

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 13 AUG 2024 DAY: Tuesday

TABLED BY: Hon. Naomi Wago, MP
Deputy Majority Party Whip
A. Shabuko

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ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – LAGDERA
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2023

OFFICE OF THE AUDITOR GENERAL
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LAGDERA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF	-	National Government Constituency Development Fund
PFM	-	Public Finance Management
IPSAS	-	International Public Sector Accounting Standards.
PMC	-	Project Management Committee
FY	-	Financial Year
CDFC	-	Constituency Development Fund Committee
A.I. A	-	Appropriation in Aid
VBMS	-	Vote Book Management System
PIS	-	Project Implementation Status
MIS	-	Management Information system
ARMC	-	Audit and Risk Management Committee
QMS	-	Quality Management System
CEO	-	Chief executive officer
HOD	-	Head of Departments
QMR	-	Quality Management Representative
COC	-	Constituency Oversight Committee

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

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

(c) Fiduciary Management

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

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

(d) Fiduciary Oversight Arrangements

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

(e) Lagdera Constituency NGCDF Headquarters

Lagdera NG-CDF Office Building
Modogashe Town
P.O. Box 659-70100
Garissa, KENYA

(f) Lagdera Constituency NGCDF Contacts

Telephone: (254) 0723 283 423
E-mail: cdf.lagdera@ngcdf.go.ke
Website: www.lagdera.ngcdf.go.ke

(g) Lagdera Constituency NGCDF Bankers

Equity bank

Garissa Branch

Account Number: 0580283860216

First Community Bank (Now Premier Bank)

Garissa Branch

Account Number: 0009576701

(h) Independent Auditors

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

III.NG-CDFC Chairman's Report



**Dagane Abdullahi Daib, Chairperson
Lagdera Constituency NGCDFC**

Lagdera NGCDF is a Constituency Located in Northern Region in Garissa County, Kenya. The Constituency has Six Wards namely; Maalimin, Modogashe, Benane, Baraki, Sabena and Goreale and ensures that projects for the years are allocated fairly across the six wards. Lagdera NGCDF had a budget allocation of Kshs 151,960,174 for the Financial Year 2022/2023.

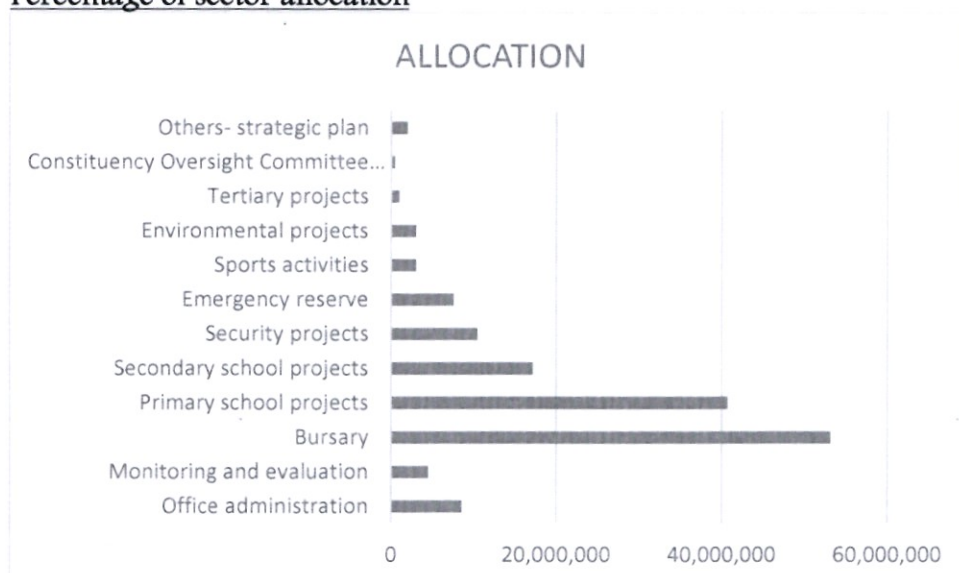
Lagdera national government constituency development fund as mandated by NG-CDF Act, priotized on projects for funding during the financial year 2022/2023.

The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval.

The following is the summary breakdown of proposed projects for funding during the financial year 2022/2023.

S/NO	PROPOSED NAME	AMOUNT ALLOCATED	%ALLOCATION
1.	Office administration	8,598,008	6
2.	Monitoring and evaluation	4,558,805	3
3.	Bursary	53,186,060	35
4.	Primary school projects	40,740,000	27
5.	Secondary school projects	17,200,000	11
6.	Security projects	10,500,000	7
7.	Emergency reserve	7,636,190	5
8.	Sports activities	3,039,203	2
9.	Environmental projects	3,039,203	2
10.	Tertiary projects	1,000,000	0.7
11.	Constituency Oversight Committee Expenses	462,705	0.3
12.	Others- strategic plan	2,000,000	1
	TOTAL	151,960,174	100

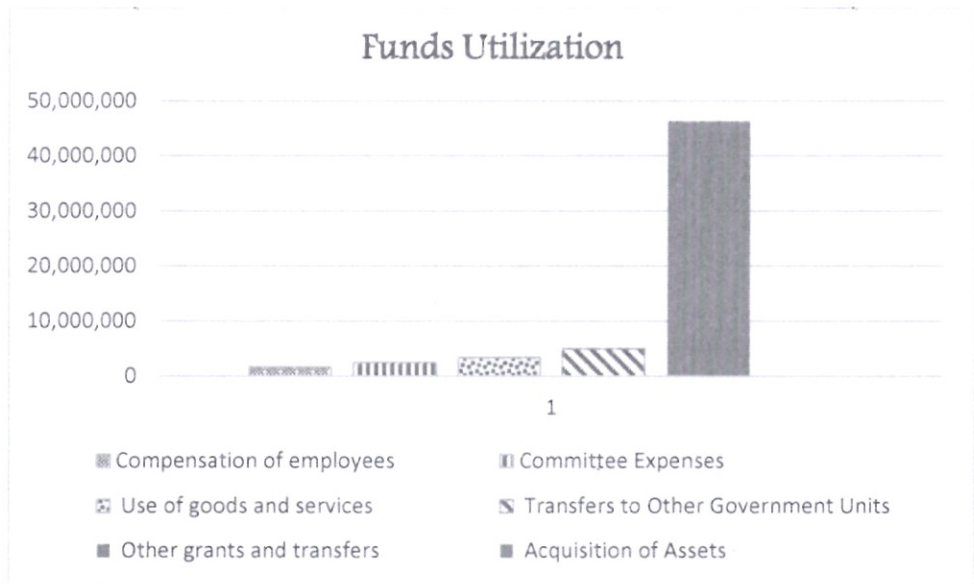
Percentage of sector allocation



GRAPH 1: ORIGINAL ALLOCATION

During the financial year the committee received amount of Kshs.88, 000,000 from the board. The committee further managed to disburse funds and the expenditure as follows:

ITEM	AMOUNT SPENT
Compensation of employees	1,672,920
Committee Expenses	2,527,400
Use of goods and services	3,378,275
Transfers to Other Government Units	4,940,000
Other grants and transfers	46,302,628
Acquisition of Assets	210,028
TOTAL PAYMENTS	59,031,252



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

KEY ACHIEVEMENTS

We have completed 62% of our allocations in time by funding the following sectors; Administration, Education, Bursaries Sports and Emergency. Some of the achieved results are stipulated in the summary of pictures below.

1. Denka Primary School - Construction of Two Classrooms



Denka Primary School is located in Modogashe ward. The construction of a two classroom block is pride of the Lagdera constituency because a conducive learning environment for the local community students will be available. The project is a clear indication of the milestones Lagdera NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda

2. Modogashe Police Staff Quarters - Renovation

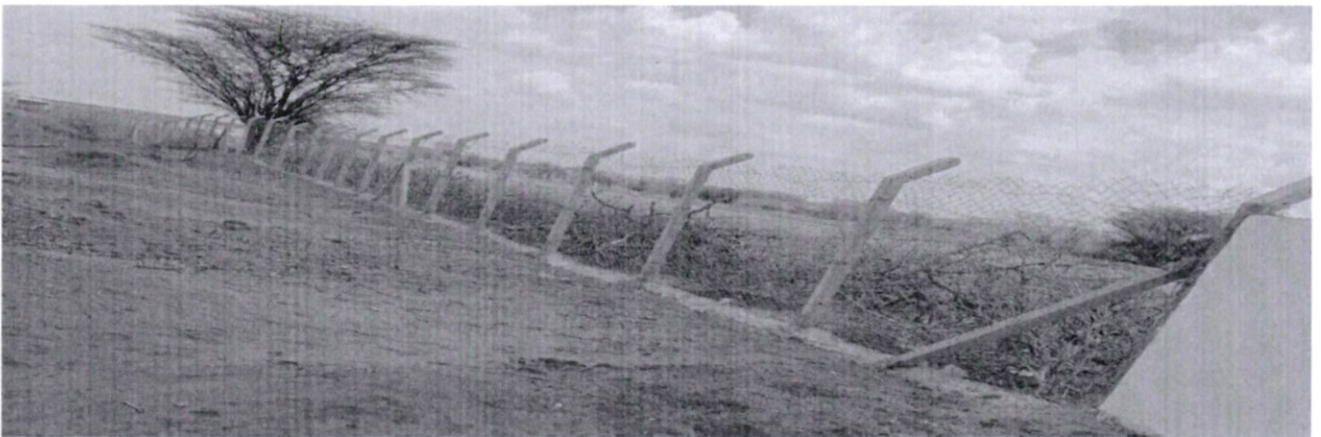


3. Renovation of Modogashe Police Administration Block



Modogashe Police station is located in Modogashe ward. The construction of the staff quarters Staff Quarters and administration block is the pride of Lagdera constituency because a secure accommodation and working environment for the police staff will be available. The project is a clear indication of the milestones Lagdera NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

4. Darulsalam Primary School - Perimeter Fencing



Darulsalam Primary School is located in Baraki ward. The construction of the Perimeter Fencing is pride of the Lagdera constituency because a secure learning environment for the students will be available. The project is a clear indication of the milestones Lagdera NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda

5. Construction of Pit Latrine at DCC's Office



The construction of the pit latrine is a bold step in ensuring environment is preserved at Lagdera DCC office. The project is a clear indication of the milestones Lagdera NGCDF is willing to take to achieve secure and high hygiene.

6. Renovation of Modogashe Secondary School Staff Quarters



Modogashe Secondary School is located in Modogashe ward. The construction of the Staff Quarters is pride of the Lagdera constituency because a secure accommodation and learning environment for the staff will be available. The project is a clear indication of the milestones Lagdera NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

Emerging issues

Increased need of classrooms due to introduction of Junior Secondary Schools.

Higher education loan board beneficiaries will decrease due to new government directives hence putting pressure on scarce bursary allocations.

Challenges during the financial year

During financial year under review, few projects were implemented that includes: administration, monitoring and bursary due to late release of funds from the board.

The biggest challenge is that Lagdera Constituency has many schools some of which do not have enough infrastructure i.e. classrooms, dormitories, laboratories and toilets, coupled with increase in new day secondary schools, funding for these is insufficient.

The education sector also faces another challenge because there are many needy students who are in need of support through the bursary fund which in most cases is insufficient. This is due to the prevailing economic and climatic situation within the constituency i.e. low-incomes and the consistent prolonged drought.

Way forward

NG-CDFC to liase with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will reduce the migration of communities leaving in those areas and also supply enough food stuffs.

The board should try to release funds in time for ease of implementation.

NGCDFC has initiated a programme to renovate classrooms which have been built over the years across all wards in the constituency. This is cost effective as the cost of renovation is half the price of constructing a new classroom.

I wish to urge the NGCDF Board/NASC to continually increase the NGCDF funding to enable more projects uptake in the constituencies.

We have initiated a better way of identifying needy student in bursary allocations. Like those who have been left out during selection are given second chance of appealing at the office.

Lastly would like to thank all the stake holders especially my fellow committee members for their continued support.



.....
Dagane Abdullahi Daib
Chairman NGCDF Committee

CHAIRMAN
NG-CDF LAKEURIA
P.O. Box 659
GARISSA

IV. Statement of Performance against Predetermined Objectives for FY2022/2023

Introduction

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

The key development objectives of **Lagdera Constituency 2023-2027** plan are to:

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To improve access, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Increased number of usable physical infrastructure build in primary, secondary and tertiary institutions Increased number of bursary beneficiaries at all levels	In FY 22/23 we constructed 16 new classrooms (14 in Primary Schools and 2 in Secondary Schools) Increasing the number of classrooms from 199 to 215 and 4 No. of staff houses in

				various schools/institutions - Provided 340 No. school desks - Paid bursary to 2,317 students in both secondary schools (1,528) and tertiary institutions (789)
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs' offices	-we constructed additional 3 No. of chiefs' offices and increased the number from 8 to 11 offices, and rehabilitated 1 No. of police station office. -Constructed 1 No. Assistant County Commissioner's office
Environment	To promote environmental sustainability	Increase in the number of trees and proper collection of garbage and disposal of sewerage waste	Conservation of soil by trees and usable pit latrines	We constructed 10 number of pit latrines in various government institutions including NG-CDF office, DCC's office and Civil Registration office
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among the youth and increase in the number of forums held. Ease of access on devolved funds	We created 15 Ward football teams and provided them with uniforms and balls. A total of 290 youths (240 males and 50 females) benefited We created awareness among the youth football teams on the establishment of youth groups
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	Emergency funds were used for purchase and distribution of food stuffs due to the prolonged drought in the constituency. This benefitted 2,050 households in Modogashe, Maalimin and Benane wards which were highly affected by drought
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We organise capacity building programmes for NGCDFC'S and PMC'S – The NGCDFC'S were inducted and trained by the NG-CDF Board -we organise regular projects monitoring

				field visits – The NGCDFC made three field visits to monitor ongoing projects.
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipment Employee satisfaction and availability of reports	-We purchased various office stationeries and broken Printers and computers were repaired to ensure smooth running of the NGCDF office

V. Statement of Governance

Introduction

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Lagdera, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of

nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of October, 2022.

In Lagdera constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October, 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Eric Kiplagat	chair
2	Hassan Billow	secretary
3	Nimo Hassan Ibrahim	member
4	Salat Osman Bare	member

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Lagdera Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Hassan Mohamed Gabey	Male Youth	Baraki
2.	Dagane Abdullahi Daib	Male Adult	Maalimin
3.	Sondus Ali Samow	Female Youth	Sabena
4.	Saadia Bile Hussein	Female Adult	Goreale

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Daib Mohamed Sahal	Lower limbs mobility impairment	Benane

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Ismail Adow warsame	Male	Modogashe
2	Ayan Shukri Ali Sagar	Female	Modogashe

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Hassan Adan Muhamed	Male	Maalimin

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Dagane Abdullahi Daib
2. Secretary position – Hassan Adan Muhamed

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number 23 on 15th November, 2022.

The new committee held its first meeting on 04th December, 2022.

Sno.	Name	Position
1	Dagane Abdullahi Daib	Chair person
2	Hassan Adan Muhamed	secretary
3	Hassan Mohamed Gabey	member
4	Sondus Ali Samow	member

5	Saadia Bile Hussein	member
6	Daib Mohamed Sahal	member
7	Ismail Adow warsame	member
8	Ayan Shukri Ali Sagar	member

Removal of NGCDFC Members

Section 43(13) of the Act provides that 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 practises;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is 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. In Lagdera the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.

-
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
 - vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
 - viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
 - ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The training was held in Palm Oasis Resort, Garissa Town on 28th April, 2023 to 02nd May, 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Lagdera

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings. The previous NGCDFC did not hold committee meetings during the financial year.

During the financial year 2022/2023 the NGCDFC Lagdera held 6 meetings through the year for the current committee as illustrated as follows;

Schedule of meetings held during the FY 2022/2023

S.No	NG-CDFC MEMBERS	COMMITTEE	04/12/2022	13/01/2023	04/02/2023	10/03/2023	31/03/2023	14/04/2023
1	Chairperson Dagane Abdullahi Daib		✓	✓	✓	✓	✓	✓
2	Secretary Hassan Adan Muhamed		✓	✓	✓	✓	✓	✓
3	Member Sondus Ali Samow		✓	✓	✓	✓	✓	✓
4	Member. Saadia Bile Hussein		✓	✓	✓	✓	✓	✓
5	Member Ismail Adow Warsame		✓	✓	✓	✓	✓	✓
6	-member Ayan Shukri Ali Sagar		✓	✓	✓	✓	✓	✓
7	-PWD Daib Mohamed Sahal		✓	✓	✓	✓	✓	✓
8	- Member Hassan Mohamed Gabey		✓	✓	✓	✓	✓	✓
9	-FAM Yussuf Kilas Aden		✓	✓	✓	✓	✓	✓
10	-DCC Tom Kose Ndalo		✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Lagdera adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh. 7,000 per meeting and all other members an allowance of ksh.5000 per sitting as per the circular issued by the NG-CDF Board. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Lagdera contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Lagdera has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** LAGDERA NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the 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 construction of toilets and water conservation.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

2. Environmental performance

Lagdera 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 constructions of ten (10) toilets that are in line with people with disability requirements. This has led to reduction of environmental waste management in schools and government institutions. Lagdera NG-CDF sponsored various sporting tournament that brought communities together and sensitizing them on environmental conservation matters.

3. Employee welfare

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

Employees are encouraged and supported to continually build on their skills and knowledge. Lagdera Constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

Lagdera NGCDF 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 gets value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

.....
Yussuf Khas Aden

Fund Account Manager.

FUND ACCOUNT MANAGER
LAGDERA CONSTITUENCY
P. O. BOX 659-70100 GARIS.

VII. Statement of Management Responsibilities

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

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

The Accounting Officer in charge of the NGCDF Lagdera Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing

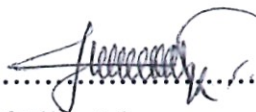
covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-Lagdera Constituency financial statements were approved and signed by the Accounting Officer on 19th September,2023.


.....
Dagane Abdullahi Daib
Chairman – NGCDF Committee

**CHAIRMAN
NG-CDF LAGDERA
P. O. Box 659-70100,
GARISSA**


.....
Yussuf Kilas Aden
Fund Account Manager

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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lagdera Constituency set out on pages 1 to 35, which comprise of the statement of financial assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows, summary statement of

appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter 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 - Lagdera 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022) and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unaccounted for Bursary Grants

The statement of receipts and payments and Note 6 to the financial statements reflects an amount of Kshs.46,302,628 in respect to other grants and transfers. Included in the amount are bursary disbursements of Kshs.11,700,400 and Kshs.21,497,632 to secondary schools and tertiary institutions respectively. Review of payment records provided for audit revealed that bursary disbursements amounting to Kshs.2,695,000 were not supported by acknowledgment receipts and students' fees statement from the institutions that received the bursaries.

In the circumstances, the accuracy and completeness of the transfers to secondary schools of Kshs.2,695,000 for the year ended 30 June, 2023 could not be confirmed.

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

Key Audit Matters

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

Emphasis of Mater

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual as comparable basis of Kshs.174,732,563 and Kshs,98,383,510 respectively, resulting to an underfunding of Kshs.76,349,053 or 44% of the approved budget. Similarly, the Fund

spent a balance of Kshs.59,031,252 against the actual receipts of Kshs.98,383,510 resulting to an under-utilization of Kshs.39,352,258 or 40% of the actual receipts.

The underfunding and under-utilization may have impacted negatively on delivery of services to the public.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues by 30 June, 2023 or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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. Failure to Report to the Board on the Utilization of Emergency Reserve Grants

The statement of receipts and payments and Note 6 of the financial statements reflects other grants and transfers amount of Kshs.46,302,628. Included in the amount is Kshs.7,636,190 incurred from emergency reserve. However, Management did not report to the National Constituencies Development Fund Board the utilization of the emergency funds within 30 days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

2. Unutilized Projects

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects transfer to other Government entities of Kshs.4,940,000. Included in this expenditure is an amount of Kshs.1,500,000 disbursed to Maalimin Primary School for supply and delivery of double deck bed and mattress. However, audit inspection carried out on 19 February, 2024 confirmed that the beds and mattress have not been put into use almost one year after delivery.

In the circumstances, the value for money for the expenditure of Kshs.1,500,000 could not be confirmed.

3. Delay in Implementation of Projects

During the year under review, Management allocated Kshs.75,518,406 to thirty-eight (38) projects in various sectors including primary schools, secondary schools, tertiary institutions, security, sports, environment and emergencies within the Constituency. However, the Fund completed nineteen (19) projects with a total cost of Kshs.10,918,406, while twenty-nine (29) projects with a total budget of Kshs.64,600,000 had not started as at 30 June, 2023.

Failure to implement and delay in completion of planned projects may have impacted negatively on service delivery to the citizens.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 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 controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

17 May, 2024


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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	88,000,000	170,088,879
Proceeds From Sale of Assets		-	-
Other Receipts		-	-
Total Receipts		88,000,000	170,088,879
Payments			
Compensation Of Employees	2	1,672,920	2,848,572
Committee expenses	3	2,527,400	8,957,800
Use Of Goods and Services	4	3,378,275	3,996,596
Transfers To Other Government Units	5	4,940,000	88,355,105
Other Grants and Transfers	6	46,302,628	84,467,354
Acquisition Of Assets	7	210,028	2,216,650
Oversight Committee Expenses		-	-
Other Payments	8	-	4,000,000
Total Payments		59,031,252	194,842,077
Surplus/(Deficit)		28,968,748	(24,753,198)

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 19th September, 2023 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Yussuf Kilas Aden
FUND ACCOUNT MANAGER
LAGDERA CONSTITUENCY
P. O. BOX 659-70100 GARISSA

Victor N. Muindi
ICPAK M/No: 20606

Dagane Abdullahi Daib
CHAIRMAN
NG-CDF LAGDERA
P. O. BOX 659-70100,
GARISSA

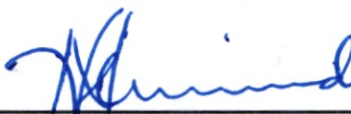
X. Statement of Assets and Liabilities asAt 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	9A	39,352,258	10,383,510
Cash Balances (Cash at Hand)		-	-
Total Cash and Cash Equivalents		39,352,258	10,383,510
Accounts Receivable			
Outstanding Imprests		-	-
Total Financial Assets		39,352,258	10,383,510
Financial Liabilities			
Accounts Payable (Deposits)			
Retention		-	-
Gratuity		-	-
Total Financial Liabilities		39,352,258	10,383,510
Net Financial Assets		-	-
Represented By			
Fund Balance B/Fwd	10	10,383,510	35,136,708
Prior Year Adjustments		-	-
Surplus/Deficitfor The Year		28,968,748	(24,753,198)
Net Financial Position		39,352,258	10,383,510

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 19th September, 2023 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Yussuf Kilas Aden

Victor N. Muindi
ICPAK M/No:20606

Dagane Abdullahi Daib

FUND ACCOUNT MANAGER
LAGDERA CONSTITUENCY
P. O. BOX 659-70100 GARISS.

CHAIRMAN
NG-CDF LAGDERA
P. O. Box 659-70100,
GARISSA

XI. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	88,000,000	170,088,879
Other Receipts		-	-
Total Receipts		88,000,000	170,088,879
Payments			
Compensation Of Employees	2	1,672,920	2,848,572
Committee Expenses	3	2,527,400	8,957,800
Use Of Goods and Services	4	3,378,275	3,996,596
Transfers To Other Government Units	5	4,940,000	88,355,105
Other Grants and Transfers	6	46,302,628	84,467,354
Oversight Committee Expenses		-	-
Other Payments	8	-	4,000,000
Total Payments		58,821,224	192,625,427
Total Receipts Less Total Payments		29,178,776	22,536,548
Adjusted For:			
Prior Year Adjustments		-	-
Decrease/(Increase) In Accounts Receivable		-	-
Increase/(Decrease) In Accounts Payable		-	-
Net Cash Flow from Operating Activities		29,178,776	22,536,548
Cashflow From Investing Activities			
Proceeds From Sale of Assets		-	-
Acquisition Of Assets	7	(210,028)	(2,216,650)
Net Cash Flows from Investing Activities		(210,028)	(2,216,650)
Net Increase In Cash And Cash Equivalent		28,968,748	(24,753,198)
Cash & Cash Equivalent At Start Of The Year		10,383,510	35,136,708
Cash & Cash Equivalent At End Of The Year	9	39,352,258	10,383,510

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

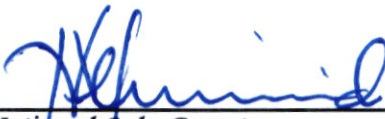
The Constituency financial statements were approved by NG CDFC on 19th September, 2023 and signed by:



Fund Account Manager

Yussuf Kilas Aden

FUND ACCOUNT MANAGER
LAGDERA CONSTITUENCY
P. O. BOX 659-70100 GARISS.



National Sub-County
Accountant

Victor N. Muindi
ICPAK M/No:20606



Chairman NG-CDF
Committee

Dagane Abdullahi Daib

CHAIRMAN
NG-CDF LAGDERA
P. O. Box 659-70100,
GARISSA

XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	151,960,174	10,383,510	12,388,879	174,732,563	98,383,510	76,349,053	56.3%
Proceeds from Sale of Assets					-	-	-
Other Receipts					-	-	-
TOTAL RECEIPTS	151,960,174	10,383,510	12,388,879	174,732,563	98,383,510	76,349,053	56.3%
PAYMENTS							
Compensation of Employees	4,447,690	899,409	-	5,347,099	1,672,920	3,674,179	31.3%
Committee expenses	5,046,805	3,518,003	-	8,564,808	2,527,400	6,037,408	
Use of goods and services	3,662,318	2,331,317	-	5,993,635	3,378,275	2,615,360	56.4%
Transfers to Other Government Units	58,940,000	650,622	11,500,000	71,090,622	4,940,000	66,150,622	6.9%
Other grants and transfers	77,400,656	2,774,011	888,879	81,063,546	46,302,628	34,760,918	57.1%
Acquisition of Assets	-	210,148	-	210,148	210,028	120	99.9%
Oversight Committee Expenses	462,705	-	-	462,705	-	462,705	-
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	-
TOTAL	151,960,174	10,383,510	12,388,879	174,732,563	59,031,252	115,701,311	33.8%

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	115,701,311
Less undisbursed funds receivable from the Board as at 30 th June 2023	(76,349,053)
	39,352,258
Increase/(decrease)Accounts payable	-
(Decrease)/IncreaseAccounts Receivable	(-)
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	39,352,258

The Constituency financial statements were approved by NG CDFC on 19th September, 2023 and signed by:


 Fund Account Manager

Name: Yussuf Kilas Aden
 FUND ACCOUNT MANAGER
 LAGDERA CONSTITUENCY
 P. O. BOX 659-70100 GARISS.


 National Sub-County Accountant

Name: Victor N. Muindi
 ICPAK M/No:20606


 Chairman NG-CDF Committee

Name: Dagane Abdullahi Dab
 CHAIRMAN
 NG-CDF LAGDERA
 P. O. Box 659-70100,
 GARISSA

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30-06-23		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,447,690	899,409	-	5,347,099	1,672,920	3,674,179	31
1.2 Committee allowances	2,128,000	2,910,940	-	5,038,940	1,705,400	3,333,540	34
1.3 Use of goods and services	2,022,318	2,256,825	-	4,279,143	2,545,775	1,733,368	59
Total	8,598,008	6,067,174	-	14,665,182	5,924,095	8,741,087	40
2.0 Monitoring and evaluation							
2.1 Capacity building	600,000	462,063	-	1,062,063	-	1,062,063	-
2.2 Committee allowances	2,318,805	145,000	-	2,463,805	822,000	1,641,805	33
2.3 Use of goods and services	1,640,000	74,492	-	1,714,492	832,500	881,992	49
Total	4,558,805	681,555	-	5,240,360	1,654,500	3,585,860	32
3.0 Emergency							
3.1 Primary Schools	-	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
3.5 Unutilised	7,636,190	806,751	-	8,442,941	7,636,190	806,751	90

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Total	7,636,190	806,751	-	8,442,941	7,636,190	806,751	90
4.0 Bursary and Social Security				-			
4.1 Secondary Schools	25,000,000	1,518,078	588,879	27,106,957	11,700,400	15,406,557	43
4.2 Tertiary Institutions	27,106,060	344,182	300,000	27,750,242	21,497,632	6,252,610	77
4.3 Social Security	1,080,000	-	-	1,080,000	-	1,080,000	-
4.4 Special Needs	-	-	-	-	-	-	-
Total	53,186,060	1,862,260	888,879	55,937,199	33,198,032	22,739,167	59
5.0 Sports							
5.1 regional tournament	600,000	-	-	600,000	-	600,000	-
5.2 constituency tournament	2,439,203	-	-	2,439,203	2,429,203	10,000	100
Total	3,039,203	-	-	3,039,203	2,429,203	610,000	80
6.0 Environment							
6.1 sub-county education office	1,200,000	-	-	1,200,000	1,200,000	-	100
6.2 lagdera registration of birth&death office	1,200,000	-	-	1,200,000	1,200,000	-	100
6.3 NGCDF office	639,203	-	-	639,203	639,203	-	100
Total	3,039,203	-	-	3,039,203	3,039,203	-	100
7.0 Primary Schools Projects							
7.1 barkuke primary school	840,000	-	-	840,000	840,000	-	100

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30-06-23		
7.2 barkuke primary school	1,500,000	-	-	1,500,000	1,500,000	-	100
7.3 biyobombi primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.4 bulla hidig primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.5 bullo sheikh primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.6 dihle primary school	3,500,000	-	-	3,500,000	-	3,500,000	-
7.7 elan primary school	1,000,000	-	-	1,000,000	1,000,000	-	100
7.8 elan primary school	1,200,000	-	-	1,200,000	-	1,200,000	-
7.9 hadun primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.10 janju primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.11 kambisamaki primary school	1,000,000	-	-	1,000,000	-	1,000,000	-
7.12 maalimin primary school	1,500,000	-	-	1,500,000	1,500,000	-	100
7.13 maalimin primary school	1,200,000	-	-	1,200,000	-	1,200,000	-
7.14 madina primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.15 modogashe primary school	3,500,000	-	-	3,500,000	-	3,500,000	-
7.16 rigdam primary school	3,500,000	-	-	3,500,000	-	3,500,000	-
7.17 sarta primary school	2,000,000	-	-	2,000,000	-	2,000,000	-

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30-06-23		
7.18 shantaabaq primary school	3,000,000	-	-	3,000,000	-	3,000,000	-
7.19 sheikh hajir primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.20 tinas primary school	1,000,000	-	-	1,000,000	-	1,000,000	-
7.21 wayamojibril primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
7.22 bulla sheikh primary school	-	-	2,000,000	2,000,000	-	2,000,000	-
7.23 maalimin primary school	-	-	3,500,000	3,500,000	-	3,500,000	-
7.24 denka primary school	-	-	2,000,000	2,000,000	-	2,000,000	-
7.25 geylab primary school	-	100,000	-	100,000	-	100,000	-
7.26 hagare primary school	-	-	2,000,000	2,000,000	-	2,000,000	-
7.27barkuke primary school	-	7,794	-	7,794	-	7,794	-
7.28 languate primary school	-	-	2,000,000	2,000,000	-	2,000,000	-
7.29 maalimin primary school	-	100,000	-	100,000	100,000	-	100
7.30 skanska primary school	-	68,878	-	68,878	-	68,878	-
7.31 elan primary school	-	28,850	-	28,850	-	28,850	-
7.32 janju primary school	-	10,000	-	10,000	-	10,000	-
7.33 togdub primary school	-	50,000	-	50,000	-	50,000	-
Total	40,740,000	365,522	11,500,000	52,605,522	4,940,000	47,665,522	9

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 30-06-23	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
8.0 Secondary Schools Projects							
8.0 benane secondary school	2,000,000	-	-	2,000,000	-	2,000,000	-
8.1 afweine secondary school	3,000,000	-	-	3,000,000	-	3,000,000	-
8.2 afweine secondary school	1,200,000	-	-	1,200,000	-	1,200,000	-
8.3 modogashe girls secondary school	9,000,000	-	-	9,000,000	-	9,000,000	-
8.4 modogashe secondary school	2,000,000	-	-	2,000,000	-	2,000,000	-
8.5 shantaabaq sec sch	-	30,000	-	30,000	-	30,000	-
8.6 modogashe girls secondary school	-	3,100	-	3,100	-	3,100	-
8.7 modogashe secondary school	-	252,000	-	252,000	-	252,000	-
Total	17,200,000	285,100	-	17,485,100	-	17,485,100	-
9.0 Tertiary institutions Projects							
9.1 lagderatechnical&vocational college	550,000	-	-	550,000	-	550,000	-
9.2 lagderatechnical&vocational college	450,000	-	-	450,000	-	450,000	-
Total	1,000,000	-	-	1,000,000	-	1,000,000	-
10.0 Security Projects							
10.1 benane chiefs office	2,000,000	-	-	2,000,000	-	2,000,000	-
10.2 gurufa chiefs office	2,000,000	-	-	2,000,000	-	2,000,000	-

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d / c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30-06-23		
10.3 gurufa chiefs office	1,000,000	-	-	1,000,000	-	1,000,000	-
10.4 shantaabaq chiefs office	2,000,000	-	-	2,000,000	-	2,000,000	-
10.5 maalimin assistant county commissioners office	3,500,000	-	-	3,500,000	-	3,500,000	-
10.6 modogashe police station	-	33,000	-	33,000	-	33,000	-
10.7 barkuke chief's office	-	40,000	-	40,000	-	40,000	-
10.8 kambisamaki chief's office	-	32,000	-	32,000	-	32,000	-
Total	10,500,000	105,000	-	10,605,000	-	10,605,000	-
11.0 Acquisition of assets							
11.1 Motor Vehicles	-	-	-	-	-	-	-
11.2 Construction of CDF office	-	210,028	-	210,028	210,028	-	100
11.3 Purchase of furniture and equipment	-	120	-	120	-	120	-
11.4 Purchase of computers	-	-	-	-	-	-	-
Total	-	210,148	-	210,148	210,028	120	100
12.0 Oversight Committee Expenses (itemize)							
12.1 COC Allowances	245,000	-	-	245,000	-	245,000	-
12.2 Training materials	217,705	-	-	217,705	-	217,705	-
Total	462,705	-	-	462,705	-	462,705	-
13.0 Other payments							

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 30-06-23	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
12.1 Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000	-
12.2 Innovation Hub	-	-	-	-	-	-	-
12.3 lagdera sub county education office	-	-	-	-	-	-	-
Total	2,000,000	-	-	2,000,000	-	2,000,000	-
14.0 unallocated fund							
Unapproved projects	-	-	-	-	-	-	-
AIA	-	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-	-
Total	151,960,174	10,383,510	12,388,879	174,732,563	59,031,252	115,701,311	34

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of receipts

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

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.

Significant Accounting Policies continued

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

Significant Accounting Policies continued

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

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

Significant Accounting Policies continued

accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

Significant Accounting Policies continued

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th 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.

XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO B140971	-	33,000,000
AIE NO B105488	-	44,000,000
AIE NO B105835	-	22,000,000
AIE NO B128582	-	5,000,000
AIE NO B154091	-	12,000,000
AIE NO B128891	-	12,000,000
AIE NO B164427	-	18,000,000
AIE NO B155862	-	24,088,879
AIE NO B206230	28,000,000	-
AIE NO B206173	5,000,000	-
AIE NO B206439	12,000,000	-
AIE NO B205949	12,000,000	-
AIE NO B207669	16,000,000	-
AIE NO B207829	15,000,000	-
TOTAL	88,000,000	170,088,879

Notes To the Financial Statements (Continued)

2. Compensation of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,554,120	2,589,372
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	118,800	259,200
Total	1,672,920	2,848,572

3. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	1,705,400	6,690,800
Other committee expenses	822,000	2,267,000
Total	2,527,400	8,957,800

Notes To the Financial Statements (Continued)

4. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	375,308	176,936
Office rent	400,000	600,000
Communication, supplies and services	151,000	136,000
Domestic travel and subsistence	514,000	1,285,400
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	311,100	598,400
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,245,035	1,153,600
Fuel, oil & lubricants	-	-
Other operating expenses	318,500	-
Bank charges	63,332	46,260
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	3,378,275	3,996,596

5. Transfer to Other Government Units

Description	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	4,940,000	60,042,206
Transfers To Secondary Schools (See Attached List)	-	28,312,899
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	4,940,000	88,355,105

Notes to the Financial Statements (Continued)

6. Other Grants and Other transfers

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,700,400	18,772,500
Bursary – tertiary institutions (see attached list)	21,497,632	20,724,300
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	32,835,000
Sports projects (see attached list)	2,429,203	2,741,777
Environment projects (see attached list)	3,039,203	2,741,777
Emergency projects (see attached list)	7,636,190	6,652,000
Roads projects (see attached list)	-	-
Total	46,302,628	84,467,354

7. Acquisition of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	210,028	141,650
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	2,075,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	210,028	2,216,650

Notes to the Financial Statements (Continued)

8. Other Payments

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Education office	-	4,000,000
Total	-	4,000,000

9. Cash Book Bank Balance

<i>Name Of Bank, Account No. & Currency</i>	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
9A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank Garissa Branch, Account No. 0580283860216</i>	33,845,397	-
<i>First community Bank Garissa Branch, account No. 0009576701</i>	5,506,861	10,383,510
Total	39,352,258	10,383,510
12 B: Cash on Hand	-	-
Total	-	-

10. Fund Balance B/F

	<i>(1st July 2022-1)</i>	<i>(1st July 2021-2)</i>
	Kshs	Kshs
Bank accounts	10,383,510	35,136,708
Cash in hand	-	-
Imprest	-	-
Total	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	10,383,510	35,136,708

Notes to the Financial Statements (Continued)

19.3: Unutilized Fund (See Annex 1)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	3,674,179	899,409
Committee expense	6,037,408	3,518,003
Use of goods and services	2,615,360	2,700,195
Amounts due to other Government entities (see attached list)	66,150,622	12,081,744
Amounts due to other grants and other transfers (see attached list)	34,760,918	33,362,890
Acquisition of assets	120	210,148
COC Expenses	462,705	-
Other Payments– strategic plan	2,000,000	-
Funds pending approval	-	-
Total	115,701,312	22,472,390

19.4: PMC account balances (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	897	44,145
Total	897	44,145

Annex 1– Unutilized Fund

Programme/Sub-programme	ACTIVITY	Outstanding Balance
	2022/2023	2022/2023
	Kshs	Kshs
1.0 Administration and Recurrent		
Compensation of employees	payment of basic salaries to 14 staffs	3,674,179
Subtotals		3,674,179
Use of goods and services	purchase of general office supplies; papers, pencils, forms and small office equipment	8,652,768
Subtotals		8,652,768
7.0 Primary Schools Projects		
7.1 biyobombi Primary School	construction to completion of two classrooms	2,000,000
7.2 bulla hidig Primary School	construction to completion of two classrooms	2,000,000
7.3 bulla sheikh Primary School	construction to completion of two classrooms	2,000,000
7.6 dihle Primary School	construction to completion of administration block	3,500,000
7.8 elan Primary School	construction to completion of four twin pit latrines	1,200,000
7.10 Geylab Primary School	renovation to completion of two rooms	-
7.11 Hadun Primary School	construction to completion of two classrooms	2,000,000
7.12 shantaabaq Primary School	construction to completion of 300 by 400 meters school fence with concrete poles	3,000,000
7.14 Maalimin Primary School	construction to completion of dining hall for 200 capacity	3,500,000
7.16 Barkuke Primary School	renovation to completion of two rooms	7,794
7.18 Janju Primary School	construction to completion of two roomed staff quarters	2,000,000
7.19 sarta Primary School	construction to completion of two classrooms	2,000,000
7.20 Sheikh Hajir Primary School	construction to completion of two classrooms	2,000,000
7.21 Skansa Primary School	renovation to completion of two rooms	68,878

Programme/Sub-programme	ACTIVITY	Outstanding Balance	Outstanding Balance	Comments
	2022/2023	2022/2023	2020/2021	
	Kshs	Kshs	Kshs	Kshs
7.23 Wayamo Jibril Primary School	renovation of four classrooms	2,000,000	-	Pending Disbursement
7.24 tinas Primay School	purchase and supply of 200 desks	1,000,000	-	Pending Disbursement
7.29 rigdam Primary School	construction to completion of administration block	3,500,000	-	Pending Disbursement
7.32 Maalimin Primary School	purchase and supply of 60 double decker metallic beds	1,200,000	-	Pending Disbursement
7.33 Elan Primary School	renovation to completion of two rooms	28,850	28,850	Pending Disbursement
7.34 Madina Primary School	renovation to completion of two rooms	-	100,000	Pending Disbursement
7.35 Geylab Primary School	renovation to completion of two rooms	100,000	-	Pending Disbursement
7.41 Kambi Samaki Primary School	renovation of four classrooms	1,000,000	-	Pending Disbursement
7.45 Janju Primary School	renovation to completion of two rooms	-	10,000	Pending Disbursement
7.47 modogashe Primary School	construction to completion of administration block	3,500,000	-	Pending Disbursement
7.48 madina Primary School	construction to completion of two single roomed staff quarters with veranda	2,000,000	-	Pending Disbursement
7.49 janju Primary School	renovation to completion of two rooms	10,000	-	Pending Disbursement
7.50 Togdub Primary School	renovation to completion of two rooms	50,000	50,000	Pending Disbursement
7.51 ama primary school	renovation to completion of two rooms	-	800,000	Pending Disbursement
7.54 bulla sheikh primary school	construction to completion of two classrooms	1,300,000	1,300,000	Pending Disbursement
7.56 denka primary school	construction to completion of two classrooms	2,000,000	2,000,000	Pending Disbursement
7.58 hagare primary school	construction to completion of two classrooms	2,000,000	2,000,000	Pending Disbursement
7.59 languate primary school	construction to completion of two classrooms	2,000,000	2,000,000	Pending Disbursement
7.60 bulla sheikh primary school	construction to completion of two classrooms	700,000	700,000	Pending Disbursement
7.62 kawanja primary school	construction to completion of two classrooms	-	2,000,000	Pending Disbursement
8.0 Secondary Schools Projects				Pending Disbursement

Programme/Sub-programme	ACTIVITY	Outstanding Balance	Outstanding Balance	Comments
	2022/2023	2022/2023	2020/2021	
	Kshs	Kshs	Kshs	Kshs
8.1 Modogashe Secondary School	renovation to completion of two rooms	252,000	252,000	Pending Disbursement
8.3 Modogashe Secondary School		-	500,000.	Pending Disbursement
8.4 Modogashe Girls Secondary School	renovation to completion of two rooms	3,100	3,100	Pending Disbursement
8.6 Shantaabak Sec Sch	renovation to completion of two rooms	30,000	30,000	Pending Disbursement
8.7 Modogashe Secondary School	construction to completion of two roomed staff quarters	2,000,000	-	Pending Disbursement
8.8 Modogashe Girls Secondary School	purchase of 51 seater Isuzu school bus	9,000,000.	-	Pending Disbursement
8.9 afweine Secondary School	construction to completion of administration block	3,000,000	-	Pending Disbursement
8.1. afweine Secondary School	construction to completion of four twin pit latrines with one to cater for people with disabilities	1,200,000	-	Pending Disbursement
8.12 Benane Secondary School	construction to completion of two roomed staff quarters	2,000,000	-	Pending Disbursement
Tertiary institutions		-	-	Pending Disbursement
9.1 lagdera technical & vocational college	purchase and supply of 10 computer desktops	550,000	-	Pending Disbursement
9.2 lagdera technical & vocational college	construction to completion of three door pit latrines with one chamber to cater for persons with disabilities	450,000	-	Pending Disbursement
Sub-total		66,150,622	12,081,744	
3.0 Emergency				
3.1 Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	806,750	806,751	Pending Disbursement
4.0 Bursary And Social Security		-	-	
4.2 Secondary Schools	Payment of bursary to needy students in secondary schools	15,406,557	2,106,957	Pending Disbursement
4.3 Tertiary Institutions	Payment of bursary to needy students in tertiary institutions	6,252,610	44,181	Pending Disbursement
4.4 social security	provision of annual medical insurance cover for 180 vulnerable families including orphans and vulnerable children, poor older persons, persons with disabilities and destitute families in partnership with NHIF as shall be identified within the constituency. each Kshs.6000	1,080,000	-	Pending Disbursement
10.0 Security Projects				

Programme/Sub-programme	ACTIVITY	Outstanding Balance	Outstanding Balance	Comments
	2022/2023	2022/2023	2020/2021	
	Kshs	Kshs	Kshs	Kshs
10.1 gurufa police station	renovation to completion of two rooms	1,000,000	-	Pending Disbursement
10.2 gurufa Chief's Office	construction to completion of chiefs office	2,000,000	-	Pending Disbursement
10.5 Shantaabaq Administration Police Post		-	-	Pending Disbursement
10.6 maalimin Assistant Sub-county Commissioner office	construction to completion of assistant county commissioners office	3,500,000	-	Pending Disbursement
10.17 benane Chief's Office	construction to completion of chiefs office	2,000,000	-	Pending Disbursement
10.18 Barkuke Chief's Office	construction to completion of chiefs office	40,000	40,000	Pending Disbursement
10.2 modogashe police station	renovation to completion of two rooms	33,000	33,000	Pending Disbursement
10.22 kambi samaki chief's office	construction to completion of chiefs office	32,000	32,000	Pending Disbursement
10.23 shantaabaq chiefs office	construction to completion of chiefs office	2,000,000	-	Pending Disbursement
10.30 lagdera district headquarters		-	210,148	Pending Disbursement
11.1 sports	facilitate regional sports tournament in partnership with other constituencies within the region	610,000	1	Pending Disbursement
12.1 environment		-	1	Pending Disbursement
13.1 strategic plan	to facilitate in review and development of a new 5 year constituency strategic plan 2023-2027	2,000,000	-	Pending Disbursement
14.1 purchase of furniture	purchase of NGDCD furniture	120	-	Pending Disbursement
COC Expenses				
15.1 coc allowance	payment of accommodation allowance of committee trainings	245,000	-	Pending Disbursement
16.1 other coc expenses	payment of hire of training facilities and equipment for 5 members	217,705	-	Pending Disbursement
Sub-total		37,223,742	3,273,038	
Grand totals		115,701,311	22,472,389	

Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) (2022)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End(2023)
Land	-	-	-	-
Buildings and structures	10,261,650	210,028	-	10,471,678
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	2,401,421	-	-	2,401,421
ICT Equipment, Software and Other ICT Assets	1,129,000	-	-	1,129,000
Other Machinery and Equipment	21,000	-	-	21,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	13,813,071	210,028	-	14,023,099

Annex 3-PMC Bank Balances As At 30th June 2023

PMC NAME	Bank	Account number	Bank Balance	
			2022-2023	2021-2022
Bulla-kuweit youth group	Kcb bank	129636494976	477	-
barkuke primary sch	equity bank	0580284071261	300	-
Maalimin primary sch	equity bank	0580284068835	120	-
barkuke primary sch	first community bank	2987886601	-	3,039
elan primary sch	first community bank	2987888301	-	2,000
kambisamaki primary sch	first community bank	2987889201	-	2,750
hagarjareer primary sch	first community bank	2977224503	-	1,600
madina primary sch	first community bank	2987884601	-	2,000
afweine primary sch	first community bank	2987857101	-	1,800
janju primary sch	first community bank	2987865701	-	900
geylab primary sch	first community bank	2987888201	-	2,100
dihlenur primary sch	first community bank	2977352702	-	1,789
barfin primary sch	first community bank	2977533702	-	670
jilango boarding primary sch	equity bank	0580262728712	-	2,292
modogashe police station pmc	first community bank	2987929501	-	2,050
modogashe administration police pmc	first community bank	2987920501	-	1,000
modogashe secondary sch	first community bank	2977000704	-	3,878
modogashe boarding primary sch	first community bank	2987921501	-	1,200
modogashe girls secondary sch	first community bank	2987930101	-	2,780
fitness youth group	first community bank	16642801	-	2,227
modogashe birth and death registration office pmc	first community bank	1652240	-	2,000
afweine chief's office pmc	first community bank	16270001	-	570
modogasheAcc residence	first community bank	16278001	-	2,050
darasalam primary school	first community bank	16179701	-	1,500

faryar primary school	first community bank	16973701	-	900
baraki chief office pmc	first community bank	16788401	-	800
elan chief office	first community bank	16955301	-	750
benane police station pmc	first community bank	16857601	-	1,200
hagarjareer chief office pmc	first community bank	168657501	-	300
Total			897	44,145.


Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
LAGDERA/CDF/AUD/VOL.II/ (4)	<p>Budget and budget control: During the year under review, the statement of appropriation for the fund had an approved budget of kshs. 137,088,879. And adjustments of kshs. 97,972,287 being previous outstanding disbursements and opening bank balance resulting in total budget of kshs. 235,061,166 for financial year 2020/2021. The total actual expenditure by the fund in the financial year 2020/2021 was kshs. 154,835,579 representing an absorption rate of 65.8% of the total approved budget reported. This therefore resulted in an under expenditure of kshs. 80,225,587.</p>	<p>During the financial period 2020/2021 NF-CDF-Lagdera did not receive the amounts of money budgeted because of the delay emanating from disbursement of funds and subsequent approval of A.I.E and this cause underutilization of funds for projected budgeted for on timely basis.</p> <p>As at 30th June 2021 NG-CDF Lagdera only got A.I.E approval of an amount of kshs. 91,000,000. And this made it difficult for the NG-CDF to ensure project funds budgeted for the approved are utilized on a timely basis as budgeted. See the scheduled for A.I.E approvals for your consideration</p> <table border="0"> <tr> <td>AIE</td> <td>Date received</td> </tr> <tr> <td>4,000,000</td> <td>13/11/2019</td> </tr> <tr> <td>28,000,000</td> <td>30/1/2020</td> </tr> <tr> <td>14,000,000</td> <td>25/2/2020</td> </tr> <tr> <td>45,000,000</td> <td>20/3/2020</td> </tr> <tr> <td>20,367,724.10</td> <td>28/9/2020</td> </tr> </table>	AIE	Date received	4,000,000	13/11/2019	28,000,000	30/1/2020	14,000,000	25/2/2020	45,000,000	20/3/2020	20,367,724.10	28/9/2020	Resolved	
AIE	Date received															
4,000,000	13/11/2019															
28,000,000	30/1/2020															
14,000,000	25/2/2020															
45,000,000	20/3/2020															
20,367,724.10	28/9/2020															
LAGDERA/CDF/AUD/VOL.II/ (4)	<p>Unsupported bursary fund: During the financial year under review, Lagdera constituency disbursed bursaries of kshs.13, 216,000 to various secondary</p>	<p>During the financial year 2020/2021 NG-CDF Lagdera had disbursed bursaries of kshs.31, 133,750 to various institutions but as of 30th June an</p>	Resolved													

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)
	schools and kshs.17, 917,750 to tertiary institutions totalling to 31,133,750 for the benefit of needy students. However, examination of payment vouchers and its supporting documents revealed that an amount of kshs.4, 988,000 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.	amount of 4,988,000 disbursed to various institutions was not acknowledged. This was because of delays from the said institutions on issuing official receipts and acknowledgement letters but some of the acknowledgement letters and receipts are now provided for your consideration and ascertainment.		
LAGDERA/CDF/AUD/VOL.II/ (4)	Cash and cash equivalent: The statement of financial position reflects cash and cash equivalent balance of kshs.35, 136,708 as at 30 June 2021. However, an audit review revealed that the reconciliation supporting the balance included unpresented cheques amounting to kshs.1, 751,654. Included in the unpresented cheques are stale cheques amounting to kshs.276, 077. Further the fund is ready to disclose project management committee (PMC) bank balances, the fund did not avail for audit bank statements/bank certificates for 20 management committee bank accounts to confirm the bank balances	As at 30 June 2021, NG-CDF Lagdera had an unpresented cheque amounting to kshs.1, 751,654 and stale cheques of kshs.276, 077. Therefore, the fund will avail bank statements for the period for your consideration and ascertainment of the same. The fund will also avail the bank statements and bank reconciliation of 20 project management committee disclosed in appendix 11sl.	Resolved	
LAGDERA/CDF/AUD/VOL.II/ (4)	Project implementation status:	This was due to a delay in release of project funds and the project	Resolved	

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



 YUSSUF KILAS ADEN P. O. BOX 659-70100 GARISA
 FUND ACCOUNT MANAGER
 LAGDERA CONSTITUENCY



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