


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*

REPORT

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DATE:	14 AUG 2024
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TABLED BY:	HON. OWEN BAYA, MP DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	THE AUDITOR-GENERAL RUSHEK NINYO

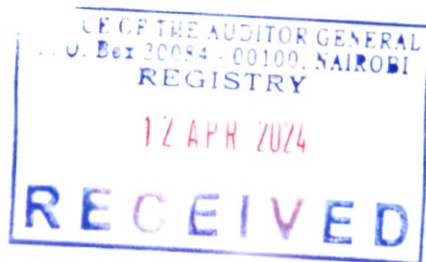
ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
LAIKIPIA NORTH CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2023



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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

***Laikipia North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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**1. Acronyms and Abbreviations**

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

## **2. 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 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

### **Mandate**

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

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

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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

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

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

### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

<b>No</b>	<b>Designation</b>	<b>Name</b>
1.	A.I.E holder	Isaak Hassan Adan
2.	Sub-County Accountant	Winfred Wambui
3.	Chairman NGCDFC	Maria Adeket
4.	Member NGCDFC	Naundoi Lomoni Rukinyi

### **(c) Fiduciary Oversight Arrangements**

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

### **(d) Laikipia North Constituency NGCDF Headquarters**

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

### **(e) Laikipia North Constituency NGCDF Contacts**

Telephone: (254) 720 907 270  
E-mail: [iadan@ngcdf.go.ke](mailto:iadan@ngcdf.go.ke), [cdflaikipianorth@ngcdf.go.ke](mailto:cdflaikipianorth@ngcdf.go.ke), [laikipianorthcdf@gmail.com](mailto:laikipianorthcdf@gmail.com)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)



**(f) Laikipia North Constituency NGCDF Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000 - 00200  
**NAIROBI**

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

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

### **3. NG-CDFC Chairperson's Report**



The Constituency has done well in terms of project implementation. Among successful projects are a number of classrooms and Administration blocks for primary schools. During the year under review the Constituency has done staff houses for police and 4 offices for chiefs. The NG-CDF has improved the Education and security infrastructures in Laikipia North Constituency.

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

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

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

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

The constituency is doing capacity building of NG-CDF Committees and the Project Management Committees in areas of project planning, implementation, monitoring and evaluation. The Committees have also been trained in Risk management and control.



**Project Name:** Kimanjo Police Station

**Project Activity:** Construction of six police houses

**Project Cost:** Kshs.3,600,000.00

**Project Achievement:** Solved staffing problem in the institution



**Project Name:** Uasonyiro Primary School

**Project Activity:** Construction of Administration Block

**Project Cost:** Kshs.2,500,000.00

**Project Achievement:** Solved staffing problem in the institution



**Project Name:** St. Francis Girls Secondary School

**Project Activity:** Construction of dormitory

**Project Cost:** Kshs.4,250,000.00

**Project Achievement:** Solved students congestion problem in the institution



**Project Name:** Sirimon Laikipia Day Secondary School

**Project Activity:** Construction of two classrooms

**Project Cost:** Kshs.2,400,000.00

**Project Achievement:** Solved students congestion problem in the institution



**Project Name:** Ngenia Secondary School

**Project Activity:** Construction of dormitory

**Project Cost:** Kshs.4,250,000.00

**Project Achievement:** Solved students congestion problem in the institution

### **Challenges**

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

Cultural norms and beliefs of the society and lack of specialized schools for PLWD.

### **Recommendations**

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

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

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

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National Government Constituencies Development Fund (NGCDF)  
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The constituency is doing capacity building of NG-CDF Committees and the Project Management Committees in areas of project planning, implementation, monitoring and evaluation. The Committees have also been trained in Risk management and control.



.....

**Maria Adeket**  
**Chairperson NGCDF Committee**

#### 4. Statement of Performance against Predetermined Objectives for FY2022/23

##### Introduction

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

The key development objectives of NG - Laikipia North Constituency 2022-2023 plan are to:

**(Enumerate all the objectives of the constituency as per the Strategic Plan)**

##### 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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	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's beneficiaries at all levels	In FY 2022/23 -we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	Enhanced security and peaceful co-existence	Enhanced security infrastructure through construction/ improving police stations, AP camps and patrol bases	Construction of Chief offices and toilets for Police stations.	Constructed 2 chief's offices and 8 latrines in police stations
Assist the community groups to acquire necessary	Enhanced tree planting and provision of water tanks to conserve	Purchase of water tanks across the constituency	Assist the community groups to acquire necessary facilities to conserve environment and	Enhanced tree planting and provision of water tanks to conserve environment

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facilities to conserve environment and other social amenities	environment		other social amenities	
Disaster Management	Mainstreaming of climate change, disaster risk reduction and other crosscutting issues	Support establishment of PWDs friendly infrastructure in public institutions at all levels	Making sure all buildings done by Laikipia North NG-CDF have provisions for persons with disabilities	All classrooms, administration blocks, dormitories and latrines fitted with ramps



## **5. Statement of Governance**

Section 43(1), (2), (3), and (4) of National Government Constituency Development Fund (NG-CDF) Act state that:

There is established a National Government Constituency Development Fund Committee for every constituency. Each Constituency Committee shall comprise of:-

- i. The national government official responsible for co-ordination of national government functions.
- ii. Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment.
- iii. Two women nominated in accordance with subsection (3) one of whom shall be a youth at the date of appointment.
- iv. One persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3).
- v. Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act.
- vi. The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- vii. One member co-opted by the Board in accordance with Regulations made by the Board.

The seven persons referred to in subsection (2) (b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.

The first meeting of the Constituency Committee shall be convened within sixty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board Seconded to the constituency, on such day as may be designated by the Cabinet Secretary.

The quorum of the Constituency Committee shall be one half of the total membership.

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The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of thirty days.

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

The Constituency Committee shall at its discretion, determine the quantum of instalments to various projects in the constituency, taking into account the disbursement received and the requirement of different projects.

A member of the Constituency Committee may be removed from office on any one or more of the following grounds:

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.

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A vacancy arising as a result of the removal of a member under subsection shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

## **6. Environmental and Sustainability Reporting**

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

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

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

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

- d. **Sports:** The Laikipia North 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**

- Report on the frequency of how often Laikipia North NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported Laikipia North NG-CDF.
- Laikipia North NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

## **3. Employee welfare**

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

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

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

#### **4. Market place practices-**

Laikipia North NGCDF Constituency is committed to fair and ethical market practises.

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

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

Laikipia North 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-**

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

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

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

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

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

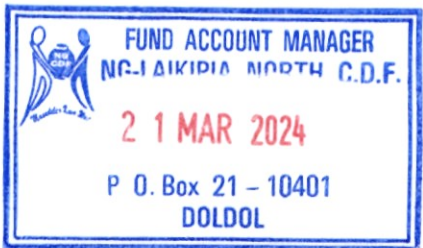
**Public Awareness**

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.

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



**Isaak Hassan Adan**



**Fund Account Manager NG – Laikipia North CDF**

## **7. 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- Laikipia North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. 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- Laikipia North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Laikipia North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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



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for. Further 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 Laikipia North Constituency financial statements were approved and signed by the Accounting Officer on 21/03 2024.



.....  
**Maria Adeket**

**Chairperson – NGCDF Committee**



.....  
**Isaak Hassan Adan**

**Fund Account Manager NG – Laikipia North**



# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAIKIPIA NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulation 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 - Laikipia North Constituency set out on pages 1 to

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*Report of the Auditor-General on National Government Constituencies Development Fund - Laikipia North Constituency for the year ended 30 June, 2023*

52, which comprise the statement of financial assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Laikipia North Constituency as at 30 June, 2023 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **1. Unsupported Project Management Committee Bank Balances**

Note 20.4 to the financial statements and as detailed in Annex 5 reflects Project Management Committee (PMC) bank balances totalling Kshs.28,826,259. However, bank reconciliation statements and their related supporting documents were not provided for audit.

In the circumstances, the accuracy and completeness of bank balance of Kshs.28,826,259 could not be confirmed.

#### **2. Overstatement of Transfer from National Government Constituencies Development Fund Board**

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from the National Government Constituencies Development Fund (NG-CDF) Board amounting to Kshs.91,000,000. Included in this balance is an amount of Kshs.16,000,000 or 18% of the transfers from the NG-CDF Board and which were received in the month of July, 2023 beyond the cut-off date of 30 June, 2023.

In the circumstances, accuracy of transfer from NG-CDF Board balance of Kshs.91,000,000 could not be confirmed.

#### **3. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.60,909,922 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.41,301,938 and Kshs.11,575,777 disbursed to secondary schools and tertiary institutions respectively both totaling to Kshs.52,877,715.

However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totaling Kshs.52,877,715 could not be confirmed.

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

### **Emphasis of Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis Kshs.164,290,788 and Kshs.117,075,755 respectively resulting to an under funding of Kshs.47,215,033 or 29% of the budget. Similarly, the Fund spent Kshs.94,541,336 against actual receipts of Kshs.117,075,755 resulting to an under-utilization of Kshs.22,534,419 or 19 % of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

#### **Other Matter**

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

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although Management has indicated that the issues had been resolved, no evidence was provided to support this status.

# 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. Unsupported Projects Implementation**

During the year under review, seven (7) projects with a contractual amount of Kshs.14,990,158 were sampled for verification. However, during the verification exercise several anomalies were noted as shown below:

#### **1.1 Construction Project at Olekirisiai Primary School**

Project verification revealed that only one (1) coat of paint was applied on the internal walling instead of three (3) coats as per the Bills of Quantities and Concrete on some sections of the ring beam in the gable wall are honey-combed. In addition, the verandah floor, class room walls had cracks an indication of poor workmanship.

#### **1.2 Proposed Two (2) Classrooms at Sirimon Day Secondary School**

Project verification revealed that the structural timber was not treated with wood preservative, Internal gable wall plaster was not done and low quality 30-gauge iron sheets were used instead of 28 gauge as per the Bills of Quantities.

#### **1.3 Construction of Classroom at Sirat Primary School**

The Project was for construction of one (1) classroom and purchase of thirty (30) desks at a cost of Kshs.1,160,250. The project was poorly done where electrical wires were left exposed, only one (1) coat paint work was done instead of three (3) and low quality 30-gauge iron sheets were used instead of 28 gauge as per Bills of Quantities.

In the circumstances, the value for money and regularity of the expenditure of Kshs.4,750,408 could not be confirmed.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

## **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall 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 overall governance.

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

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

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

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

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

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

20 June, 2024



*Laikipia North Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

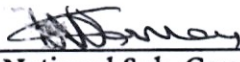
**9. Statement of Receipts and Payments for the Year Ended 30th June 2023**

	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	91,000,000	181,277,758
Proceeds From Sale of Assets	2		
Other Receipts	3		
<b>Total Receipts</b>		<b>91,000,000</b>	<b>181,277,758</b>
<b>Payments</b>			
Compensation Of Employees	4	2,348,817	4,036,363
Committee expenses	5	2,961,740	5,220,800
Use Of Goods and Services	6	4,660,857	4,322,834
Transfers To Other Government Units	7	23,660,000	76,549,311
Other Grants and Transfers	8	60,909,922	73,645,823
Acquisition Of Assets	9		180,000
Oversight Committee Expenses	10		
Other Payments	11		
<b>Total Payments</b>		<b>94,541,336</b>	<b>163,955,131</b>
<b>Surplus/ (Deficit)</b>		<b>(3,541,336)</b>	<b>17,322,627</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 by the NGCDFC on 21/03 2024 and signed by:

  
 Fund Account Manager

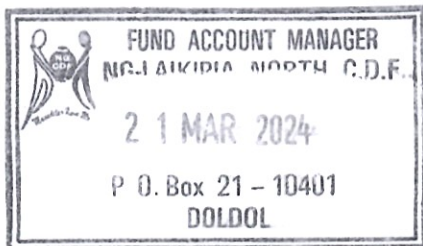
  
 National Sub-County Accountant

  
 Chairperson NG-CDF Committee

Isaak Hassan Adan

Winfred Wambui  
ICPAK M/No: 28425

Maria Adeket



*Laikipia North Constituency  
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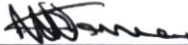
**10. Statement of Assets and Liabilities as At 30th June, 2023**

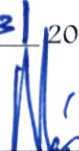
	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	22,534,420	26,075,755
Cash Balances (Cash at Hand)	12B		-
<b>Total Cash and Cash Equivalents</b>		<b>22,534,420</b>	<b>26,075,755</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13		
<b>Total Financial Assets</b>		<b>22,534,420</b>	<b>26,075,755</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14		
Gratuity	15		
<b>Total Financial Liabilities</b>			
<b>Net Financial Assets</b>		<b>22,534,420</b>	<b>26,075,755</b>
<b>Represented By</b>			
Fund Balance B/Fwd	16	26,075,756	8,753,128
Prior Year Adjustments	17		
Surplus/Deficit for The Year		(3,541,336)	17,322,627
<b>Net Financial Position</b>		<b>22,534,420</b>	<b>26,075,755</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 by NG CDFC on 21/03 2024 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

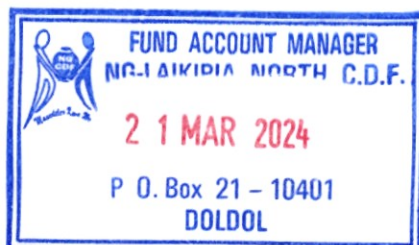
  
\_\_\_\_\_  
National Sub-County  
Accountant

  
\_\_\_\_\_  
Chairperson NG-CDF  
Committee

**Isaak Hassan Adan**

**Winfred Wambui**  
ICPAK M/No: 28425

**Maria Adeket**



*Laikipia North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

**11. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023**

	Notes	2022 - 2023	2021 - 2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	91,000,000	181,277,758
Other Receipts	3		
<b>Total Receipts</b>		<b>91,000,000</b>	<b>181,277,758</b>
Payments			
Compensation Of Employees	4	2,348,817	4,036,363
Committee Expenses	5	2,961,740	5,220,800
Use Of Goods and Services	6	4,660,857	4,322,834
Transfers To Other Government Units	7	23,660,000	76,549,311
Other Grants and Transfers	8	60,909,922	73,645,823
Oversight Committee Expenses	10		
Other Payments	11		
<b>Total Payments</b>		<b>94,541,336</b>	<b>163,775,131</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:			
Prior Year Adjustments	17		
Decrease/ (Increase) In Accounts Receivable	18		
Increase/ (Decrease) In Accounts Payable	19		
<b>Net Cash Flow from Operating Activities</b>		<b>(3,541,336)</b>	<b>17,502,627</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2		
Acquisition Of Assets	9		(180,000)
<b>Net Cash Flows from Investing Activities</b>			<b>(180,000)</b>
Net Increase In Cash And Cash Equivalent			17,322,627
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>12</b>	<b>26,075,755</b>	<b>8,753,128</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>12</b>	<b>22,534,420</b>	<b>26,075,755</b>

**Laikipia North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023**

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

The Constituency financial statements were approved by NG CDFC on 21/03/2024 and signed by:



**Fund Account Manager**

**Isaak Hassan Adan**



**National Sub-County  
Accountant**

**Winfred Wambui  
ICPAK M/No: 28425**



**Chairperson NG-CDF  
Committee**

**Maria Adeket**



**12. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2023**

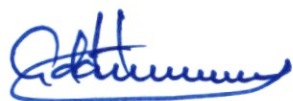
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	B		c=a+b	D	e=c-d	f=d/c %
	<i>2022-2023</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2022-2023</i>	<i>2022-2023</i>		
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	138,215,033	26,075,755		164,290,788	117,075,755	47,215,033	71.3%
Proceeds From Sale of Assets				-			0.0%
Other Receipts				-			0.0%
<b>Totals</b>	<b>138,215,033</b>	<b>26,075,755</b>		<b>164,290,788</b>	<b>117,075,755</b>	<b>47,215,033</b>	<b>71.3%</b>
<b>Payments</b>							
Compensation Of Employees	3,789,348	972,167		4,761,515	2,348,817	2,412,698	49.3%
Committee Expenses	4,310,000			4,310,000	2,961,740	1,348,260	68.7%
Use Of Goods and Services	4,340,003	2,317,673		6,657,676	4,660,857	1,996,819	70.0%
Transfers To Other Government Units	56,540,000	1,123,191		57,913,191	23,660,000	34,253,191	40.9%
Other Grants and Transfers	67,935,682	21,662,724		89,348,406	60,909,922	28,438,484	68.2%
Acquisition Of Assets							
Oversight Committee Expenses	1,300,000			1,300,000		1,300,000	0.0%
Other Payments	2,200,000			2,200,000		2,200,000	0.0%
Funds Pending Approval**							
<b>Totals</b>	<b>140,415,033</b>	<b>26,075,755</b>		<b>166,490,788</b>	<b>94,541,336</b>	<b>71,949,452</b>	<b>56.7%</b>

**Laikipia North Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

1. Compensation of employees was at 49% because staffs were employed in February 2023 and no gratuity has been paid yet.
2. Committee expenses was at 68% because most of committee activities were done in July and August of 2023.
3. Use of goods was at 70% because most of the funds almost 40% was received after 30<sup>th</sup> June 2023.
4. Transfer to other government entities was at 41% because most of the project funds about 40% was received after 30<sup>th</sup> June 2023.
5. Other grants and transfers was at 68% because most of the project funds were received after 30<sup>th</sup> June 2023.
6. Other payments was at 0.0% because the funds were received after 30<sup>th</sup> June 2023.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	69,749,452
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	47,215,033
	22,534,419
Increase/(decrease) Accounts payable	
(Decrease)/Increase Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	22,534,419

The Constituency financial statements were approved by NG CDFC on 21/03/2024 and signed by:



Fund Account Manager



National Sub-County Accountant



Chairperson NG-CDF Committee



Winfred Wambui  
 ICPAK M/No: 28425

Maria Adeket

**13. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs

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National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,789,348	972,167		4,761,515	2,348,816.59	2,412,698.41
1.2 Committee allowances	1,408,000	550,000		1,958,000	1,046,800	911,200
1.3 Use of goods and services	3,095,553	77,904		3,173,457	2,459,310	714,147
<b>Total</b>	<b>8,292,901</b>	<b>1,600,071</b>		<b>9,892,972</b>	<b>5,854,926.59</b>	<b>4,038,045.41</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,122,000	1,262,666		2,384,666	1,098,500	1,286,166
2.2 Committee allowances	1,780,000	384,009		2,164,009	1,914,940	249,069
2.3 Use of goods and services	1,244,450	43,094		1,287,544	1,103,047	184,497
<b>Total</b>	<b>4,146,450</b>	<b>1,689,769</b>		<b>5,836,219</b>	<b>4,116,487</b>	<b>1,719,732</b>
<b>3.0 Emergency</b>	<b>7,636,190</b>	<b>5,682,207</b>		<b>13,318,397</b>	<b>4,432,207</b>	<b>8,886,190</b>
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	34,000,000	8,515,994		42,515,994	41,301,938.13	1,214,055.87
4.2 Secondary Schools					11,575,777	5,388,238



*Laikipia North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	13,099,492	3,864,523		16,964,015		
4.3 Tertiary Institutions						
4.4 Universities						
<b>Total</b>	<b>47,099,492</b>	<b>12,380,517</b>		<b>59,480,009</b>	<b>52,877,715.13</b>	<b>6,602,293.87</b>
<b>5.0 Sports</b>	2,600,000			2,600,000		2,600,000
<b>Total</b>	<b>2,600,000</b>			<b>2,600,000</b>		<b>2,600,000</b>
<b>6.0 Environment</b>						
Doldol Day Secondary School	200,000			200,000		200,000
Kurum Day Secondary School	200,000			200,000		200,000
Amani Sosian Day Secondary School	200,000			200,000		200,000
St. Ann Nosirai Primary School	200,000			200,000		200,000
Reteti Primary School	200,000			200,000		200,000
Sirat Primary School	200,000			200,000		200,000
Nkirashi Primary School	200,000			200,000		200,000
Mia Moja Primary School	200,000			200,000		200,000
Olokirisiai Primary School	200,000			200,000		200,000
Kiwanja Ndege Primary School	200,000			200,000		200,000
Dam Mbili Primary School	200,000			200,000		200,000.00
Nkiloriti Primary School	200,000			200,000		200,000.00

**Laikipia North Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Naibor Amani Primary School	200,000			200,000		200,000.00
<b>Total</b>	<b>2,600,000</b>			<b>2,600,000</b>		<b>2,600,000</b>
<b>7.0 Primary Schools</b>						
Sirat Primary School	1,380,000			1,380,000	1,380,000	
Reteti Primary School	1,500,000			1,500,000		1,500,000
St. Ann Nosirai Primary School	1,380,000			1,380,000		1,380,000
Tiamamut Primary School	2,400,000			2,400,000		2,400,000
Soitoudo Primary School	1,500,000			1,500,000	1,500,000	
Kandutura Primary School	1,200,000			1,200,000		1,200,000
Reteti Primary School	1,500,000			1,500,000	1,500,000	
Magadi Primary School	1,200,000			1,200,000		1,200,000
Lera Primary School	2,580,000			2,580,000	2,580,000	
Dam Mbili Primary School	1,500,000			1,500,000		1,500,000
Nkirashi Primary School	2,400,000			2,400,000		2,400,000
Olmoran Special School	400,000			400,000		400,000
Olokirisiai Primary School	1,200,000			1,200,000	1,200,000	
Kairigire Bidii Primary School	200,000			200,000	200,000	

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ethi Primary School	300,000			300,000	300,000	
Olkinyei Primary School	1,500,000			1,500,000		1,500,000
Jikaze Primary School	1,200,000			1,200,000		1,200,000
Kiwanja Primary School	1,500,000			1,500,000		1,500,000
Sirimon Primary School	400,000			400,000		400,000
Sieku Primary School	1,500,000			1,500,000		1,500,000
Kurikuri Primary School	300,000			300,000		300,000
Ilmotiok Primary School		541,548		541,548		541,548
Gathanji Primary School					200,000	
Mia Moja Primary School					200,000	
Merigwet Primary School					2,200,000	
Uaso Nyiro Primary School					200,000	
Chumvi Primary School					300,000	
<b>Total</b>	<b>27,040,000</b>	<b>541,548</b>		<b>27,581,548</b>	<b>11,760,000</b>	<b>18,921,548</b>
<b>8.0 Secondary Schools</b>						
Irura Secondary School	2,600,000			2,600,000	2,600,000	
Mukima Secondary School	4,200,000			4,200,000		4,200,000

**Laikipia North Constituency**  
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ewaso Secondary School	4,200,000			4,200,000		4,200,000
Kurum Secondary School	1,200,000			1,200,000		1,200,000
Louniek Secondary School	4,200,000			4,200,000		4,200,000
Survey Secondary School	3,800,000			3,800,000		3,800,000
Sirimon Laikipia Day Secondary School	2,600,000			2,600,000	2,600,000	
Chumvi Secondary School	3,800,000			3,800,000	3,800,000	
Doldol Day Secondary School	2,900,000			2,900,000	2,900,000	
Ilpolei Day Mixed Secondary School		21,000		21,000		21,000
Githima Secondary School		467,104		467,104		467,104
School Buses		93,539		93,539		93,539
<b>Total</b>	<b>29,500,000</b>	<b>581,643</b>		<b>30,081,643</b>	<b>11,900,000</b>	<b>18,181,643</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1						
9.2						
9.3						
<b>10.0 Security Projects</b>						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ngarengiro Police Station	1,800,000			1,800,000		1,800,000
Muramati Police Patrol Post	1,200,000			1,200,000		1,200,000
Kimanjo ACC Office	2,700,000			2,700,000		2,700,000
Sosian Chief's Office	100,000			100,000		100,000
Kimanjo Police Station		3,600,000		3,600,000	3,600,000	
<b>Total</b>	<b>5,800,000</b>	<b>3,600,000</b>		<b>9,400,000</b>	<b>3,600,000</b>	<b>5,800,000</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
<b>12.0 Oversight Committee Expenses</b>						
Constituency Oversight Committee	1,300,000			1,300,000		1,300,000
<b>Total</b>	<b>1,300,000</b>			<b>1,300,000</b>		<b>1,300,000</b>
<b>13.0 Others</b>						
Strategic Plan	2,200,000			2,200,000		2,200,000
<b>Total</b>	<b>2,200,000</b>			<b>2,200,000</b>		<b>2,200,000</b>
Funds pending approval**						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>Total</b>	138,215,033	26,075,755		164,290,788	94,541,335.72	69,749,452.28

(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

#### **14. 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- Laikipia North Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

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

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

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

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

**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.



## **Significant Accounting Policies continued**

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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

## **5. In-kind contributions**

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

**Significant Accounting Policies continued**

**6. Cash and Cash Equivalent.**

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.

**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.

## **Significant Accounting Policies continued**

### **9. Pending Bills**

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

### **10. Unutilized Fund**

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

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 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.

**Significant Accounting Policies Continued**

**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 2023.

**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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**15. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

<b>Description</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDF Board		
B185140	7,000,000	
B185389	7,000,000	
B185676	14,000,000	
B206175	5,000,000	
B206441	12,000,000	
B205951	12,000,000	
B207702	18,000,000	
B207831	16,000,000	
B140973		33,000,000
B105490		44,000,000
B105837		22,000,000
B128528		5,000,000
B128896		12,000,000
B154093		12,000,000
B164429		18,000,000
B155865		24,088,879
B155982		11,188,879
<b>TOTAL</b>	<b>91,000,000</b>	<b>181,277,758</b>

**2. Proceeds From Sale of Assets**

	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		

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Others (specify)		
<b>Total</b>		

**3. Other Receipts**

	<i>2022 - 2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		
Rents		
Receipts from sale of tender documents		
Hire of plant/equipment/facilities		
Other Receipts Not Classified Elsewhere		
<b>Total</b>		

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*Notes to the Financial Statements (Continued)*

**4. Compensation of Employees**

	<i>2022 - 2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	1,865,954	4,007,563
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	397,855	
Employer Contributions Compulsory national social security schemes	85,008	28,800
<b>Total</b>	<b>2,348,817</b>	<b>4,036,363</b>

**5. Committee Expenses**

	<i>2022 - 2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	2,961,740	4,842,800
Other committee expenses		378,000
<b>Total</b>	<b>2,961,740</b>	<b>5,220,800</b>

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**6. Use of Goods and services**

	<i>2022 - 2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		256,750
Communication, supplies and services	211,650	
Domestic travel and subsistence	397,660	230,300
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	1,098,500	554,500
Hospitality supplies and services		
Insurance costs		
Specialized materials and services		
Office and general supplies and services	900,000	950,000
Fuel, oil & lubricants	950,000	1,550,000
Bank Service Commission and Charges		24,776
Other operating expenses	539,400	
Routine maintenance – vehicles and other transport equipment	563,647	756,608
Routine maintenance – other assets		
<b>Total</b>	<b>4,660,857</b>	<b>4,322,934</b>



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*Notes to the Financial Statements (Continued)*

**7. Transfer to Other Government Units**

<b>Description</b>	<i>2022 - 2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	11,760,000	42,382,207
Transfers To Secondary Schools (See Attached List)	11,900,000	34,167,104
Transfers To Tertiary Institutions (See Attached List)		
<b>Total</b>	<b>23,660,000</b>	<b>76,549,311</b>

**8. Other Grants and Other transfers**

	<i>2022 - 2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	41,301,938.13	27,874,759
Bursary – tertiary institutions (see attached list)	11,575,777	21,169,314
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Social Security programmes (NHIF)		
Security projects (see attached list)	6,182,207	20,100,000
Sports projects (see attached list)		2,741,750
Environment projects (see attached list)		
Emergency projects (see attached list)	1,850,000	1,760,000
Roads projects (see attached list)		
<b>Total</b>	<b>60,909,922.13</b>	<b>73,645,823</b>

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*Notes to the Financial Statements (Continued)*

**9. Acquisition of Assets**

	<i>2022-2023</i>	<i>2021 - 2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		180,000
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and renovation of plant, machinery and equipment		
Acquisition of Land		
Acquisition Intangible Assets		
<b>Total</b>		<b>180,000</b>

**10. Oversight Committee Expenses**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Oversight Committee Expenses		

**11. Other Payments**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan		
ICT Hub		

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**12. Cash Book Bank Balance**

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
Equity Bank Nanyuki Branch <b>Account No: 0270261109758</b>	22,534,420	26,075,755
<b>Total</b>	<b>22,534,420</b>	<b>26,075,755</b>
<b>12 B: Cash on Hand</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>Specify</i> )		
<b>Total</b>		
<i>[Provide Cash Count Certificates for Each]</i>		

**13. Outstanding Imprests**

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

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

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**Notes to the Financial Statement Continued**

**14. Retention**

	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)		
Retention held during the year (B)		
Retention paid during the Year (C)		
Closing Retention as at 30 <sup>th</sup> June D= A+B-C		

**15. Gratuity**

	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C		

**16. Fund Balance B/F**

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	26,075,756	8,753,128
Cash in hand		
Imprest		
<b>Total</b>	<b>26,075,756</b>	<b>8,753,128</b>
Less		
Payables: - Retention		
Payables - Gratuity		
Fund Balance Brought Forward		

*[Provide short appropriate explanations as necessary]*

**17. Prior Year Adjustments**

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

**\*\*** *The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)*

**18. Changes in Accounts Receivable – Outstanding Imprests**

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		
Net changes in accounts Receivables D - A		

**19. Changes in Accounts Payable – Deposits and Retentions**

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C		
Net changes in accounts payables D-A		

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*Notes to the Financial Statements (Continued)*

**20. Other Important Disclosures**

**20.1: Pending Accounts Payable (See Annex 1)**

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
<b>Total</b>		

**20.2: Pending Staff Payables (See Annex 2)**

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff		
Others ( <i>specify</i> )		
<b>Total</b>		

**20.3: Unutilized Fund (See Annex 3)**

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,412,698	972,167
Committee expense	1,348,260	2,317,673
Use of goods and services	1,996,819	1,123,191
Amounts due to other Government entities (see attached list)	34,003,191	21,662,724
Amounts due to other grants and other transfers (see attached list)	26,488,484	
Acquisition of assets		
Constituency Oversight Committee	1,300,000	
Strategic Plan	2,200,000	
Funds pending approval		
<b>Total</b>	<b>69,749,452</b>	<b>26,075,755</b>

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

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	28,826,259	31,693,001
<b>Total</b>	<b>28,826,259</b>	<b>31,693,001</b>

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**16. Annexes**

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

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



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

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees		4,038,045.41	972,167	Compensation of employees ongoing
Use of goods & services		1,719,732	2,317,673	Committee activities ongoing
<b>Amounts due to other Government entities</b>				
Reteti Primary School	Construction of a 2 roomed staff house to completion	1,500,000		Project ongoing
St. Ann Nosirai Primary School	Construction of one (1) Classroom to completion  Purchase of 30 lockers @ 6,000.00	1,380,000		Project ongoing
Tiamamut Primary School	Construction of two (2) Classroom to completion	2,400,000		Project complete
Kandutura Primary School	Construction of one (1) Classroom to completion	1,200,000		Project ongoing
Magadi Primary School	Construction of one (1) Classroom to completion	1,200,000		Project ongoing
Dam Mbili Primary School	Construction of a 2 roomed staff house to completion	1,500,000		Project ongoing
Nkirashi Primary School	Construction of two (2) Classroom to completion	2,400,000		Project ongoing
Olmoran Special School	Construction of 8 door pit latrine to completion all to	400,000		Project ongoing

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2022-2023</b>	<b>Outstanding Balance 2021-2022</b>	<b>Comments</b>
	cater for FWDs			
Olkinyei Primary School	Construction of a 2 roomed staff house to completion	1,500,000		Project complete
Jikaze Primary School	Construction of one (1) Classroom to completion	1,200,000		Project ongoing
Kiwanja Primary School	Construction of a 2 roomed staff house to completion	1,500,000		Project ongoing
Sirimon Primary School	Construction of 8 door pit latrine to completion all to cater for FWDs	400,000		Project ongoing
Sieku Primary School	Construction of a 2 roomed staff house to completion	1,500,000		Project ongoing
Kurikuri Primary School	Construction of 6 door pit latrine to completion all to cater for FWDs	300,000		Project complete
Ilmotiok Primary School		541,548	541,548	Project ongoing
Mukima Secondary School	Construction of a single laboratory to completion to cater for 45 students	4,200,000		Project ongoing
Ewaso Secondary School	Construction of a single laboratory to completion to cater for 45 students	4,200,000		Project ongoing
Kurum Secondary School	Construction of one (1) Classroom to completion	1,200,000		Project complete
Louniek Secondary School	Construction of a single laboratory	4,200,000		Project ongoing

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	to completion to cater for 45 students			
Survey Secondary School	Construction to completion of administration block comprising 3 rooms, staff room and reception area at Kshs.3,500,000.00 Purchase of office furniture 300,000	3,800,000		Project ongoing
Ilpolei Day Mixed Secondary School		21,000	21,000	Balance left after purchase of bus
Githima Secondary School		467,104	467,104	Project complete
School Buses		93,539	93,539	Balance left after purchase of school buses
<b>Sub-Total</b>		<b>37,103,191</b>	<b>1,123,191</b>	
<b>Amounts due to other grants and other transfers</b>				
Secondary Schools		1,214,055.87	3,864,523	Bursary vetting and awarding ongoing
Tertiary Institutions		5,388,238	8,515,994	Bursary vetting and awarding ongoing
Doldol Day Secondary School	Purchase of 10,000 litres water tank @ 110,000.00  Construction of tank base @ 50,000.00  Installation of gutters @ 40,000.00	200,000		Project ongoing
Kurum Day Secondary School	Purchase of 10,000 litres water	200,000		Project ongoing

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	tank @ 110,000.00  Construction of tank base @ 50,000.00  Installation of gutters @ 40,000.00			
Amani Sosian Day Secondary School	Purchase of 10,000 litres water tank @ 110,000.00  Construction of tank base @ 50,000.00  Installation of gutters @ 40,000.00	200,000		Project ongoing
St. Ann Nosirai Primary School	Purchase of 10,000 litres water tank @ 110,000.00  Construction of tank base @ 50,000.00  Installation of gutters @ 40,000.00	200,000		Project ongoing
Reteti Primary School	Purchase of 10,000 litres water tank @ 110,000.00  Construction of tank base @ 50,000.00	200,000		Project ongoing

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Sirat Primary School	Installation of gutters @ 40,000.00			
	Purchase of 10,000 litres water tank @ 110,000.00			
	Construction of tank base @ 50,000.00	200,000		Project ongoing
Nkirashi Primary School	Installation of gutters @ 40,000.00			
	Purchase of 10,000 litres water tank @ 110,000.00			
	Construction of tank base @ 50,000.00	200,000		Project ongoing
Mia Moja Primary School	Installation of gutters @ 40,000.00			
	Purchase of 10,000 litres water tank @ 110,000.00			
	Construction of tank base @ 50,000.00	200,000		Project ongoing
Olokirisiai Primary School	Installation of gutters @ 40,000.00			
	Purchase of 10,000 litres water	200,000		Project ongoing

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	tank @ 110,000.00			
	Construction of tank base @ 50,000.00			
	Installation of gutters @ 40,000.00			
Kiwanja Ndege Primary School	Purchase of 10,000 litres water tank @ 110,000.00			
	Construction of tank base @ 50,000.00	200,000		Project ongoing
	Installation of gutters @ 40,000.00			
Dam Mbili Primary School	Purchase of 10,000 litres water tank @ 110,000.00			
	Construction of tank base @ 50,000.00	200,000		Project ongoing
	Installation of gutters @ 40,000.00			
Nkiloriti Primary School	Purchase of 10,000 litres water tank @ 110,000.00			
	Construction of tank base @ 50,000.00	200,000		Project ongoing
	Installation of gutters @ 40,000.00			

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	Installation of gutters @ 40,000.00			
Naibor Amani Primary School	Purchase of 10,000 litres water tank @ 110,000.00  Construction of tank base @ 50,000.00  Installation of gutters @ 40,000.00	200,000		Project ongoing
Sports	Facilitation of constituency football tournament and purchase of uniforms, balls and trophies for the winning teams.	2,600,000		Project ongoing
Ngarengiro Police Station	Construction of staff houses to completion comprising 3 rooms	1,800,000		Project ongoing
Muramati Police Patrol Post	Construction of staff houses to completion comprising 2 rooms	1,200,000		Project ongoing
Kimanjo Police Station	Construction of 6 police houses		3,600,000	Project complete
Kimanjo ACC Office	Construction of administration block to completion comprising 3 rooms, boardroom	2,700,000		Project ongoing



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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2022-2023</b>	<b>Outstanding Balance 2021-2022</b>	<b>Comments</b>
	and reception a Kshs.2,500,000.00			
	Purchase of office furniture 200,000.00			
Sosian Chief's Office	Construction of 2 door pit latrine to completion all to cater for PWDs	100,000		Project ongoing
Constituency Oversight Committee	Facilitation of Constituency Oversight Committee	1,300,000		Project ongoing
Strategic Plan	Preparation of 5 constituency strategic plan	2,200,000		Project ongoing
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	8,886,190	5,682,207	Funds reallocated after end of financial year
	<b>Sub-Total</b>	<b>26,888,483.87</b>	<b>21,662,724</b>	
Acquisition of assets				
Others ( <i>specify</i> )				
Sub-Total				
Funds pending approval				
Grand Total		<b>69,749,452.28</b>	<b>26,075,755</b>	

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**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land				
Buildings and structures	12,644,195			12,644,195
Transport equipment	6,158,843			6,158,843
Office equipment, furniture and fittings	1,913,918	100,000		2,013,918
ICT Equipment, Software and Other ICT Assets	161,800	80,000		241,800
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>20,878,756</b>			<b>21,058,756</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Ngarengiro Police Station	Equity	0270281225413	1,840,635.00	240,635.00
Ewaso Secondary School	Equity	0270278549371	4,125,209.55	0.00
St Ann Nosirai Primary School	Equity	0270271707394	1,531,895.00	11,895.00
Kurum Day Secondary School	Equity	027077498853	0.00	0.00
Kiwanja Ndege Primary School	Equity	0270271682975	1,701,309.25	139,059.25
Reteti Primary School	Equity	0160262498462	0.00	1,134.00
Olokirisiai Primary School	Equity	0270262238555	201,269.49	(2,579.95)
St. Ann Nosirai Primary School	Equity	0270271707394	1,531,895.00	11,895.00
Morijo Primary School	Equity	0270262359538	1,645.00	0.00
Seek Primary School	Equity	0160263148573	8,405.00	8,405.00
Laikipia North Sports PMC	Equity	0270262307145	2,603,226.00	102.00
Olkinyei Primary School	Equity	0270280330472	1,425,938.00	1,058.00
Kurikuri Primary School	Equity	0270279783106	300,976.00	976.00
Mia Moja Primary School	Equity	0270268908719	202,700.50	309,745.50
Dam Mbili Primary School	Equity	0270299835273	1,440,072.50	552.50
Sirat Primary School	Equity	1830279572024	200,540.00	0.00
Kandutura Primary School	Equity	0270263870399	1,139,520.80	0.00
Reteti Primary School	Equity	0160268654328	1,626,014.00	1,134.00
Kairigire Bidii Primary School	Equity	0270262835174	609.85	0.00

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Irura Primary School	Equity	0270268702514	1,946.00	501,151.00
Lera Primary School	Equity	0270271100564	114,450.00	0.00
Nkirashi Primary School	Equity	0160171232377	1,731.25	0.00
Nkiloriti Primary School	Equity	0160191693466	203,798.00	423,798.00
Sirimon Primary School	Equity	0270278676331	400,743.00	1,950,135.00
Olmutonyi Primary School	Equity	0160262477002	20,400.00	20,400.00
Soitoudo Primary School	Equity	0270272405830	1,425,922.00	0.00
Muramati Secondary School	Equity	0160272917680	516.60	516.60
Mukima Chief's Office	Equity	0270272872705	760.00	0.00
Mukima Secondary School	Equity	0270278522553	640.50	640.50
Chumvi Secondary School	Equity	0270271173455	3,710,613.50	1,211,216.50
Ngenia Primary School	Equity	0270199845656	60,027.00	60,027.00
Muramati Police Patrol Base	Equity	0270269663898	546.00	0.00
Endana Primary School	Equity	0270276244549	170.50	0.00
Sherton Musul Primary School	Equity	0270276775354	3,515.15	0.00
Muramati Primary School	Equity	0270276349260	617.00	0.00
Saramba Primary School	Equity	0270277382244	1,357.25	0.00
Ngenia Secondary School	Equity	0270277383331	779,249.00	1,771,782.00
Ethi Primary School	Equity	0270278944730	1,096.40	0.00
Doldol Day Secondary School	Equity	0270273633113	175,173.00	61,173.00

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Gathanji Primary School	Equity	0270193078775	148,733.45	497,676.45
Olmutunyi Primary School	Equity	0270282320646	20,400.00	20,400.00
Jikaze Primary School	Equity	0160276262346	32,828.00	1,043,546.00
Olmaisor Primary School	Equity	0160272917680	3,317.00	3,317.00
Tiamamut Primary School	Equity	0270282052941	18.80	0.00
Ndunyu Primary School	Equity	0160276254160	54,620.00	0.00
Sieku Primary School	Equity	0160278674979	1,572.00	37,572.00
Survey Primary School	Equity	0270278685864	20,587.50	205,387.50
Magadi Primary School	Equity	0160278642365	2,060.00	47,120.00
Doldol Primary School	Equity	0270282039462	630.00	0.00
Uaso Nyiro Primary School	Equity	0160278643451	327.00	76,327.00
Kimanjo Primary School	Equity	0160278595980	431.00	431.00
Lairagwan Primary School	Equity	0270278998142	1,118.50	161,118.50
Ngaremare Primary School	Equity	0270278960885	45,445.00	45,625.00
Naibor Anti stock Theft Unit	Equity	0270278981725	14,880.00	539,880.00
Naibor Amani Primary School	Equity	0270278998252	59,494.75	0.00
Irura Secondary School	Equity	0160278624766	117,977.50	0.00
Kurum Mixed Secondary School	Equity	0270279031421	2,244.70	84,127.70
Sirimon Laikipia Day Secondary School	Equity	0160279016949	1,202,969.00	105,670.00
Luoniek Secondary School	Equity	0270278998025	12,058.00	12,058.00

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Mithuri Primary School	Equity	0270277498853	54,850.00	54,850.00
Olmoran Special School	Equity	0270279586463	808.00	0.00
Nkirashi Primary School	Equity	0160279577427	1,942.50	0.00
Kimanjio Police Station	Equity	1830279575154	104,520.00	3,600,520.00
Lokusero Primary School	Equity	0160279685188	1,460.00	0.00
Githima Primary School	Equity	1830282094493	854.55	192,808
Ilpolei Primary School	Equity	1830279893273	310.00	310.00
Veterinary Primary School	Equity	0270279893098	42,875.00	0.00
Sanga Primary School	Equity	0270279897232	4,198.10	0.00
Survey Secondary School	Equity	0160279603439	0.00	0.00
Sosian Chiefs Office	Equity	0270280941835	72,438.00	1,985,055.00
Amani Sosian High School	Equity	1830280785939	3,100.00	0.00
Louniek Secondary School	Equity	0270278921343	12,058.00	12,058.00
		<b>Total</b>	<b>28,826,259</b>	<b>31,693,001</b>

**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Unaccounted For Expenditure On Sports Project	<p>The NG-CDF Committee followed due process in the implementation of the Sports project. The project was implemented by Laikipia North Sports PMC.</p> <p>The procurement process was well followed in the purchase of the sport kits. The tournament was well played and the winning teams rewarded with trophies.</p> <p>Attached please find the tender documents, distribution lists of kits to teams and accounting documents for the Tournament part.</p>	Resolved	
	Internal Audit Arrangements	<p>The Constituency has a risk reporting policy developed by the NG-CDF Board. Every month the constituency reports on the risks.</p> <p>The NG-CDF Board has the internal audit section which does audit of the constituency every year hence reduction in risks.</p> <p>The constituency also reports on Quarterly and Semi-annually basis on risks.</p> <p>The National treasury internal audit section also does audit of the constituency yearly so there is good management of risks at the constituency.</p>	Resolved	
	Budgetary Controls And Performance	The NG-CDF Committee spent all the funds that had been sent from the NG-CDF Board. The underperformance was caused	Resolved	

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		<p>by delay of implementation of 2 major projects by the NG-CDF Committee. By the end of the FY the constituency had received all the funds.</p> <p>The absorption rate of the budget was 84% in the year under audit. The under absorption of Kshs.26,075,755.00 was caused delays in implementation of a few projects which had land issues.</p> <p>The funds were absorbed immediately after end of financial year.</p>		
	Appointment Of Procurement Committee Members	The NG-CDF Committee appoints persons to sit in procurement processes.	Resolved	
	Irregularities In Sourcing Of Fuel	<p>The Constituency draws fuel for its GK vehicle from prequalified suppliers. Both Hafare Investment and Jalis Enterprises are prequalified with the NG-CDF Office for the supply of fuel.</p> <p>The reason why the office changed from Hafare Investment to Jalis Enterprises is because Hafare Investment was unable to provide fuel supply to the office due to its internal management issues. But both firms are prequalified for supply of fuel.</p>	Resolved	
	Unsupported Expenditure On Repairs And Maintenance Of	Laikipia North NG-CDF Office takes its vehicle for service and major repairs to Mutindwa Enterprises which is a Toyota Kenya Limited dealer.	Resolved	



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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)
	Motor	<p>Mutindwa Enerprises is an authorised dealer for Toyota Kenya Ltd for the sale of Toyota vehicles and Servicing and repairing of Toyota vehicles. It's for this reason that our office takes the vehicle to Mutindwa Enterprises for servicing and major repairs because our vehicle is of Toyota Make.</p> <p>Every time the vehicle goes for major repairs the Mechanical Engineer does pre inspection and after repairs are done re inspection is done.</p>		
	Irregular Payment Of Monitoring And Evaluation Allowances	<p>Monitoring and Evaluation Exercises of the NG-CDF Committee members are part of the NG-CDF Committee workplan. The budget for M and E is approved in the project proposal budget.</p> <p>Every monitoring and Evaluation exercise which is done Quarterly is approved by the NG-CDF Committee in a meeting before the exercise is undertaken.</p> <p>For the imprest drawn by FAM, Sub county Accountant and the NG-CDF Chairperson while attending PC and Votebook management workshop the same was approved by the NG-CDF Committee. The constituency was to facilitate the 3 officers to attend the workshop.</p>	Resolved	
	Unsupported PMC Balances, Overstatement Of PMC Bank Balances And Understatement Of PMC Bank Balances	<p>The Errors in the overstated and understated PMC bank balances were all corrected in the Financial Statements. The same have been corrected in the amended FS.</p> <p>The stale cheques were replaced after end of the Financial Year.</p>	Resolved	

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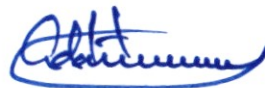
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Failure To Establish A Criterion For Bursary Funds	<p>Laikipia North CDF advertises its bursary so that all applicants can fill the bursary forms and returned the same to the CDF office for vetting and award of bursary. The total bursary is divided into the four wards depending on population and no. of applicants.</p> <p>Each ward has a bursary vetting committee comprising of village elders, chiefs, religious representatives and CDF committee members from the respective wards.</p> <p>After the application forms are received at the CDF offices the same are sorted as per wards and each ward committee vets its applicants. The vetted final lists from each of the wards are forwarded to the CDF office where the final lists as per institutions is prepared for cheque writing and dispatch by the full CDF committee.</p> <p>After the application forms are received at the CDF offices the same are sorted as per wards and each ward committee vets its applicants. The vetted final lists from each of the wards are forwarded to the CDF office where the final lists as per institutions is prepared for cheque writing and dispatch by the full CDF committee.</p> <p>The NG-CDF Office uses the EMS postal service for the distribution of the bursary cheques to all the institutions. The institutions return all the Acknowledgements letters through the post office.</p> <p>The CDF Committee follows the Bursary Guideline from the NG-CDF Board. Attached find the bursary policy used by the office.</p>	Resolved	
Projects Verification Report		<p>A. MUKIMA SECONDARY SCHOOL – the contractor has been instructed to install the meter box because he had not been paid retention. The plumbing works were not in the BQ but the school has used its own funds to do</p>	Resolved	

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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>the plumbing works. Once the plumbing works are over the houses will be occupied.</p> <p>B. KIMANGADURA CHIEFS OFFICE – the contractor has been instructed to reapply more coats of paint before he is paid retention.</p> <p>C. DOLDOL DAY SECONDARY SCHOOL – the classrooms were in use. One of the steel doors was broken by wind. The contractor has been requested to replace the door. The same contractor is doing 2 more classrooms at the school, by time auditors were there the contractor was doing the finishes of the 2 classrooms so they will fix the broken door too.</p>		
	Project Implementations	<p>The NG-CDF Committee adhered to the Public Procurement and Asset Disposal Act in the implementation of projects.</p> <p>a. PROPOSED CONSTRUCTION OF 2 NO. CLASSROOMS AT JIKAZE PRIMARY SCHOOL BY TRIMLAND FENCERS LIMITED – the 2 classrooms are complete and in use. The project was supervised by Public Works and Clerk of Works from NG-CDF Office. The contractor was paid as per the certificates of payment from public works. Attached find the tender opening, evaluation and certificate of inspection from public works.</p> <p>b. PROPOSED CONSTRUCTION OF ADMINISTRATION BLOCK AT UASO NYIRO PRIMARY SCHOOL BY METRO HUB GENERAL SUPPLIES LIMITED – The Administration Block is complete and use. Due procurement process was followed in the construction</p>	Resolved	

**Laikipia North Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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>of the Administration block. The project was supervised by Public works and Clerk of works from the NG-CDF Office.                      Attached find the tender opening, evaluation and certificate of inspection from public works.</p> <p>c. CHUMVI SECONDARY SCHOOL- CONSTRUCTION OF STAFF HOUSE AND SUPPLY OF LOCKERS AND CHAIRS – The lockers were 50 and 50 chairs. The purchase was done following procurement laws. Attached find the necessary documents for the same.                      The funds from fencing to the staff houses reallocation was dully approved by the NG-CDF Board. Attached please find the reallocation letter on the same.                      The staff houses were dully constructed and supervised by public works.</p> <p>DOLDOL SECONDARY SCHOOL – CONSTRUCTION OF 2 CLASSROOMS AND SUPPLY OF 80 LOCKERS AND DESKS – Due process was followed in the purchase of the lockers                      Attached find the necessary documents.</p>		



Isaak Hassan Adan  
**Fund Account Manager NG – Laikipia North CDF**



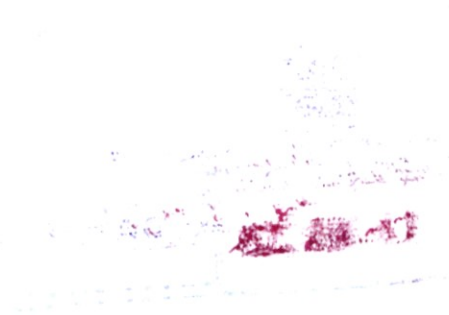


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