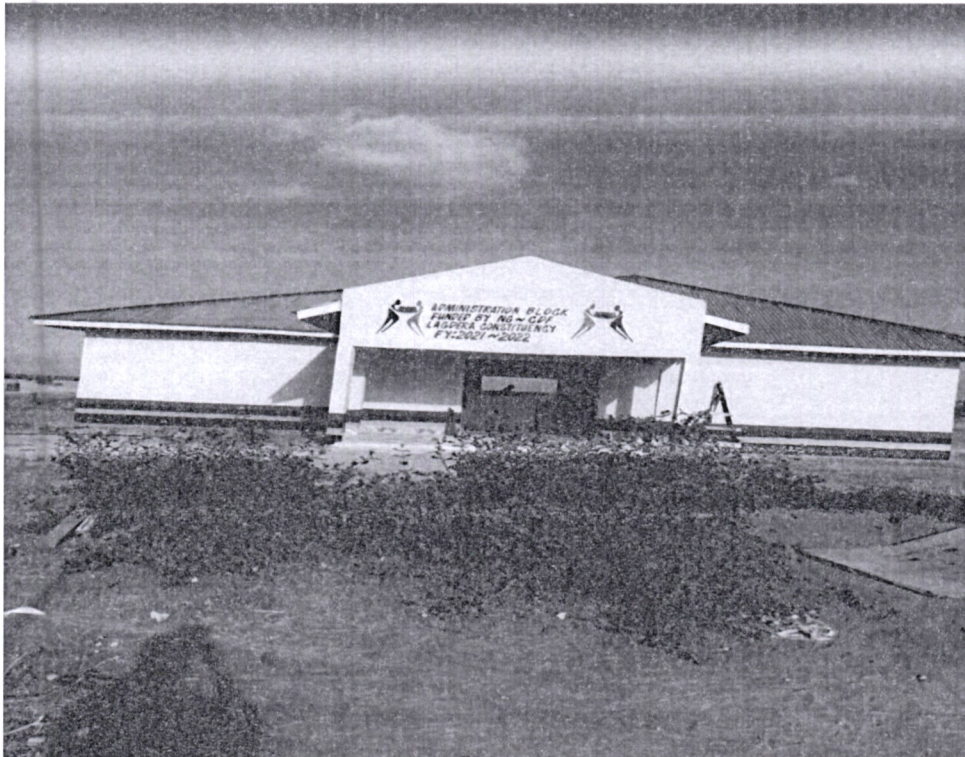
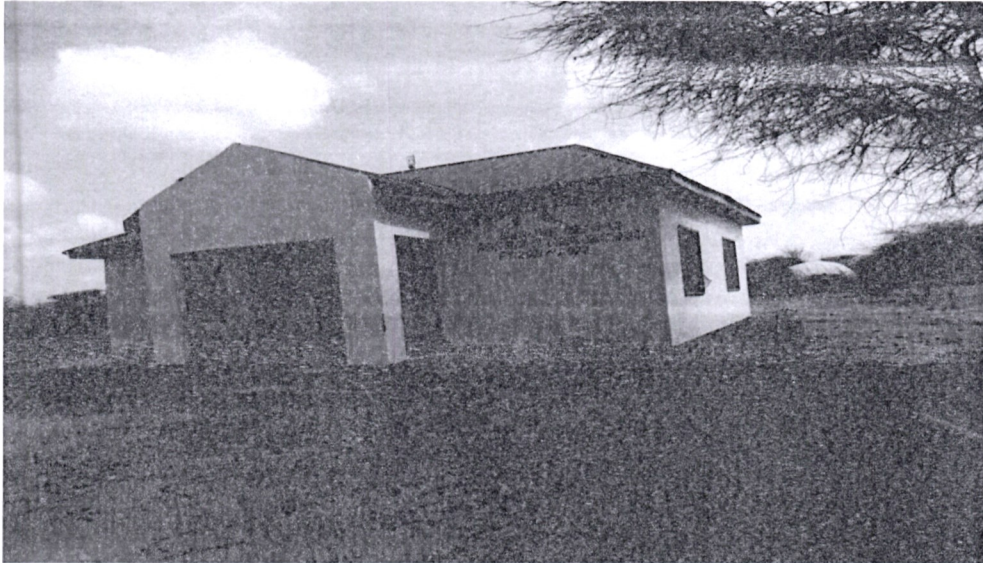
The following are some of the projects implemented by NG-CDF Lagdera during 2021/2022 financial year.





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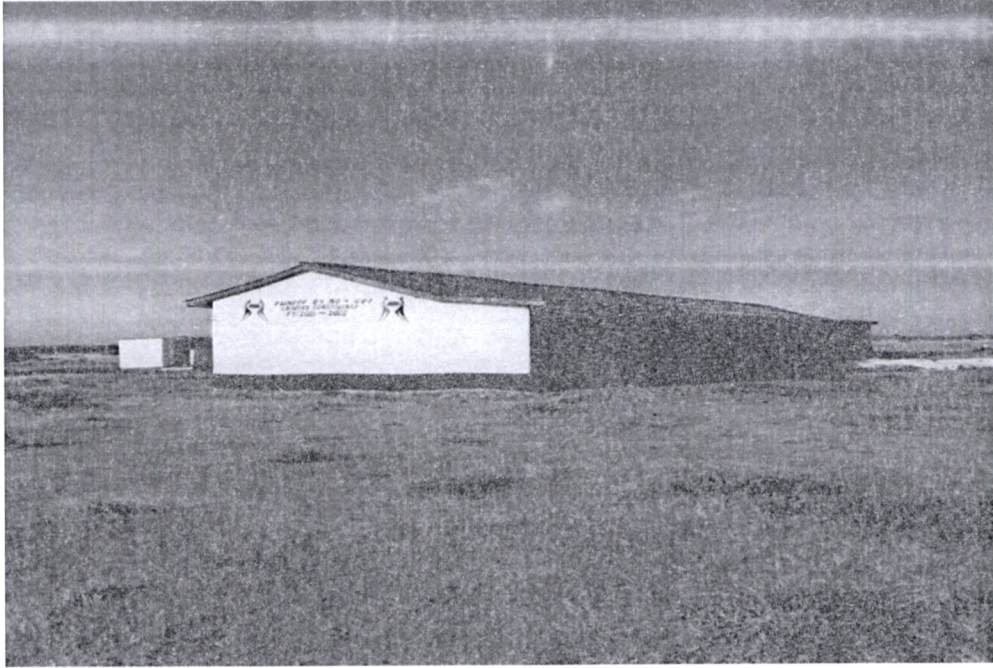
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*Lagdera Constituency  
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Annual Report and Financial Statements for The Year Ended June 30, 2022*

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.....  
DAGANE ABDULLAHI DAIB  
CHAIRMAN NGCDF COMMITTEE

**Lagdera Constituency**  
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**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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**III. Statement of Performance against Predetermined Objectives for FY2021/22**

**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 **Lagdera Constituency** 2018-2022 plan are to:  
**(Enumerate all the objectives of the constituency as per the Strategic Plan)**

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

**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 Accessibility	To improve access, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 21/22 -we increased the number of classrooms and staff houses in various schools/institutions - provision of desks and bursary
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs' offices	-we constructed additional number of chiefs' offices, rehabilitation of police stations, AP and police offices and houses.



**Lagdera Constituency**

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

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				-NG-CDF office fenced and ACC offices constructed
Environment	To promote environmental sustainability	Increase in the number of trees and proper collection of garbage and disposal of sewerage waste	Conservation of soil by trees and usable pit latrines	We constructed additional number of pit latrines and planted trees
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among the youth and increase in the number of forums held. Ease of access on devolved funds	We create awareness among the youth on the establishment of youth groups and allow ease of access to devolved funds
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	We set aside funds for any emergencies
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We organise capacity building programmes for NGCDFC'S and PMC's -we organise regular projects monitoring field visits
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipments Employee satisfaction and availability of reports	We purchase working tools and equipments to make work easy and of quality We strategically plan for the future

#### **IV. Environmental and Sustainability Reporting**

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

##### **1. Sustainability strategy and profile -**

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

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



- e. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels

FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

### **2. Environmental performance**

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Lagdera Constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups.

We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

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

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

#### 4. Market place practices-

Lagdera Ngcdf Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

#### 5. Community Engagements-

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

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

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

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

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




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**Public Awareness**

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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

  
.....  
**YUSSUF KILAS ADEN**  
**FAM**

## V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Lagdera 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Lagdera 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Lagdera Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Lagdera Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further



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**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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the Accounting Officer confirms that the *constituency'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 NGCDF- Lagdera Constituency financial statements were approved and signed by the Accounting Officer on 28/03/2023.



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**DAGANE ABDULLAHI DAIB**  
Chairman – NGCDF Committee

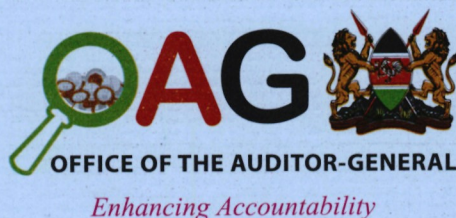


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**YUSSUF KILAS ADEN**  
Fund Account Manager

**FUND ACCOUNT MANAGER**  
**LAGDERA CONSTITUENCY**  
**P. O. BOX 659-70100, GARISSA**  
Date:.....



# REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAGDERA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lagdera Constituency set out on pages 1 to 38,

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*Report of the Auditor-General on National Government Constituencies Development Fund - Lagdera Constituency for the year ended 30 June, 2022*



which comprise of the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Lagdera Constituency as at 30 June, 2022, 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. Cash and Cash Equivalents**

The statement of assets and liabilities and Note 8 to the financial statements reflects cash and cash equivalents balance of Kshs.10,383,510. Included in the bank reconciliation statements for June, 2022 were unrepresented cheques amounting to Kshs.1,331,792 which further included a stale cheque of Kshs.20,000 which had not been cancelled and reversed in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs,10,383,510 could not be confirmed..

#### **2. Unsupported Compensation of Employees**

The statement of receipts and payments and Note 2 to the financial statements reflects compensation of employees' expenditure of Kshs.2,848,572. Included in the expenditure is Kshs.2,589,372 in respect of staff salaries for ten (10) employees. However, the Management did not provide for audit review contracts of service for the employees to support the expenditure.

In the circumstances, the validity of the expenditure of Kshs.2,589,372 on compensation of employees could not be confirmed.

#### **3. Office Rent - Elapsed Lease Agreement**

The statement of receipts and payments and Note 3 to the financial statements reflects use of goods and services of Kshs.12,954,396 Included in this amount is Kshs.600,000 in respect of office rent. Review of the lease agreement supporting the expenditure revealed that the agreement had expired in January, 2022 and had not been renewed.

In the circumstances, the validity and legality of expenditure of Kshs.600,000 on office rent could not be confirmed.



#### **4. Unsupported Bursary Payments**

The statement of receipts and payments as disclosed in Note 5 to the financial statements reflects other grants and transfers balance of Kshs.84,467,354. Included in the amount are bursary payments of Kshs.18,772,500 and Kshs.20,724,300 disbursed to various secondary schools and tertiary institutions respectively. However, review of the expenditure revealed that an expenditure of Kshs.7,264,000 was not supported by acknowledgment receipts and students' fees statement from the institutions that received the bursaries. Further, a payment of Kshs.1,700,000 to a driving school was not supported by procurement records as required by Section 68(1) of the Public Procurement and Assets Disposal Act, 2015, which provides that an Accounting Officer of a procuring entity shall keep records for each procurement for at least six years after the resulting contract has been completed or if no contract resulted, after the procurement proceedings were terminated.

In the circumstances, it was not possible to confirm the accuracy of the bursaries totalling Kshs.7,264,000 issued during the year under review.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Lagdera 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 audit 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 which, 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 reflects final receipts budget and actual on comparable basis of Kshs.217,614,466 and Kshs.205,225,587 respectively resulting to underfunding of Kshs.12,388,879 (or 5.7%) of the approved budget. The total actual expenditure during the year was Kshs.194,842,077 against actual receipts of Kshs.205,225,587 resulting to an under expenditure of Kshs.10,383,510 (or 5.3%) of the total receipts during the year.

The under absorption may have negatively impacted on service delivery to the residents of Lagdera Constituency.

##### **2. Project Implementation Status**

Review of the Project Implementation Status report indicated that the Management planned to implement ninety-two (92) projects at a total cost of Kshs.187,235,141 during



the year under review. However, the Fund completed eighty-five (85) projects at a cost of Kshs.173,387,109, two (2) projects with a budget of Kshs.2,348,032 were ongoing while five (5) projects with a budget of Kshs.11,500,000 had not started as at 30 June, 2022.

Failure to complete projects as planned may have negatively impacted on delivery of services to Lagdera residents.

### **3. Unresolved Prior Year Matters**

The audit report for the previous year raised several issues on financial statements for the year ended 30 June, 2021. The report on follow-up on auditor's recommendations appended to the financial statements for the year under review indicates that these issues had not been resolved as at 30 June, 2022. Management did not provide an explanation for the failure to resolve the issues.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources 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. Late Remittances and Non-Remittances of Statutory Deductions**

##### **1.1 Non-Remittance of National Hospital Insurance Fund Deductions**

The statement of receipts and payments reflects compensation of employees' expenditure of Kshs.2,848,572 as disclosed in Note 2 to the financial statements. Included in the expenditure is Kshs.90,000 in respect of National Hospital Insurance Fund deductions. However, the Management did not remit the deductions to the National Hospital Insurance Fund contrary to Section 18(1) of the National Health Insurance Fund Act, 2012 that provides that subject to the provisions of this section and without prejudice to any other penalty imposed under this Act, if any contribution which any person is liable to pay under this Act in respect of any month, is not paid on or before the day on which payment is due, a penalty equal to five times the amount of that contribution shall be payable by that person for each month or part thereof during which the contribution remains unpaid.

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

##### **1.2 Late Remittance of National Social Security Fund Deductions**

The statement of receipts and payments reflects compensation of employees' expenditure of Kshs.2,848,572 as disclosed in Note 2 to the financial statements. Included in the expenditure is Kshs.259,200 in respect of social security benefits. However, examination of the relevant documentation provided for audit revealed that



National Social Security Fund deductions amounting to Kshs.64,800 were not remitted within the statutory timelines attracting penalties. This was contrary to Section 27(1) of the National Social Security Fund Act, 2013 which states that, if any contributions for which a contributing employer is required to pay to the Fund is not paid within one month after the end of the month in which the last day of the contribution period to which it falls, a sum equal to five per cent of the amount of that contribution shall be added to the contribution for each month or part of a month that the amount due remains unpaid.

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

## **2. Unutilized Projects**

The statement of receipts and payments reflects other grants and transfers and other payments balance of Kshs.84,467,354 and Kshs.4,000,000 respectively as disclosed in Notes 5 and 7 to the financial statements. Included in this expenditure is an amount of Kshs.16,600,000 disbursed for implementation of four (4) projects. However, audit inspection conducted on 16 March, 2023 established that the projects were not in use almost one year after completion.

In the circumstances, it was not possible to confirm whether funds spent in the four (4) projects were utilized effectively and in a productive manner.

## **3. Failure to Report Expenditure from Emergency Reserve to the Board**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.84,467,354 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs.6,652,000 incurred from emergency reserve. However, the Management did not report to the National Constituencies Development Fund Board the utilization of the emergency funds within 30 days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 that provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

## **4. Project Management Committee Bank Balances**

Annex 5 to the financial statements reflects thirty-nine (39) Project Management Committees (PMC) with bank balances all totalling to Kshs.56,435 as at 30 June, 2022. However, the balances were not supported by respective bank balance certificates and bank statements. Further, the Management did not provide an explanation for the failure to return the unutilized funds to the constituency account as required by Section 12(8) of National Government Constituencies Development Fund Act, 2015 that states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance



about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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

### Basis for Conclusion

#### 1. Summary of Fixed Assets Register

##### 1.1 Lack of Ownership Documents and Disclosure of Assets

Annex 4 of the financial statements reflects summary of fixed assets register with historical cost balance of Kshs.13,813,071 as at 30 June, 2022. Although the Management maintained a fixed asset register, the register did not contain all information required including Identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation, net book value and assets tag identification codes. As a result, the total value of Kshs.13,813,071 worth of assets disclosed in the financial statement could not be easily traced in the assets register provided. In addition, ownership documents for land owned by the Fund were not provided.

In the circumstances, the ownership status of the fixed assets and existence of effective internal controls on fixed assets could not be confirmed.

##### 1.2 Valuation of Assets

Annex 4 of the financial statements reflects assets with historical cost of Kshs.13,813,071. However, the Management did not provide evidence to confirm that assets whose value may have significantly changed overtime were revalued. In addition, the value of land was not disclosed in the financial statements.

In the circumstances, it was not possible to confirm the valuation status of the assets.

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



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

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 which 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 which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue 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**

**29 May, 2023**



**Lagdera Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**VII. Statement of Receipts and Payments for the Year Ended 30th June 2022**

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	170,088,879	161,367,724
<b>Total Receipts</b>		<b>170,088,879</b>	<b>161,367,724</b>
<b>Payments</b>			
Compensation Of Employees	2	2,848,572	4,090,510
Use Of Goods and Services	3	12,954,396	6,115,865
Transfers To Other Government Units	4	88,355,105	80,556,900
Other Grants and Transfers	5	84,467,354	63,952,304
Acquisition Of Assets	6	2,216,650	120,000
Other Payments	7	4,000,000	-
<b>Total Payments</b>		<b>194,842,077</b>	<b>154,835,579</b>
<b>Surplus/ (Deficit)</b>		<b>(24,753,198)</b>	<b>6,532,145</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 28/03/2023 and signed by:

  
 Fund Account Manager

YUSSUF KILAS ADEN

FUND ACCOUNT MANAGER  
 LAGDERA CONSTITUENCY  
 P. O. BOX 659-70100 NAISSA  
 Date:.....

  
 National Sub-County  
 Accountant

VICTOR N. MUINDI  
 ICPAK M/No: 20606

  
 Chairman NG-CDF  
 Committee

DAGANE ABDULLAHI DAIB

**Lagdera constituency**  
**National Government Constituencies Development Fund(NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**VIII. Statement of Assets and Liabilities as At 30<sup>th</sup> June, 2022**

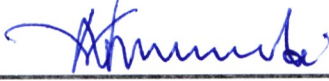
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	8	10,383,510	35,136,708
<b>Total Cash and Cash Equivalents</b>		<b>10,383,510</b>	<b>35,136,708</b>
<b>Accounts Receivable</b>			
Outstanding Imprests		-	-
<b>Total Financial Assets</b>		<b>10,383,510</b>	<b>35,136,708</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention		-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b>10,383,510</b>	<b>35,136,708</b>
<b>Represented By</b>			
Fund Balance B/Fwd	9	35,136,708	28,604,563
Surplus/Deficit for The Year		(24,753,198)	6,532,145
<b>Net Financial Position</b>		<b>10,383,510</b>	<b>35,136,708</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved on 28/03/2023 and signed by:

  
 Fund Account Manager

YUSSUF KILAS ADEN

  
 National Sub-County  
 Accountant

VICTOR N. MUINDI  
 ICPAK M/No: 20606

  
 Chairman NG-CDF  
 Committee

DAGANE ABDULLAHI DAIB

FUND ACCOUNT MANAGER  
 LAGDERA CONSTITUENCY  
 P. O. BOX 659-70100, GARISSA  
 Date:.....



*Lagdera constituency  
National Government Constituencies Development Fund(NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**IX. Statement of Cash Flows for the Year Ended 30th June 2022**

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	170,088,879	161,367,724
<b>Total Receipts</b>		<b>170,088,879</b>	<b>161,367,724</b>
<b>Payments</b>			
Compensation Of Employees	2	2,848,572	4,090,510
Use Of Goods and Services	3	12,954,396	6,115,865
Transfers To Other Government Units	4	88,355,105	80,556,900
Other Grants and Transfers	5	84,467,354	63,952,304
Other Payments	7	4,000,000	-
<b>Total Payments</b>		<b>192,625,427</b>	<b>154,715,579</b>
<b>Total Receipts Less Total Payments</b>		<b>(22,536,548)</b>	<b>6,652,145</b>
Adjusted For:			
Decrease/(Increase) In Accounts Receivable		-	-
<b>Net Cash Flow from Operating Activities</b>		<b>(22,536,548)</b>	<b>6,652,145</b>
<b>Cashflow From Investing Activities</b>			
Acquisition Of Assets	6	(2,216,650)	(120,000)
<b>Net Cash Flows from Investing Activities</b>		<b>(2,216,650)</b>	<b>(120,000)</b>
Net Increase In Cash And Cash Equivalent		<b>(24,753,198)</b>	<b>6,532,145</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>		<b>35,136,708</b>	<b>28,604,563</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	8	<b>10,383,510</b>	<b>35,136,708</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

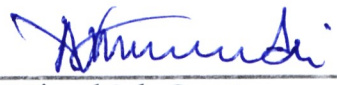
The Constituency financial statements were approved on 28/03/2023 and signed by:

*Lagdera constituency  
National Government Constituencies Development Fund(NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

  
Fund Account Manager

YUSSUF KILAS ADEN

FUND ACCOUNT MANAGER  
LAGDERA CONSTITUENCY  
P. O. BOX 659-70100, GARISSA  
Date:.....

  
National Sub-County  
Accountant

VICTOR N. MUINDI  
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Chairman NG-CDF  
Committee

DAGANE ABDULLAHI DAIB



**Lagdera Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**


**X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	35,136,708	45,388,879	217,614,466	205,225,587	12,388,879	94.3%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>35,136,708</b>	<b>45,388,879</b>	<b>217,614,466</b>	<b>205,225,587</b>	<b>12,388,879</b>	<b>94.3%</b>
<b>PAYMENTS</b>							
Compensation of Employees	2,813,920	551,000	383,061	3,747,981	2,848,572	899,409	76.0%
Use of goods and services	9,524,079	7,932,212	1,716,303	19,172,594	12,954,396	6,218,198	67.6%
Transfers to Other Government Units	62,800,000	13,723,749	23,913,100	100,436,849	88,355,105	12,081,744	88.0%
Other grants and transfers	55,875,760	12,578,068	19,376,416	87,830,244	84,467,354	3,362,890	96.2%
Acquisition of Assets	2,075,120	351,679	-	2,426,798	2,216,650	210,148	91.3%
Other Payments	4,000,000	-	-	4,000,000	4,000,000	-	100.0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>35,136,708</b>	<b>45,388,879</b>	<b>217,614,466</b>	<b>194,842,077</b>	<b>22,772,389</b>	<b>89.5%</b>

**Lagdera constituency  
National Government Constituencies Development Fund(NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	22,772,389
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	(12,388,879)
	10,383,510
Add Accounts payable	-
Less Accounts Receivable	(-)
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	10,383,510

The Constituency financial statements were approved on 28/03/ 2023 and signed by:

  
Fund Account Manager

YUSSUF KILAS ADEN

  
National Sub-County Accountant

VICTOR N. MUINDI  
ICPAK M/No: 20606

  
Chairman NG-CDF Committee

DAGANE ABDULLAHI DAIB

FUND ACCOUNT MANAGER  
LAGDERA CONSTITUENCY  
P. O. BOX 659-70100.GARISSA  
Date:.....



*Lagdera constituency  
National Government Constituencies Development Fund(NGCDF)  
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**X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2021/2022	Opening Balance (C/Bk) and AIA	2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,813,920	551,000.00	3,364,920	2,848,572	899,409	76%
1.2 Committee allowances	2,967,270	1,889,971.71	4,857,241.71	2,110,800	2,910,940	42%
1.3 Use of goods and services	2,444,143	1,212,073.42	3,656,216.42	2,951,196	2,256,825	57%
1.4 capacity building	-	1,897,941.00	1,897,941	1,400,000	497,941	74%
<b>Total</b>	<b>8,225,333</b>	<b>5,550,986</b>	<b>13,776,319</b>	<b>9,310,568</b>	<b>6,565,114</b>	<b>59%</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,200,000	-	1,200,000	867,000	333,000	72%
2.2 Committee allowances	2,432,666	2,292,334.00	4,725,000	4,580,000	145,000	97%
2.3 Use of goods and services	480,000	639,892.00	1,119,892	1,045,400	74,492	93%
<b>Total</b>	<b>4,112,666</b>	<b>2,932,226</b>	<b>7,044,892</b>	<b>6,492,400</b>	<b>552,492</b>	<b>92%</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,192,206	266,544.93	7,458,751	6,652,000	806,751	89%
3.2 Secondary schools	-	-	-	-	-	-



**Lagdera constituency**  
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3.3 Tertiary institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-	-	-	-	-	-	-
3.5 Unutilised	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,192,206</b>	<b>266,545</b>					<b>7,458,751</b>			<b>6,652,000</b>		<b>806,751</b>	<b>89%</b>
<b>4.0 Bursary and Social Security</b>													
4.1 Secondary Schools	13,000,000	2,083,323.00	5,796,134	20,879,457	18,772,500	2,106,957							90%
4.2 Tertiary Institutions	14,099,999	4,623,200.00	1,580,282	20,303,481	19,959,300	344,181							98%
4.3 Social Security	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>27,099,999</b>	<b>6,706,523</b>	<b>7,376,416</b>	<b>41,182,938</b>	<b>38,731,800</b>	<b>2,451,138</b>							<b>94%</b>
<b>5.0 Sports</b>													
5.1 sports	2,741,778	-	-	2,741,778	2,741,777	1							100%
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>-</b>	<b>2,741,778</b>	<b>2,741,777</b>	<b>1</b>							<b>100%</b>
<b>6.0 Environment</b>													
6.1 barkuke primary school	900,000	-	-	900,000	900,000	-							100%
6.2 modogashe critical infrastructure police unit	900,000	-	-	900,000	900,000	-							100%
6.3 NGCDF office	941,778	-	-	941,778	941,777	1							100%
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>-</b>	<b>2,741,778</b>	<b>2,741,777</b>	<b>1</b>							<b>100%</b>
<b>7.0 Primary Schools Projects</b>													
7.1 afweine primary school	1,500,000	-	-	1,500,000	1,500,000	-							100%
7.2 baraki primary school	600,000	-	-	600,000	600,000	-							100%

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7.3 barfin primary school	1,000,000	-	-	1,000,000	1,000,000	-	100%
7.4 barkuke primary school	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.5 bulla sheikh primary school	1,300,000	-	-	1,300,000	-	1,300,000	-
7.6 dalahela primary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
7.7 dihle nur primary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
7.8 elan primary school	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.9 faryar primary school	2,300,000	-	-	2,300,000	2,300,000	-	100%
7.10 gurufa primary school	600,000	-	-	600,000	600,000	-	100%
7.11 goreale primary school	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.12 hagatjarer primary school	1,000,000	-	-	1,000,000	1,000,000	-	100%
7.13 ilanle primary school	600,000	-	-	600,000	600,000	-	100%
7.14 janju primary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
7.15 jilango primary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
7.16 kawanja primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.17 labile primary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
7.18 lafageri primary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
7.19 madina primary school	1,800,000	-	-	1,800,000	1,800,000	-	100%
7.20 modogashe boarding primary	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.21 modogashe boarding primary school	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.22 rigdam primary school	600,000	-	-	600,000	600,000	-	100%



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7.23 skanska primary school	1,500,000	-	-	-	1,500,000	1,500,000	-	100%
7.24 togdab primary school	1,000,000	-	-	-	1,000,000	1,000,000	-	100%
7.25 barkuke primary school	-	-	2,000,000	-	2,000,000	2,000,000	-	100%
7.26 barkuke primary school	-	750,000.00	-	-	750,000	750,000	-	100%
7.27 rigdam primary school	-	-	2,000,000	-	2,000,000	2,000,000	-	100%
7.28 geylab primary school	-	-	2,000,000	-	2,000,000	2,000,000	-	100%
7.29 modogashe boarding primary school	-	-	2,000,000	-	2,000,000	1,300,000	700,000	100%
7.30 barkuke primary school	-	-	400,000	-	400,000	400,000	-	100%
7.31 denka primary school	-	-	2,000,000	-	2,000,000	-	2,000,000	-
7.32 elan primary school	-	300,000.00	-	-	300,000	300,000	-	100%
7.33 geylab primary school	-	-	2,500,000	-	2,500,000	2,500,000	-	100%
7.34 geylab primary school	-	100,000.00	-	-	100,000	-	100,000	-
7.35 hagare primary school	-	-	2,000,000	-	2,000,000	-	2,000,000	-
7.36 barkuke primary school	-	400,000.00	-	-	400,000	392,206	7,794	100%
7.37 languate primary school	-	-	2,000,000	-	2,000,000	-	2,000,000	-
7.38 maalimin primary school	-	400,000.00	-	-	400,000	400,000	-	100%
7.39 madina primary school	-	-	2,000,000	-	2,000,000	2,000,000	-	100%
7.40 maalimin primary school	-	800,000.00	-	-	800,000	800,000	-	100%
7.41 modogashe boarding primary school	-	-	4,000,000	-	4,000,000	4,000,000	-	100%
7.42 madina primary school	-	200,000.00	-	-	200,000	100,000	100,000	50%

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7.43 maalimin primary school	-	300,000.00	-	300,000	300,000	-	100%
7.44 madina primary school	-	-	1,000,000	1,000,000	1,000,000	-	100%
7.45 skanska primary school	-	200,000.00	-	200,000	-	200,000	-
7.46 elan primary schools	-	28,850.00	-	28,850	-	28,850	-
7.47 jauju primary school	-	-	10,000	10,000	-	10,000	-
7.48 togdub primary school	-	50,000.00	-	50,000	-	50,000	-
7.49 madina primary school	-	400,000.00	-	400,000	400,000	-	100%
7.50 ama primary school	-	800,000.00	-	800,000	-	800,000	-
7.51 maalimin primary school	-	400,000.00	-	400,000	400,000	-	100%
7.52 darsalam primary school	3,500,000	-	-	3,500,000	3,500,000	-	100%
7.52 geylab primary school	3,500,000	-	-	3,500,000	3,500,000	-	100%
<b>Total</b>	<b>42,500,000</b>	<b>5,128,850</b>	<b>23,910,000</b>	<b>71,338,850</b>	<b>60,042,206</b>	<b>11,296,644</b>	<b>84%</b>
<b>8.0 Secondary Schools Projects</b>							
8.0 benane secondary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
8.1 modogashe girls secondary school	1,000,000	-	-	1,000,000	1,000,000	-	100%
8.2 modogashe girls secondary school	2,000,000	-	-	2,000,000	2,000,000	-	100%
8.3 modogashe girls secondary school	1,500,000	-	-	1,500,000	1,500,000	-	100%
8.4 modogashe secondary school	6,500,000	-	-	6,500,000	6,500,000	-	100%
8.5 modogashe secondary school	3,500,000	-	-	3,500,000	3,500,000	-	100%
8.6 modogashe secondary school	2,400,000	-	-	2,400,000	2,400,000	-	100%
8.7 modogashe secondary school	1,600,000	-	-	1,600,000	1,600,000	-	100%



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8.8 modogashe secondary school	-	500,000.00	-	500,000	-	500,000	-	-	100%
8.9 modogashe girls secondary school	-	4,550,000.00	-	4,550,000	4,550,000	-	-	-	100%
8.10 modogashe secondary school	-	3,000,000.00	-	3,000,000	3,000,000	-	-	-	100%
8.11 modogashe secondary school	-	262,899.37	-	262,899	262,899	0	-	-	100%
8.12 shantia abaq sec sch	-	30,000.00	-	30,000	-	30,000	-	-	-
9.13 modogashe girls secondary school	-	-	3,100	3,100	-	3,100	-	-	-
9.14 modogashe secondary school	-	252,000.00	-	252,000	-	252,000	-	-	-
<b>Total</b>	<b>20,500,000</b>	<b>8,594,899</b>	<b>3,100</b>	<b>29,097,999</b>	<b>28,912,899</b>	<b>785,100</b>	-	-	<b>97%</b>
<b>9.0 Tertiary institutions Projects</b>									
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>10.0 Security Projects</b>									
10.1 modogashe police station	1,600,000	-	-	1,600,000	1,600,000	-	-	-	100%
10.2 shantia abaq sub-county com office	1,200,000	-	-	1,200,000	1,200,000	-	-	-	100%
10.3 bar'kuke chief's office	3,000,000	-	-	3,000,000	3,000,000	-	-	-	100%
10.4 modogashe police station	8,300,000	-	-	8,300,000	8,300,000	-	-	-	100%
10.5 wayama jibril chief's office	2,000,000	-	-	2,000,000	2,000,000	-	-	-	100%
10.6 baraki chief office	-	-	2,000,000	2,000,000	2,000,000	-	-	-	100%
10.7 benane police station	-	-	6,000,000	6,000,000	6,000,000	-	-	-	100%
10.8 elan chief office	-	-	2,000,000	2,000,000	2,000,000	-	-	-	100%
10.9 hagarjarer chief office	-	-	2,000,000	2,000,000	2,000,000	-	-	-	100%

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10.10 modogashe registration offices	-	2,000,000.00	-	2,000,000	-	2,000,000	-	100%
10.11 shantaabak assistant sub-county commissioner office	-	3,500,000.00	-	3,500,000	-	3,500,000	-	100%
10.12 modogashe police station	-	33,000.00	-	33,000	-	33,000	33,000	-
10.13 barukue chief's office	-	40,000.00	-	40,000	-	40,000	40,000	-
10.14 kambi samaki chief's office	-	32,000.00	-	32,000	-	32,000	32,000	-
<b>Total</b>	<b>16,100,000</b>	<b>5,605,000</b>	<b>12,000,000</b>	<b>33,705,000</b>	<b>105,000</b>	<b>33,600,000</b>	<b>105,000</b>	<b>100%</b>
<b>11.0 Acquisition of assets</b>								
11.1 Motor Vehicles	-	-	-	-	-	-	-	
11.2 Construction of CDF office	-	351,678.63	-	351,679	-	141,650	210,029	40%
11.3 Purchase of furniture and equipment	1,025,120	-	-	1,025,120	-	1,025,000	120	100%
11.4 Purchase of computers	1,050,000	-	-	1,050,000	-	1,050,000	-	100%
<b>Total</b>	<b>2,075,120</b>	<b>351,679</b>	<b>-</b>	<b>2,426,798</b>	<b>-</b>	<b>2,216,650</b>	<b>210,148</b>	<b>91%</b>
<b>12.0 Other payments</b>								
12.1 Strategic Plan	-	-	-	-	-	-	-	
12.2 Innovation Hub	-	-	-	-	-	-	-	
12.3 lagdera sub county education office	4,000,000	-	-	4,000,000.00	-	4,000,000	-	100%
<b>Total</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>	<b>-</b>	<b>4,000,000</b>	<b>-</b>	<b>100%</b>
<b>13.0 unallocated fund</b>								
Unapproved projects	-	-	-	-	-	-	-	
<b>Total</b>	<b>157,088,879</b>	<b>35,136,708</b>	<b>45,388,879</b>	<b>217,614,466</b>	<b>194,842,077</b>	<b>22,772,389</b>	<b>90</b>	



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

## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

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

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

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

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



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**Significant Accounting Policies continued**

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

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**Significant Accounting Policies continued**

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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



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**Significant Accounting Policies continued**

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

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**Significant Accounting Policies continued**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**14. Errors**

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

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

**15. Related Party Transactions**

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



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**XII. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO.B104766		45,000,000.00
AIE NO.B104820		20,367,724.10
AIE NO.B124582		9,000,000.00
AIE NO.B124853		4,000,000.00
AIE NO.B119532		8,500,000.00
AIE NO.B119922		12,000,000.00
AIE NO.B128163		6,900,000.00
AIE NO.B128476		7,000,000.00
AIE NO.B132220		6,000,000.00
AIE NO.B138888		12,000,000.00
AIE NO.B126182		7,000,000.00
AIE NO.B126477		11,600,000.00
AIE NO.B140620		12,000,000.00
AIE NO.B140971	33,000,000.00	-
AIE NO.B105488	44,000,000.00	-
AIE NO.B105835	22,000,000.00	-
AIE NO.B128582	5,000,000.00	-
AIE NO.B154091	12,000,000.00	-
AIE NO.B128891	12,000,000.00	-
AIE NO.B164427	18,000,000.00	-
AIE NO.B155862	24,088,879.00	-
<b>TOTAL</b>	<b>170,088,879.00</b>	<b>161,367,724.10</b>

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Notes to the Financial Statements (Continued)

2. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,589,372	2,551,339
Gratuity to contractual employees	-	1,284,291
Employer Contributions Compulsory national social security schemes	259,200	254,880
<b>Total</b>	<b>2,848,572</b>	<b>4,090,510</b>

3. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Bank service commission and charges	46,260	62,015
Utilities, supplies and services	176,936	18,850
Communication, supplies and services	136,000	-
Domestic travel and subsistence	1,285,400	-
Hospitality supplies and services	598,400	-
Office rent	600,000	700,000
Other committee expenses-capacity building	2,267,000	134,000
Committee allowance	6,690,800	3,267,000
Office and general supplies and services	1,153,600	1,934,000
<b>Total</b>	<b>12,954,396</b>	<b>6,115,865</b>



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**4. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools	60,042,206	49,250,000
Transfers To Secondary Schools	28,312,899	31,306,900
Transfers To Tertiary Institutions	-	-
<b>Total</b>	<b>88,355,105</b>	<b>80,556,900</b>

**5. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools	18,772,500	13,216,000
Bursary – tertiary institutions	20,724,300	17,917,750
Security projects	32,835,000	20,395,000
Sports projects	2,741,777	2,741,777
Environment projects	2,741,777	2,741,777
Emergency projects	6,652,000	6,940,000
<b>Total</b>	<b>84,467,354</b>	<b>63,952,304</b>

**6. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Construction of Buildings	141,650	120,000
Purchase of Household Furniture and Institutional Equipment	1,025,000	-
Purchase of Office Furniture and General Equipment	1,050,000	-
<b>Total</b>	<b>2,216,650</b>	<b>120,000</b>

**7. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Education office	4,000,000	-
	<b>4,000,000</b>	<b>-</b>

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8. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>Bank Accounts (Cash Book Bank Balance)</b>		
LAGDERA NG-CDF, First Community Bank Account No. 95767	10,383,510	35,136,708
<b>Total</b>	<b>10,383,510</b>	<b>35,136,708</b>

9. Balances Brought Forward

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	35,136,708	28,604,563
<b>Total</b>	<b>35,136,708</b>	<b>28,604,563</b>

10. Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	899,409	(167,939.32)
Use of goods and services	6,218,198	11,912,514
Amounts due to other Government entities	12,081,744	36,474,850
Amounts due to other grants and other transfers	3,362,890	32,006,162
Acquisition of assets	210,148	-
<b>Total</b>	<b>22,772,389</b>	<b>80,225,587</b>

11. PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	56,435	2,049,801
<b>Total</b>	<b>56,435</b>	<b>2,049,801</b>



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**Annexes**

**Annex 1: 1 Analysis of Pending Accounts Payable**

No pending Accounts Payables outstanding.

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**Annex 2 - Analysis of Pending Staff Payables**

No Pending Staff Payables Outstanding



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**Annex 3 – Unutilized Fund**

Project/Component	2021/2022	2021/2022	2019/2020	Comments
Project/Component	Balance	Balance	Balance	Comments
<b>1.0 Administration And Recurrent</b>				
Compensation Of Employees	899408.68	-167939.32	1,310,791	Pending Disbursement
<b>Subtotals</b>	<b>899408.68</b>	<b>-167939.32</b>	<b>1,310,791</b>	
Use Of Goods And Services	6,218,197.76	11,912,514.29	11,518,462	Pending Disbursement
<b>Subtotals</b>	<b>6,218,197.76</b>	<b>11,912,514.29</b>	<b>11,518,462</b>	
<b>7.0 Primary Schools Projects</b>				
7.1 Baraki Primary School	-	-	2,000,000	Pending Disbursement
7.2 Benane Primary School	-	-	2,000,000	Pending Disbursement
7.3dalehele Primary School	-	-	850,000	Pending Disbursement
7.6garse Primary School	-	-	1,000,000	Pending Disbursement
7.8 Barfin Primary School	-	-	1,800,000	Pending Disbursement
7.10 Geylab Primary School	100,000.00	200,000.00	2,000,000	Pending Disbursement
7.11 Hadun Primary School	-	-	500,000	Pending Disbursement
7.12 Gurufa Primary School	-	-	1,000,000	Pending Disbursement
7.13 Jilango Primary School	-	300,000.00	3,500,000	Pending Disbursement
7.14 Maalimin Primary School	-	3,500,000.00	1,000,000	Pending Disbursement
7.15 Maalimin Primary School	-	400,000.00	1,500,000	Pending Disbursement
7.16 Barkuke Primary School	7,794.00	300,000.00	1,800,000	Pending Disbursement
7.17 Madina Primary School	-	1,500,000.00	2,000,000	Pending Disbursement
7.18 Janju Primary School	-	-	500,000	Pending Disbursement
7.19shabel Dula Primary School	-	-	750,000	Pending Disbursement

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7.20 Sheikh Hajir Primary School	-	-	-	2,000,000	Pending Disbursement
7.21 Skansa Primary School	200,000.00	200,000.00	-	1,800,000	Pending Disbursement
7.22 Tokojo Primary School	-	-	-	1,000,000	Pending Disbursement
7.23 Wayamo Jibril Primary School	-	-	-	1,200,000	Pending Disbursement
7.24 Baraki Primay School	-	-	-	1,126,412	Pending Disbursement
7.25 Afweine Primary School	-	400,000.00	-	920,000	Pending Disbursement
7.26 Lagdera Primary Schools	-	-	-	780,000	Pending Disbursement
7.27 Hagar Jareer Primary School	-	-	-	50,000	Pending Disbursement
7.28 Barkuke Primary School	-	750,000.00	-	81,350	Pending Disbursement
7.29 Garse Primary School	-	-	-	81,350	Pending Disbursement
7.30 Tokojo Primary School	-	-	-	81,350	Pending Disbursement
7.31 Jilango Primary School	-	-	-	156,350	Pending Disbursement
7.32 Maalimin Primary School	-	-	-	81,350	Pending Disbursement
7.33 Elan Primary School	28,850.00	28,850.00	-	93,850	Pending Disbursement
7.34 Madina Primary School	100,000.00	100,000.00	-	50,000	Pending Disbursement
7.35 Geylab Primary School	-	2,500,000.00	-	50,000	Pending Disbursement
7.36 Barfin Primary School	-	-	-	25,000	Pending Disbursement
7.37 Dihle Nur Primary School	-	-	-	50,000	Pending Disbursement
7.38 Afweine Primary School	-	-	-	50,000	Pending Disbursement
7.39 Gurufa Primary School	-	-	-	25,000	Pending Disbursement
7.40 Jilango Primary School	-	-	-	50,000	Pending Disbursement
7.41 Kambi Samaki Primary School	-	-	-	20,000	Pending Disbursement
7.42 Illenle Primary School	-	-	-	50,000	Pending Disbursement
7.43 Skansa Primary School	-	-	-	25,000	Pending Disbursement
7.44 Barkuke Primary School	-	2,000,000.00	-	20,000	Pending Disbursement



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7.45 Janju Primary School	10,000.00	10,000.00	10,000.00	50,000	Pending Disbursement
7.46 Geylab Primary School	-	-	2,000,000.00	33,000	Pending Disbursement
7.47 Afweine Primary School	-	-	-	30,000	Pending Disbursement
7.48 Afweine Primary School	-	-	-	30,000	Pending Disbursement
7.49 Benane Primary School	-	-	-	33,000	Pending Disbursement
7.50 Togdub Primary School	50,000.00	50,000.00	40,000.00	40,000	Pending Disbursement
7.51 Ama Primary School	800,000.00	800,000.00	800,000.00	-	Pending Disbursement
7.52 Rigdam Primary School	-	-	200,000.00	-	Pending Disbursement
7.53 Bulla Madina Primary School	-	-	2,000,000.00	-	Pending Disbursement
7.54 Bulla Sheikh Primary School	1,300,000.00	1,300,000.00	2,000,000.00	-	Pending Disbursement
7.55 Daralasam Primary School	-	-	400,000.00	-	Pending Disbursement
7.56 Denka Primary School	2,000,000.00	2,000,000.00	2,000,000.00	-	Pending Disbursement
7.57 Elan Primary School	-	-	300,000.00	-	Pending Disbursement
7.58 Hagare Primary School	2,000,000.00	2,000,000.00	2,000,000.00	-	Pending Disbursement
7.59 Languate Primary School	2,000,000.00	2,000,000.00	2,000,000.00	-	Pending Disbursement
7.60 Modogashe Primary School	700,000.00	700,000.00	800,000.00	-	Pending Disbursement
7.61 Rigdam Primary School	-	-	2,000,000.00	-	Pending Disbursement
7.62 Kawanja Primary School	2,000,000.00	2,000,000.00	-	-	Pending Disbursement
<b>8.0 Secondary Schools Projects</b>					Pending Disbursement
8.1 Modogashe Secondary School	252,000.37	252,000.37	262,900.13	3,000,000	Pending Disbursement
8.2 Modogashe Girls Secondary School	-	-	4,550,000.00	300,000	Pending Disbursement
8.3 Modogashe Secondary School	500,000.00	500,000.00	3,000,000.00	80,000	Pending Disbursement
8.5 Modogashe Girls Secondary School	3,100.00	3,100.00	3,100.00	2,000,000	Pending Disbursement
8.7 Benane Secondary School	-	-	-	2,000,000	Pending Disbursement
9.0 Shantaabak Sec Sch	30,000.00	30,000.00	30,000.00	1,800,000	Pending Disbursement

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9.3 Modogashe Secondary School	-	-	2,500,000	Pending Disbursement
9.6 Modogashe Girls Secondary School	-	-	2,450,000	Pending Disbursement
9.12 Modogashe Secondary School	-	-	50,000	Pending Disbursement
9.13 Modogashe Girls Secondary School	-	-	50,000	Pending Disbursement
9.14 Shanta Abaq Secondary School	-	-	1,000,000	Pending Disbursement
9.15 Benane Secondary School	-	-	40,000	Pending Disbursement
9.16 Shanta Abaq Secondary School	-	-	156,350	Pending Disbursement
9.17 Modogashe Secondary School	-	-	81,350	Pending Disbursement
9.18 Benane Secondary School	-	-	750,000	Pending Disbursement
9.19 Modogashe Girls Secondary School	-	-	1,500,000	Pending Disbursement
<b>Sub-Total</b>	<b>12,081,744.37</b>	<b>36,474,850.13</b>	<b>50,040,712</b>	
<b>3.0 Emergency</b>				
3.1 Emergency	806,750.93	266,544.93	14,339	Pending Disbursement
<b>4.0 Bursary And Social Security</b>				
4.2 Secondary Schools	2,106,956.67	8,179,456.67	14,395,457	Pending Disbursement
4.3 Tertiary Institutions	344,181.25	5,603,481.98	14,249,012	Pending Disbursement
<b>10.0 Security Projects</b>				
10.1 Modogashe Police Station	-	-	3,500,000	Pending Disbursement
10.2 Afweine Chief's Office	-	-	89,183	Pending Disbursement
10.5 Shantaabak Administration Police Post	-	-	750,000	Pending Disbursement
10.6 Shantaabak Assistant Sub-County Commissioner Residence	-	-	1,200,000	Pending Disbursement
10.7 Modogashe Police Station	-	-	266,083	Pending Disbursement
10.9 Modogashe Police Station	-	-	200,000	Pending Disbursement



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10.15 Shanta Abaq Administration Police	-	-	30,247	Pending Disbursement
10.17 Modogashe Chief's Office	-	-	50,000	Pending Disbursement
10.18 Barkuke Chief's Office	40,000.00	40,000.00	40,000	Pending Disbursement
10.19 Shanta Abaq Adm Police	-	-	20,000	Pending Disbursement
10.2 Modogashe Police Station	33,000.00	33,000.00	33,000	Pending Disbursement
10.21 Eldere Chief's Office	-	-	33,000	Pending Disbursement
10.22 Kambi Samaki Chief's Office	32,000.00	32,000.00	32,000	Pending Disbursement
10.23 Shantaabaq Police Station	-	-	200,000	Pending Disbursement
10.24 Baraki Chief's Office	-	2,000,000.00	-	Pending Disbursement
10.25 Benane Police Station	-	6,000,000.00	-	Pending Disbursement
10.26 Elan Chief's Office	-	2,000,000.00	-	Pending Disbursement
10.27 Hagariarer Chief's Office	-	2,000,000.00	-	Pending Disbursement
10.28 Modogashe Registration Offices	-	2,000,000.00	-	Pending Disbursement
10.29 Shantaabak Assistant Sub-County Commissioner Office	-	3,500,000.00	-	Pending Disbursement
10.30 Lagdera District Headquarters	210,148.46	351,678.63	-	Pending Disbursement
11.1 Sports	0.58	-	-	Pending Disbursement
12.1 Environment	0.58	-	-	Pending Disbursement
<b>Sub-Total</b>	<b>3,573,038.47</b>	<b>32,006,162.21</b>	<b>35,102,321</b>	
<b>Grand Totals</b>	<b>22,772,389.28</b>	<b>80,225,587.31</b>	<b>97,972,286</b>	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs)	
	2020-2021				2021-2022	
Land	-	-	-	-	-	-
Buildings and structures	10,120,000	141,650	141,650	-	10,261,650	
Office equipment, furniture and fittings	1,376,421	1,025,000	1,025,000	-	2,401,421	
ICT Equipment, Software and Other ICT Assets	79,000	1,050,000	1,050,000	-	1,129,000	
Other Machinery and Equipment	21,000	-	-	-	21,000	
<b>Total</b>	<b>11,596,421.00</b>	<b>2,216,650</b>	<b>2,216,650</b>	<b>-</b>	<b>13,813,071</b>	



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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Bank Balance	
			2021-2022	2020-2021
Gurufa Primary Sch	First Community Bank	2987917301	-	-
Maalimin Primary Sch	First Community Bank	2987890401	-	-
Barkuke Primary Sch	First Community Bank	2987886601	3,039.00	-
Illanle Primary Sch	First Community Bank	2987886901	-	-
Modogashe Chief's Office	First Community Bank	2987882801	-	-
Elan Primary Sch	First Community Bank	2987888301	2,000.00	-
Skansa Primary Sch	First Community Bank	2987883201	-	-
Kambi Samaki Primary Sch	First Community Bank	2987889201	2,750.00	2,750.00
Hagar Jareer Primary Sch	First Community Bank	2977224503	1,600.00	1,600.00
Madina Primary Sch	First Community Bank	2987884601	2,000.00	2,000.00
Afweine Primary Sch	First Community Bank	2987857101	1,800.00	1,800.00
Janju Primary Sch	First Community Bank	2987865701	900.00	8,707.00
Geylab Primary Sch	First Community Bank	2987888201	2,100.00	1,200.00
Dihle Nur Primary Sch	First Community Bank	2977352702	1,789.00	1,789.00

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Barfin Primary Sch	First Community Bank	2977533702	670.00	670.00
Jilango Boarding Primary Sch	Equity Bank	580262728712	2,292.00	2,292.00
Benane Police Post Pmc	First Community Bank	2987919701	-	-
Modogashe Police Station Pmc	First Community Bank	2987929501	2,050.00	1,678.00
Modogashe Administration Police Pmc	First Community Bank	2987920501	1,000.00	1,000.00
Modogashe Secondary Sch	First Community Bank	2977000704	3,878.00	3,878.00
Modogashe Boarding Primary Sch	First Community Bank	2987921501	12,090.00	11,090.00
Shanta Abaq Secondary Sch	First Community Bank	2977278503	-	-
Benane Secondary Sch	KCB Bank	1270560662	-	-
Modogashe Girls Secondary Sch	First Community Bank	2987930101	2,780.00	2,000,000.00
Shanta Abaq Ap Post Pmc	First Community Bank	2977000706	-	-
Pastrolists Self Help Group	Equity Bank	580179760198	-	-
Suluhisho Company Ltd	Cooperative Bank	011483763958 00	-	-
Anayfix Associate Limited	National Bank	155322585281 0	-	-
Shantaabaq Deputy Sub-County Commissioner Pmc	First Community Bank	165044001	1,000.00	1,000.00
Fitness Youth Group	First Community Bank	16642801	2,227.00	2,227.00
Modogashe Birth And Death Registration Office Pmc	First Community Bank	1652240	2,000.00	2,000.00



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Afweine Chief's Office Pmc	First Community Bank	16270001	570.00	570.00
Modogashe Acc Residence	First Community Bank	16278001	2,050.00	2,050.00
Darasalam Primary School	First Community Bank	16179701	1,500.00	1,500.00
Faryar Primary School	First Community Bank	16973701	900.00	~
Baraki Chief Office Pmc	First Community Bank	16788401	800.00	~
Elan Chief Office	First Community Bank	16955301	750.00	~
Benane Police Station Pmc	First Community Bank	16857601	1,200.00	~
Hagar Jareer Chief Office Pmc	First Community Bank	168657501	700.00	~
Total			56,435.00	2,049,801.00

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**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>LAGDERA/ CDF/AUD/VOL.II/(4)</b>	<p><b>Budget and budget control:</b> During the year under review, the statement of appropriation for the fund had an approved budget of kshs. 137,088,879. And adjustments of kshs. 97,972,287 being previous outstanding disbursements and opening bank balance resulting in total budget of kshs. 235,061,166 for financial year 2020/2021. The total actual expenditure by the fund in the financial year 2020/2021 was kshs. 154,835,579 representing an absorption rate of 65.8% of the total approved budget reported. This therefore resulted in an under expenditure of kshs. 80,225,587.</p>	<p>During the financial period 2020/2021 NF-CDF-Lagdera did not receive the amounts of money budgeted because of the delay emanating from disbursement of funds and subsequent approval of A.I.E and this cause underutilization of funds for projected budgeted for on timely basis. As at 30<sup>th</sup> June 2021 NG-CDF Lagdera only got A.I.E approval of an amount of kshs. 91,000,000. And this made it difficult for the NG-CDF to ensure project funds budgeted for the approved are utilized on a timely basis as budgeted. See the scheduled for A.I.E approvals for your consideration AIE Date received 4,000,000 13/11/2019 28,000,000 30/1/2020 14,000,000 25/2/2020 45,000,000 20/3/2020 20,367,724.10 28/9/2020</p>	Unresolved	
<b>LAGDERA/ CDF/AUD/VOL.II/(4)</b>	<b>Unsupported bursary fund:</b>	During the financial year 2020/2021 NG-CDF Lagdera	Unresolved	




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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>During the financial year under review, Lagdera constituency disbursed bursaries of kshs.13, 216,000 to various secondary schools and kshs.17, 917,750 to tertiary institutions totalling to 31,133,750 for the benefit of needy students. However, examination of payment vouchers and its supporting documents revealed that an amount of kshs.4, 988,000 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.</p>	<p>had disbursed bursaries of kshs.31, 133,750 to various institutions but as of 30<sup>th</sup> June an amount of 4,988,000 disbursed to various institutions was not acknowledged. This was because of delays from the said institutions on issuing official receipts and acknowledgement letters but some of the acknowledgement letters and receipts are now provided for your consideration and ascertainment.</p>		
<p><b>LAGDERA/CDF/AUD/VOL.II/(4)</b></p>	<p><b>Cash and cash equivalent:</b> The statement of financial position reflects cash and cash equivalent balance of kshs.35, 136,708 as at 30 June 2021. However, an audit review revealed that the reconciliation supporting the balance included unrepresented cheques amounting to kshs.1, 751,654. Included in the unrepresented cheques are stale cheques amounting to kshs.276, 077. Further the fund is ready to disclose project management committee(PMC) bank balances, the fund did not avail for audit</p>	<p>As at 30 June 2021, NG-CDF Lagdera had an unrepresented cheques amounting to kshs.1, 751,654 and stale cheques of kshs.276, 077. Therefore, the fund will avail bank statements for the period for your consideration and ascertainment of the same. The fund will also avail the bank statements and bank reconciliation of 20 project management committee disclosed in appendix 11sl.</p>	<p>Unresolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
LAGDERA/CDF/AUD/VOL.II/(4)	<p>bank statements/bank certificates for 20 management committee bank accounts to confirm the bank balances</p> <p><b>Project implementation status:</b> During the period under review, Lagdera constituency allocated kshs.90, 478,662 to projects in various sectors including primary schools, secondary schools, bursaries, security, sports, environment and emergencies within the constituency. Analysis as per project implementation status indicated that thirty four (34) projects amounting to kshs.78,978,662 were complete, while five (5) projects with a budgeted cost of kshs.11,500,000, had not been started.</p>	<p>This was due to a delay in release of project funds and the project implementation status had not been updated by the time of audit and the fund will avail the updated project implementation status for your consideration.</p>	Unresolved	

  
 YUSSUF KILAS ADEN  
 Fund Account Manager  
 LAGDERA CONSTITUENCY  
 FUND ACCOUNT MANAGER  
 LAGDERA P.O. BOX 659-710