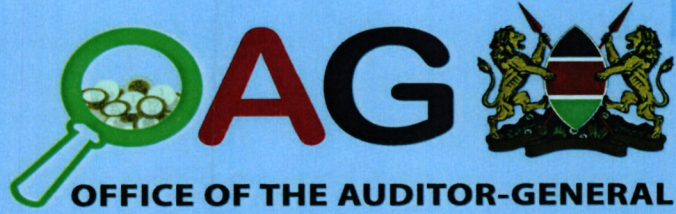


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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – SAMBURU EAST  
CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

THE NATIONAL ASSEMBLY

DATE: 23 NOV 2022

BY: Majority Whip

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Wednesday



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**SAMBURU EAST CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2021**

---

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

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	2
II. NG-CDFC CHAIRMAN'S REPORT.....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES.....	8
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	10
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES .....	13
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- SAMBURU EAST CONSTITUENCY</i> .....	14
VII. STATEMENT OF RECEIPTS AND PAYMENTS .....	15
VIII. STATEMENT OF ASSETS AND LIABILITIES .....	16
IX. STATEMENT OF CASHFLOW .....	17
X. SUMMARY STATEMENT OF APPROPRIATION .....	18
XI. SIGNIFICANT ACCOUNTING POLICIES .....	26
XII. NOTES TO THE FINANCIAL STATEMENTS .....	30

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- 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 Socioeconomic 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 Samburu East 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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	DAVID CHERUIYOT
2.	Sub-County Accountant	MARWA GIMASE
3.	Chairman NGCDFC	FRANCIS LEMARTILE
4.	Member NGCDFC	STEPHEN LENENGWESI

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Samburu East 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) Samburu East Constituency NGCDF Headquarters**

P.O. Box 21  
CDF Building/House/Plaza  
Government Road  
Wamba, KENYA

**(f) Samburu East Constituency NGCDF Contacts**

Telephone: (254) 721353349  
E-mail: [cdfsamburueast@cdf.go.ke](mailto:cdfsamburueast@cdf.go.ke)

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

**(g) Samburu East Constituency NGCDF Bankers**

Equity Bank Limited  
Maralal Branch  
P.O. Box 75104-00200  
Nairobi

**(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

**II. NG-CDFC CHAIRMAN'S REPORT**



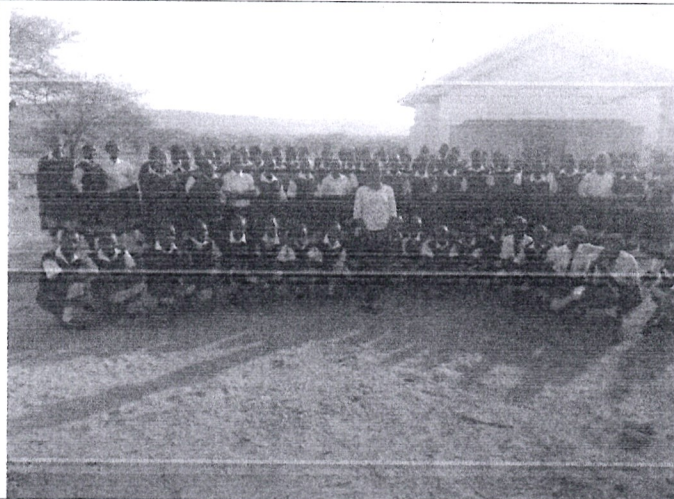
**FRANCIS LEMARTILE  
CDF CHAIRMAN  
SAMBURU EAST**



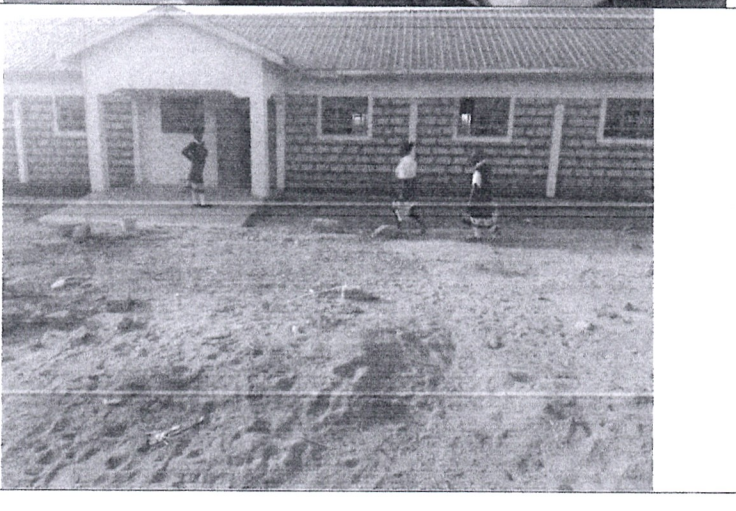
On behalf of Samburu East NG-CDF I am pleased to present the annual reports and financial statements for the year 2020/2021. Our overall performance for the financial year 2020/2021 in terms of final budget against our expenditure stood at 72% which was commendable despite the funding challenges from the board. It's important to note that the final budget reflects that if fully funded we were to utilise Kshs 213,364,587 but the receipts we were able to receive from the board during the financial year were Kshs 161,367,724. What we managed to utilise from the receipts of Kshs 161,367,724 was Kshs 151,315,348 indicative that our overall performance for the financial year 2020/2021 actually stood at 96% which was commendable and within our targeted performance for

financial year 2020/2021.

Some of our major projects we were able to undertake were the construction of entirely two new boarding secondary schools namely Nalele boys' secondary school and Lussen Gap Girls secondary school whose pictures are shown below. We are proud to announce that on the July 2021 form one intake we were able to receive 68 and 93 new students respectively and they are already in Nalele boys and Lussen Gap girls schools which aligns well with our strategic plan.

Construction of Class rooms at Luussengap Secondary School



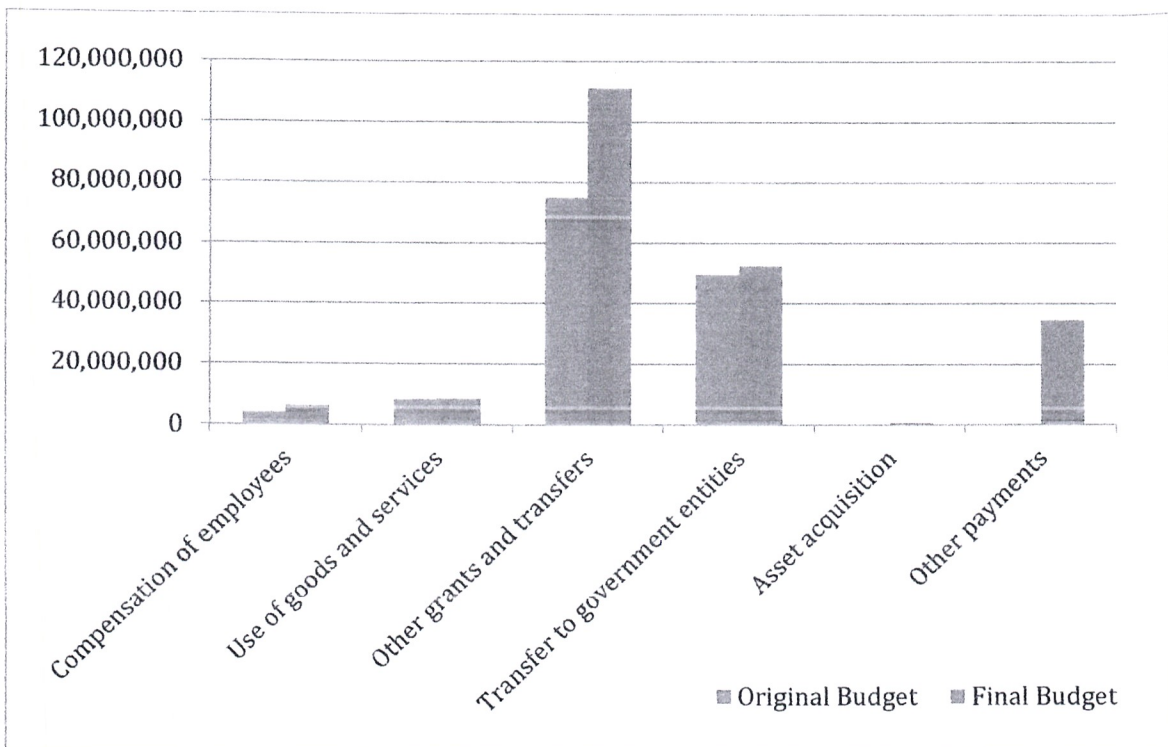
<p>Construction of classrooms at Nalele Boys High School</p>	
<p>Students enrolment at Nalele Boys High School</p>	
<p>Construction of Dormitory at Luussengap Girls Secondary School</p>	

There is an urgency of developing school infrastructure that ensure that there is increased student population and students are made comfortable in their pursuit of education but this is however limited by vastness of Samburu East constituency, pace of construction and access via road infrastructure despite these challenges all efforts have been made to prioritise the available funding received to completion and making the school facilities ready for use

**Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

A summary indicates the original budget for the financial year against the actual final budget for the financial year 2020/2021.

VOTE/ITEM	ORIGINAL BUDGET	FINAL BUDGET
Compensation of Employees	4,000,000	6,163,305
Use of goods and services	8,337,998	8,543,694
Other grants and transfers	75,157,297	111,157,297
Transfer to government entities	49,593,584	52,399,187
Asset acquisition	-	601,103
Other payments	-	34,500,000
<b>TOTAL</b>	<b>137,088,879</b>	<b>213,364,587</b>



There happens to be an increase in the final budget as indicated in the chart above which is as a result of adjustments upwards brought about by underfunding in the financial year 2019/2020 which receipts were funded and adjusted to reflect the difference in financial year 2020/2021.

Signature

**CHAIRMAN NGCDF COMMITTEE**

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

#### Introduction

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

The key development objectives of Samburu East *Constituency 2018-2022* plan are to:

- i. Improving infrastructural development in all public education institutions within the constituency
- ii. Increase retention and aim at 100% transition rate of both secondary and tertiary education in the constituency.
- iii. Promote security in the constituency through infrastructural development to enable a serene environment for development
- iv. Promote youth talents and skills through sporting activities in the constituency
- v. Promotion of environmental conservation and sustainability through planting of trees, water harvesting and enhancing waste management in the constituency.

#### Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-Number of usable physical infrastructure build in primary, secondary, tertiary institutions  -Number of bursary's beneficiaries across the constituency	In FY 20/21 we the increased number of classrooms, dormitories, laboratories etc across all levels in the constituency as per the code list - Bursary beneficiaries at all levels were as

*Samburu East Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Reports and Financial Statements for The Year Ended June 30, 2021*

				per the attached schedules
Security	To improve security in the constituency by developing security infrastructure	An enabled environment for coexistence between businessmen, traders and livestock herders	Number of security and landmark institutions	In FY20/21 we allocated funds for completion of Lpus leluai police cells and construction of an office admin block at Sereolipi
Environment	To reduce soil erosion and improve on water harvesting.	More water made available to schools and improvement on soil conservation.	Number of gutters, water tanks and gabions.	In FY20/21 we allocated funds for water harvesting and construction of gabions
Sports	To promote youth skills and talent through sporting activities and empowerment.	Youth engagement and development of respective talents	Number of organised sporting activities	In FY20/21 we allocated funds to promote and develop youth talents in constituency.
Emergency	To tackle unforeseen events in the constituency	Unforeseen events occurrences	Number of emergency occurrence	In FY20/21 we allocated emergency funds to mitigate.

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Samburu East 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 Samburu East NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Samburu East 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 marginalized groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

Protection and care of the environment is an important aspect of Samburu East NG-CDF and we have committed to complying with all relevant environmental legislations, regulations and approved practices protecting air, water and land pollution.

We seek to efficiently use resources and materials and manage all wastages in a responsible manner. We strive to ensure that all environmental factors are considered during planning and projects implementation and regularly communicate our environmental performance to employees and our stakeholders

## **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Samburu East 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**

Samburu East NGCDF Constituency is committed to fair and ethical market practices.

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 practices ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honoring 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 honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

#### **5. Community Engagements**

Samburu East NGCDF has endeavored 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.

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

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

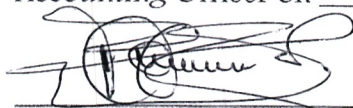
The Accounting Officer in charge of the NGCDF- Samburu East Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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- Samburu East 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, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Samburu East 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 Samburu East 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-Samburu East Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2021.



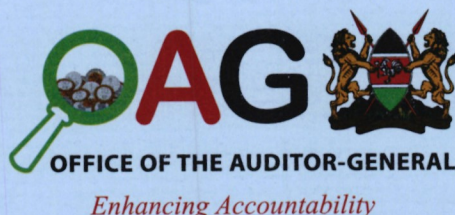
**Chairman NGCDF Committee**  
**Name: FRANCIS LEMARTILE**



**Fund Account Manager**  
**Name: DAVID CHERUIYOT**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
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Monrovia Street  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SAMBURU EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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 an 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 – Samburu East Constituency set out on pages 15 to

48, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Samburu East Constituency as at 30 June, 2021, 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Emergency Projects Expenditure**

The statement of receipts and payments reflects other grants and transfers of Kshs.48,099,187 and as disclosed in Note 7 to the financial statements, which includes emergency projects expenditure of Kshs.8,010,448 out of which Kshs.2,150,000 was disbursed to Samburu East Drought and Peace Project. However, expenditure returns were not provided to account for the monies disbursed.

In the circumstances, the regularity, completeness and accuracy of the emergency projects expenditure of Kshs.2,150,000 could not be confirmed.

#### **2. Unsupported Sports Expenditure**

The statement of receipts and payments reflects other grants and other transfers expenditure of Kshs.48,099,187 and as disclosed in Note 7 to the financial statements, which includes Kshs.2,401,377 which was transferred to a sports association whose registration details were not provided. Further, no other supporting documents were provided to account for the funds.

In the circumstances, the regularity, completeness and accuracy of sports expenditure of Kshs.2,401,377 could not be confirmed.

#### **3. Land without Title Documents**

Annex 4 to the financial statements reflects fixed assets balance of Kshs.6,366,973. However, land and office buildings owned by the entity were excluded in this balance and ownership documents for the parcel of the land were not provided for audit review. Further, fixed asset register was not maintained contrary to Regulation 143(1)

of the Public Finance Management (National Governments) Regulations, 2015 which requires that the accounting officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the accuracy and completeness of fixed assets balance of Kshs.6,366,973 could not be confirmed. In addition, the Management was in breach of the law.

#### **4. Unsupported Training Expenditure**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.8,543,694 and as disclosed in Note 5 to the financial statements, which includes training expenses of Kshs.2,500,000, out of which Kshs.435,000 was incurred on Constituency Development Fund Committee members capacity building seminar in Naivasha from 26 October, 2020 to 10 November, 2020. However, the expenditure was not supported by attendance register, training program and evidence of travel.

In the circumstances, the occurrence, accuracy and completeness of training expenses of Kshs.435,000 could not be confirmed.

#### **5. Unsupported Committee Expenses**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.8,543,694 and as disclosed in Note 5 to the financial statements, which includes committee expenses of Kshs.3,500,000, out of which an expenditure of Kshs.222,000 was not supported by committee minutes.

In the circumstances, the occurrence, accuracy and completeness of committee expenses of Kshs.222,000 could not be confirmed.

#### **6. Unsupported Bursary Disbursement**

The statement of receipts and payments reflects other grants and other transfers expenditure of Kshs.48,099,187 and as disclosed in Note 7 to the financial statements, which includes Kshs.18,135,186 bursary to tertiary institutions, out of which Kshs.700,000 was disbursed to Samburu East Advocacy for Social Change to facilitate training on HIV/AIDS Awareness. However, supporting documents such as proposed budget, list of trainees and training program were not provided for audit review.

In the circumstances, the accuracy and completeness of the above expenditure of Kshs.700,000 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 - Samburu East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits

of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.213,364,587 and Kshs.168,275,708 respectively resulting to under-funding of Kshs.45,088,879 or 21% of the budget. Further, the Fund expended Kshs.155,315,348 against an approved budget of Kshs.213,364,587 resulting to an under-expenditure of Kshs.58,049,239 or 27% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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

In the report of the previous year, several issues were raised under report on the financial statements and report on lawfulness and effectiveness in use of public resources. However, review of the progress on follow up of Auditor's recommendations showed that the Management had not resolved the issues.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Stalled Projects**

The statement of receipts and payments reflects transfers to other government units of Kshs.66,017,487, which includes Kshs.3,500,000 disbursed to Seiya Boys Secondary School and Wamba Mixed Secondary School for fencing and water piping projects

respectively. However, the implementation of the two projects had stalled and no explanation was given as to why the projects were not completed.

As a result, the value for money and regularity of the Kshs.3,500,000 incurred on the two projects could not be confirmed.

## **2. Unutilized Project**

The statement of receipts and payments reflects Kshs.48,099,187 in respect to other grants and transfers, out of which Kshs.1,400,000 was disbursed to Project Management Committee for Lpus Leluai Police Post construction. However, physical verification of the project in May, 2022 revealed that the project had been completed but had not been put to use.

As a result, the value for money on the Kshs.1,400,000 incurred on the project could not be confirmed.

## **3. Lack of Documented Policy on Bursary Awards**

The Fund did not have a documented bursary policy guideline, procedures and processes to ensure efficient and effective management of the bursary fund. It was noted that the bursary sub-committee was deciding the amounts to award during their meetings from time to time whereby majority of secondary school and tertiary institution beneficiaries had an equal minimum amount of Kshs.5,000 and Kshs.10,000 respectively.

In the circumstances, it was not possible to confirm how the total amount of Kshs.34,787,362 awarded as bursaries were determined.

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

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

### **Conclusion**

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

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

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

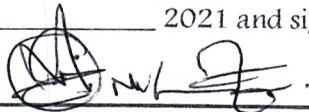
02 September, 2022

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

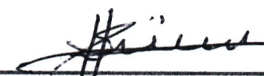
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	161,367,724	68,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>161,367,724</b>	<b>68,000,000</b>
<b>PAYMENTS</b>			
Compensation of employees	4	5,154,980	3,673,314
Use of goods and services	5	8,543,694	7,266,999
Transfers to Other Government Units	6	66,017,487	40,962,500
Other grants and transfers	7	48,099,187	11,245,994
Acquisition of Assets	8	-	-
Other Payments	9	27,500,000	4,444,027
<b>TOTAL PAYMENTS</b>		<b>155,315,348</b>	<b>67,592,834</b>
<b>SURPLUS/(DEFICIT)</b>		<b>6,052,376</b>	<b>407,166</b>

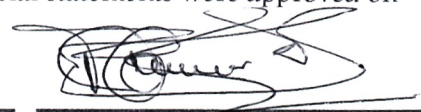
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Samburu East Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:



Fund Account Manager  
Name: DAVID CHERUIYOT



National Sub-County  
Accountant  
Name: MARWA GIMASE  
ICPAK M/No: 15600



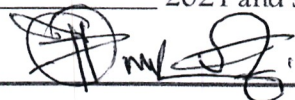
Chairman NG-CDF Committee  
Name: FRANCIS LEMARTILE

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

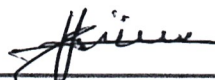
**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	12,960,360	6,907,984
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		-	-
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>12,960,360</b>	<b>6,907,984</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>12,960,360</b>	<b>6,907,984</b>
<b>REPRESENTED BY</b>			
Fund balance b/forward	13	6,907,984	6,500,818
Prior year adjustments	14	-	-
Surplus/Deficit for the year		6,052,376	407,166
<b>NET FINANCIAL POSITION</b>		<b>12,960,360</b>	<b>6,907,984</b>

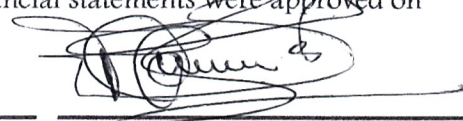
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Fund Account Manager  
Name: DAVID CHERUIYOT



National Sub-County  
Accountant  
Name: MARWA GIMASE  
ICPAK M/No: 15600



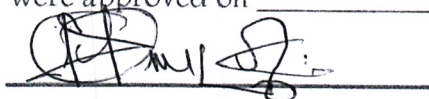
Chairman NG-CDF Committee  
Name: FRANCIS LEMARTILE

**Samburu East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

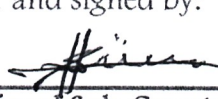
**IX. STATEMENT OF CASHFLOW**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	161,367,724	68,000,000
Other Receipts	3	-	-
<b>Total receipts</b>		<b>161,367,724</b>	<b>68,000,000</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	5,154,980	3,673,314
Use of goods and services	5	8,543,694	7,266,999
Transfers to Other Government Units	6	66,017,487	40,962,500
Other grants and transfers	7	48,099,187	11,245,994
Other Payments	9	27,500,000	4,444,027
<b>Total payments</b>		<b>155,315,348</b>	<b>67,592,834</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>-</b>	<b>-</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>6,052,376</b>	<b>407,166</b>
Cash and cash equivalent at BEGINNING of the year	10	6,907,984	6,500,818
<b>Cash and cash equivalent at END of the year</b>		<b>12,960,360</b>	<b>6,907,984</b>

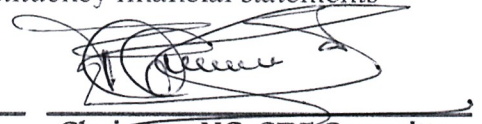
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Samburu East Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:



**Fund Account Manager**  
**Name: DAVID CHERUIYOT**



**National Sub-County**  
**Accountant**  
**Name: MARWA GIMASE**  
**ICPAK M/No: 15600**



**Chairman NG-CDF Committee**  
**Name: FRANCIS LEMARTILE**

**Summary Last Constituent**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**X. SUMMARY STATEMENT OF APPROPRIATION**

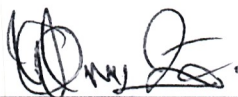
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b	Previous Years' Outstanding Disbursements	c=a+b	D	e=c-d	f=d/c %
<b>RECEIPTS</b>	2020/2021	Opening Balance (C/Book) and ALA		2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	6,907,984	69,367,724	213,364,587	168,275,708	45,088,879	79%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
<b>TOTALS</b>	<b>137,088,879</b>	<b>6,907,984</b>	<b>69,367,724</b>	<b>213,364,587</b>	<b>168,275,708</b>	<b>45,088,879</b>	<b>79%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,000,000	2,163,305	-	6,163,305	5,154,980	1,008,325	83%
Use of goods and services	8,337,998	205,696	-	8,543,694	8,543,694	-	100%
Transfers to Other Government Units	75,157,297	2,000,000	34,000,000	111,157,297	66,017,487	45,139,810	59%
Other grants and transfers	49,593,584	1,937,580	867,724	52,399,187	48,099,187	4,300,000	92%
Acquisition of Assets	-	601,103	-	601,103	-	601,103	0%
Other Payments	-	-	29,000,000	29,000,000	27,500,000	1,500,000	94%
Funds pending approval**	-	-	5,500,000	5,500,000	-	5,500,000	0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>6,907,984</b>	<b>69,367,724</b>	<b>213,364,587</b>	<b>155,315,348</b>	<b>58,049,238</b>	<b>72%</b>

**Samburu East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

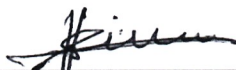
- I. There was underutilisation of employee compensation due to unspent balance
- II. There was underutilisation of transfers to other entities due to underfunding

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	58,049,238
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	(45,088,879)
	12,960,360
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	<b>12,960,360</b>

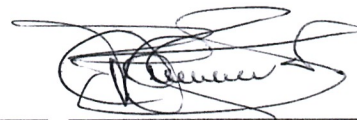
The NGCDF- Samburu East Constituency financial statements were approved on \_\_\_\_\_  
 2021 and signed by:



**Fund Account Manager**  
**Name: DAVID CHERUIYOT**



**National Sub-County**  
**Accountant**  
**Name: MARWA GIMASE**  
**ICPAK M/No: 15600**



**Chairman NG-CDF Committee**  
**Name: FRANCIS LEMARTILE**

*National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**XI. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget		Adjustments		Previous Years' Outstanding Disbursements	Final Budget		Actual on comparable basis		Budget utilization difference
	2020/2021	Kshs	Opening Balance (C/Book) and AIA	Kshs		2020/2021	Kshs	30/06/2021	Kshs	
1.0 Administration and Recurrent										
1.1 Compensation of employees		4,000,000		2,163,305	0		6,163,305		5,154,980	1,008,325
1.2 Use of goods and services		1,725,332		205,696	0		1,931,028		1,931,028	0
1.3 Committee allowances		2,500,000		0	0		2,500,000		2,500,000	0
<b>TOTAL</b>		<b>8,225,332</b>		<b>2,369,001</b>	<b>0</b>		<b>10,594,333</b>		<b>9,586,008</b>	<b>1,008,325</b>
2.0 Monitoring and evaluation										
2.1 Capacity building		612,666		0	0		612,666		612,666	0
2.2 Committee allowances		1,000,000		0	0		1,000,000		1,000,000	0
2.3 Use of goods and services		2,500,000		0	0		2,500,000		2,500,000	0
<b>TOTAL</b>		<b>4,112,666</b>		<b>0</b>	<b>0</b>		<b>4,112,666</b>		<b>4,112,666</b>	<b>0</b>
3.0 Emergency										
3.1 Primary Schools		0		0	0		0		0	0
3.2 Secondary schools		0		0	0		0		0	0
3.3 Tertiary institutions		0		0	0		0		0	0
3.4 Security projects		7,192,207		818,241	0		8,010,448		8,010,448	0
<b>TOTAL</b>		<b>7,192,207</b>		<b>818,241</b>	<b>0</b>		<b>8,010,448</b>		<b>8,010,448</b>	<b>0</b>
4.0 Bursary and Social Security										
4.1 Primary Schools		0								

**National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

4.2 Secondary Schools	16,300,000	-	15,232,362	31,352,362	16,652,176	14,880,186
4.3 Tertiary Institutions	18,000,000	-	19,755,000	37,755,000	18,135,186	19,619,814
4.4 Universities	0	0	0	0	0	0
4.5 Social Security	0	0	0	0	0	0
<b>TOTAL</b>	<b>34,300,000</b>	<b>-</b>	<b>34,987,362</b>	<b>69,287,362</b>	<b>34,787,362</b>	<b>34,500,000</b>
<b>5.0 Sports</b>						
5.1 Samburu East Sports Association	2,401,377	0	0	2,401,377	2,401,377	0
<b>TOTAL</b>	<b>2,401,377</b>	<b>0</b>	<b>0</b>	<b>2,401,377</b>	<b>2,401,377</b>	<b>0</b>
<b>6.0 Environment</b>						
6.1 Lussen Gap Secondary School	500,000	0	0	500,000	500,000	0
6.2 Nalele Boys Secondary School	500,000	0	0	500,000	500,000	0
6.3 Nansunyai Environmental Project	700,000	0	0	700,000	-	700,000
6.4 Treetop Environmental Project	600,000	0	0	600,000	-	600,000
6.5 Seiya Environmental Project	-	-	1,000,000	1,000,000	-	1,000,000
6.6 Serolipi Environmental Project	-	-	500,000	500,000	500,000	0
<b>TOTAL</b>	<b>2,300,000</b>	<b>-</b>	<b>1,500,000</b>	<b>3,800,000</b>	<b>1,500,000</b>	<b>2,300,000</b>
<b>7.0 Primary Schools Projects</b>						
7.1 Girgir Primary School	80,000	-	900,000	980,000	980,000	0
7.2 Leiraya Primary School	254,977	-	-	254,977	254,977	0
7.3 Lerata Primary School	1,000,000	-	-	-	-	1,000,000
7.4 Ipus Jeluai Primary School	1,000,000	-	-	-	-	1,000,000
7.5 Ipus Primary School	80,000	-	1,000,000	1,080,000	1,080,000	0
7.6 Mewua Primary School	1,000,000	-	-	1,000,000	1,000,000	0
7.7 Milgis Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.8 Milimani Primary School	1,000,000	-	-	1,000,000	-	1,000,000

*National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

7.9 Nairimirimo Primary School	360,000	-	-	360,000	360,000	0
7.10 Nairimirimo Primary School	150,000	-	-	150,000	-	150,000
7.11 Nairimirimo Primary School	800,000	-	1,000,000	1,800,000	1,000,000	800,000
7.12 Naisunyai Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.13 Ngutuk Elmugut Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.14 Noolotolo Primary School	80,000	-	1,000,000	1,080,000	1,000,000	80,000
7.15 Nlepes Primary School	1,500,000	-	-	1,500,000	-	1,500,000
7.16 Oromodei Primary School	80,000	-	1,000,000	1,080,000	1,080,000	0
7.17 Paru Primary School	80,000	-	1,000,000	1,080,000	1,080,000	0
7.18 Renet Primary School	80,000	-	1,000,000	1,080,000	1,080,000	0
7.19 Resim Primary School	2,000,000	-	1,000,000	3,000,000	3,000,000	0
7.20 Resim Primary School	80,000	-	-	80,000	80,000	0
7.21 Reteti Mercy Primary School	2,000,000	-	-	2,000,000	2,000,000	0
7.22 Sarara Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.23 Sarara Primary School	700,000	-	-	700,000	-	700,000
7.24 Sasab Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.25 Sionta Primary School	1,500,000	-	-	1,000,000	-	1,500,000
7.26 Sukuroi Primary School	80,000	-	-	80,000	-	80,000
7.27 Swari Primary School	2,000,000	-	-	2,000,000	2,000,000	0
7.28 Wamba DEB Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.29 Wamba Muslim Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.30 Legarde Primary School	-	-	1,000,000	1,000,000	1,000,000	0
7.31 Ngilai Primary School	-	-	1,000,000	1,000,000	1,000,000	0
7.32 Ndurme Primary School	-	-	1,000,000	1,000,000	1,000,000	0
7.33 Ndongyo Nasipa Primary School	-	-	2,500,000	2,500,000	2,500,000	0

*National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

7.34 Kiltamany Primary School	-	-	1,000,000	1,000,000	1,000,000	1,000,000	0
7.35 Kiltamany Primary School	-	-	1,500,000	1,500,000	1,500,000	1,500,000	0
7.36 Lodungokwe Primary School	-	-	1,000,000	1,000,000	1,000,000	1,000,000	0
TOTAL	23,104,977	16,900,000	40,004,977	24,994,977	15,010,000		
8.0 Secondary Schools Projects							
8.1 Laso Girls Secondary School	6,500,000	-	2,500,000	8,500,000	2,500,000	6,500,000	0
8.2 Tipito Girls Secondary School	6,500,000	-	-	6,500,000	-	6,500,000	0
8.3 Tipito Girls Secondary School	1,500,000	-	-	1,500,000	1,500,000	1,500,000	0
8.4 Narasha Boys secondary school	2,000,000	-	-	2,000,000	2,000,000	2,000,000	0
8.5 Ngilai Mixed Secondary School	3,000,000	-	-	3,000,000	-	3,000,000	0
8.6 Seiya Boys Secondary School	2,500,000	-	-	2,500,000	2,500,000	2,500,000	0
8.7 Wamba Mixed Secondary School	6,500,000	-	-	6,500,000	-	6,500,000	0
8.8 Girgir Mixed Secondary School	1,629,800	-	2,000,000	3,629,800	2,000,000	1,629,800	0
8.9 Wamba Girls Secondary School	-	-	2,500,000	2,500,000	2,500,000	2,500,000	0
8.10 Lussen Gap Girls Secondary School	4,137,310	-	2,500,000	6,637,310	6,637,300	10	0
8.11 Lussen Gap Girls Secondary School	653,000	-	-	653,000	653,000	653,000	0
8.12 Lussen Gap Girls Secondary School	576,240	-	-	576,240	576,240	576,240	0
8.13 Lussen Gap Girls Secondary School	959,810	-	-	959,810	959,810	959,810	0
8.14 Lussen Gap Girls Secondary School	1,129,800	-	-	1,129,800	1,129,800	1,129,800	0
8.15 Lussen Gap Girls Secondary School	1,070,000	-	-	1,070,000	1,070,000	1,070,000	0
8.16 Nalele Boys Secondary School	4,137,310	-	9,600,000	13,737,310	13,737,310	13,737,310	0
8.17 Nalele Boys Secondary School	653,000	-	-	653,000	653,000	653,000	0

*National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

8.18 Nalele Boys Secondary School	576,240	-	-	576,240	0
8.19 Nalele Boys Secondary School	959,810	-	-	959,810	0
8.20 Nalele Boys Secondary School	2,500,000	-	-	2,500,000	0
8.21 Nalele Boys Secondary School	1,070,000	-	-	1,070,000	0
TOTAL	48,552,320	19,100,000	67,652,320	41,022,520	26,629,810
9.0 Tertiary institutions Projects					
9.1 Samburu Technical and Vocational Training	3,500,000	-	-	3,500,000	3,500,000
TOTAL	3,500,000			3,500,000	3,500,000
10.0 Security Projects					
10.1 Archers post Assistant County commissioners office	1,000,000	-	-	1,000,000	1,000,000
10.2 Sereolipi police Station	1,000,000	-	-	1,000,000	1,000,000
10.3 Lpus Lehai police post	1,400,000	-	-	1,400,000	0
TOTAL	3,400,000	-	-	3,400,000	2,000,000
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	296,534	296,534	-	296,534
11.2 Construction of CDF office Toilet	-	304,569	304,569	-	304,569
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
TOTAL		601,103	601,103		601,103
12.0 Others					
12.1 Bursary					
12.1.1 Girgir Secondary School	-	-	2,000,000	2,000,000	0
12.1.2 Seiya Boys Secondary School	-	-	800,000	800,000	0

*National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

12.1.3 Seiya Boys Secondary School	-	-	-	1,000,000	1,000,000	0
12.1.4 Lussen Gap Girls Secondary School	-	-	-	800,000	800,000	0
12.1.5 Narasha Boys Secondary School	-	-	-	800,000	800,000	0
12.1.6 Narasha Boys Secondary School	-	-	-	1,000,000	1,000,000	0
12.1.7 Nalele Secondary School	-	-	-	800,000	800,000	0
12.1.8 Ngilai Mixed Secondary School	-	-	-	800,000	800,000	0
12.1.9 Wamba Mixed Secondary School	-	-	-	1,000,000	1,000,000	0
12.1.10 Pareu Primary School	-	-	-	1,000,000	1,000,000	0
12.1.11 Letroya Primary School	-	-	-	1,000,000	1,000,000	0
12.1.12 Ikwasi Primary School	-	-	-	1,000,000	1,000,000	0
12.1.13 Lauragi Primary School	-	-	-	1,000,000	1,000,000	0
12.1.14 Lempuranai Primary School	-	-	-	500,000	500,000	0
12.1.15 Nkiseu Primary School	-	-	-	1,000,000	1,000,000	0
12.1.16 Taresoro Primary School	-	-	-	500,000	500,000	0
12.1.17 Lempaute Primary School	-	-	-	1,000,000	1,000,000	0
12.1.18 Milimani Primary School	-	-	-	400,000	400,000	0
12.1.19 Matakwani Primary School	-	-	-	600,000	600,000	0
12.1.20 Nchok Primary School	-	-	-	1,000,000	1,000,000	0
12.1.21 Mpasion Primary School	-	-	-	1,000,000	1,000,000	0
12.1.22 Kibartare Primary School	-	-	-	1,000,000	1,000,000	0
12.1.23 Lorok Nyokie Primary School	-	-	-	1,000,000	1,000,000	0
12.1.24 Ndongyo Nasipa Primary School	-	-	-	500,000	500,000	0

*National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

12.1.25 Muugur Primary School	-	-	-	-	1,000,000	1,000,000	0
12.1.26 Nairimurimo Primary School	-	-	-	-	300,000	300,000	0
12.1.27 Ndikir Nanyokie Primary School	-	-	-	-	1,000,000	1,000,000	0
12.1.28 Oromodei Primary School	-	-	-	-	400,000	400,000	0
12.1.29 Oromodei Primary School	-	-	-	-	1,500,000	1,500,000	0
12.1.30 Silango-Nanyokie Primary School	-	-	-	-	800,000	800,000	0
12.1.31 Lolkuniani Primary School	-	-	-	-	1,000,000	1,000,000	0
12.1.32 Tipito Girls Secondary School	-	-	-	-	1,500,000	1,500,000	0
TOTAL					29,000,000	27,500,000	1,500,000
Funds pending approval**							
Mamaroi Primary School	-	-	-	-	1,000,000	-	1,000,000
Matakvani Primary School	-	-	-	-	1,000,000	-	1,000,000
Setiya Boys Secondary School	-	-	-	-	3,500,000	-	1,000,000
Total					5,500,000		5,500,000
GRAND TOTAL	187,088,879	3,187,242	73,088,465	213,364,586	155,315,348	58,049,238	

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Samburu East 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 (NGCDF)**

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

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

#### ***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

#### **8. Accounts Payable**

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

#### **9. Pending Bills**

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

#### **10. Unutilized Fund**

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

#### **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 11<sup>th</sup> June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

#### **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.

*Samburu East Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Reports and Financial Statements for The Year Ended June 30, 2021*

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B041200	-	4,000,000
AIE NO	B047646	-	20,000,000
AIE NO	B049169	-	6,000,000
AIE NO	B104087	-	15,000,000
AIE NO	B104470	-	23,000,000
AIE NO	B104503	15,000,000	-
AIE NO	B104673	20,000,000	-
AIE NO	A823718	34,367,724	-
AIE NO	B124659	9,000,000	-
AIE NO	B119636	8,500,000	-
AIE NO	B128269	6,900,000	-
AIE NO	B128026	13,000,000	-
AIE NO	B138992	12,000,000	-
AIE NO	B132323	6,000,000	-
AIE NO	B132029	6,000,000	-
AIE NO	B126284	7,000,000	-
AIE NO	B105079	11,600,000	-
AIE NO	B140723	12,000,000	-
	-	-	-
	-	-	-
<b>TOTAL</b>		<b>161,367,724</b>	<b>68,000,000</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>TOTAL</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,524,745	2,246,143
<b>Personal allowances paid as part of salary</b>		
House Allowance	-	-
Transport Allowance	149,600	-
Leave allowance	68,000	19,000
Gratuity to contractual employees	581,063	827,817
Employer Contributions Compulsory national social security schemes	263,112	237,636
Other personnel payments	1,568,200	342,718
<b>Total</b>	<b>5,154,980</b>	<b>2,586,285</b>

**Samburu East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	3,500,000	2,172,000
Utilities, supplies and services	39,776	164,187
Communication, supplies and services	-	-
Domestic travel and subsistence	365,200	211,400
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,500,000	1,595,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	259,400	362,991
Other operating expenses	1,879,318	2,151,000
Routine maintenance – vehicles and other transport equipment	-	610,421
Routine maintenance – other assets	-	-
<b>Total</b>	<b>8,543,694</b>	<b>7,266,999</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	24,994,977	7,922,500
Transfers to secondary schools (see attached list)	41,022,510	33,040,000
Transfers to tertiary institutions (see attached list)	-	-
<b>TOTAL</b>	<b>66,017,487</b>	<b>40,962,500</b>

## 7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools	16,652,176	1,773,640
Bursary – tertiary institutions	18,135,186	245,000
Bursary – special schools	-	-
Mock & CAT	-	-
Social Security programmes (NHIF)	-	-
Security projects	1,400,000	1,300,000
Sports projects	2,401,377	2,547,354
Environment projects	1,500,000	-
Emergency projects	8,010,448	6,380,000
<b>Total</b>	<b>48,099,197</b>	<b>11,245,994</b>

**Samburu East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	~	~
Construction of Buildings	~	~
Refurbishment of Buildings	~	~
Purchase of Vehicles and Other Transport Equipment	~	~
Overhaul of Vehicles and Other Transport Equipment	~	~
Purchase of Household Furniture and Institutional Equipment	~	~
Purchase of Office Furniture and General Equipment	~	~
Purchase of ICT Equipment, Software and Other ICT Assets	~	~
Purchase of Specialized Plant, Equipment and Machinery	~	~
Rehabilitation and Renovation of Plant, Machinery and Equip.	~	~
Acquisition of Land	~	~
Acquisition of Intangible Assets	~	~
<b>Total</b>	~	~

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
ICT HUB	~	4,444,027
BURSARY	27,500,000	~
	27,500,000	4,444,027

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 10: CASH BOOK BANK BALANCE

## 10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Equity bank, Maralal Branch. A/C Number 1100261742735	12,960,360	6,907,984
<b>TOTAL</b>	<b>12,960,360</b>	<b>6,907,984</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Simon Kipaika	15/07/2020	918,000	918,000	-
Simon Kipaika	22/07/2020	402,000	402,000	-
Simon Kipaika	28/08/2020	571,000	571,000	-
Simon Kipaika	31/09/2020	625,000	625,000	-
Simon Kipaika	31/08/2020	405,000	405,000	-
Simon Kipaika	31/09/2020	625,000	625,000	-
David Cheruiyot	24/09/2020	120,000	120,000	-
David Cheruiyot	29/09/2020	530,000	530,000	-
David Cheruiyot	30/09/2020	255,200	255,200	-
David Cheruiyot	07/10/2020	500,000	500,000	-
David Cheruiyot	13/10/2020	310,000	310,000	-
David Cheruiyot	22/10/2020	330,000	330,000	-
David Cheruiyot	15/10/2020	125,000	125,000	-
David Cheruiyot	02/11/2020	900,000	900,000	-
David Cheruiyot	10/11/2021	141,000	141,000	-
David Cheruiyot	11/11/2020	122,000	122,000	-
David Cheruiyot	17/03/2021	200,000	200,000	-
David Cheruiyot	08/12/2021	140,000	140,000	-
David Cheruiyot	15/12/2021	499,000	499,000	-
David Cheruiyot	16/12/2021	560,000	560,000	-
David Cheruiyot	30/12/2020	532,000	532,000	-
David Cheruiyot	13/01/2021	532,000	532,000	-
David Cheruiyot	06/01/2021	640,000	640,000	-
David Cheruiyot	14/01/2021	186,000	186,000	-
David Cheruiyot	26/01/2021	570,000	570,000	-
David Cheruiyot	29/01/2021	723,000	723,000	-
David Cheruiyot	29/01/2021	250,000	250,000	-
David Cheruiyot	11/02/2021	119,000	119,000	-
David Cheruiyot	04/03/2021	430,000	430,000	-
David Cheruiyot	17/03/2021	466,800	466,800	-
David Cheruiyot	25/03/2021	580,000	580,000	-
David Cheruiyot	16/04/2021	500,500	500,500	-
David Cheruiyot	05/05/2021	80,200	80,200	-
David Cheruiyot	11/05/2021	257,000	257,000	-
David Cheruiyot	25/05/2021	140,000	140,000	-
David Cheruiyot	02/06/2021	610,000	610,000	-
David Cheruiyot	11/06/2021	235,000	235,000	-
David Cheruiyot	29/06/2021	97,302	97,302	-
Total		15,227,002	15,227,002	-

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	~	~
Retention held during the year (B)	~	~
Retention paid during the Year (C)	~	~
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	~	~

## 12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	~	~
Gratuity held during the year (B)	~	~
Gratuity paid during the Year (C)	~	~
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	~	~

## 13. BALANCES BROUGHT FORWARD

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	6,907,984	6,500,818
Cash in hand	~	~
Imprest	~	~
	~	~
<b>Total</b>	<b>6,907,984</b>	<b>6,500,818</b>

## 14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	~	~	~
Cash in hand	~	~	~
Accounts Payables	~	~	~
Receivables	~	~	~
Others ( <i>specify</i> )	~	~	~
<b>TOTAL</b>	<b>~</b>	<b>~</b>	<b>~</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	15,227,002	-
Imprest surrendered during the Year (C)	15,227,002	-
closing accounts in account receivables D= A+B-C	15,227,002	-

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

	2020 – 2021	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2020 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

**Samburu East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

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

**17. OTHER IMPORTANT DISCLOSURES**

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

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

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

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,008,625	2,163,305
Use of goods and services	0	205,696
Amounts due to other Government entities (see attached list)	45,139,810	36,000,000
Amounts due to other grants and other transfers (see attached list)	4,300,000	37,305,304
Acquisition of assets	601,103	601,103
Others ( <i>specify</i> )	1,500,000	-
Funds pending approval	5,500,000	-
	<b>58,049,238</b>	<b>76,275,708</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	2,967,837	11,754,130
	<b>2,967,837</b>	<b>11,754,130</b>

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To- Date c	Outstanding Balance 2020 d=a-c	Comments
Construction of buildings					
1.	-	-	-	-	
2.	-	-	-	-	
3.	-	-	-	-	
Sub-Total	0			0	
Construction of civil works					
4.	-	-	-	-	
5.	-	-	-	-	
6.	-	-	-	-	
Sub-Total	0			0	
Supply of goods					
7.	-	-	-	-	
8.	-	-	-	-	
9.	-	-	-	-	
Sub-Total	0			0	
Supply of services					
10.	-	-	-	-	
11.	-	-	-	-	
12.	-	-	-	-	
Sub-Total	0			0	
Grand Total	0			0	

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
NG-CDFC Staff				
1. -	~	~	~	~
2. -	~	~	~	~
3. -	~	~	~	~
Sub-Total			0	
Grand Total			0	

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
<b>Compensation Of Employees</b>	Salary and statutory deductions	1,008,625	2,163,305	Awaiting Board Disbursements
<b>Sub-Total</b>		<b>1,008,625</b>	<b>2,163,305</b>	
<b>Use Of Goods &amp; Services</b>		-	205,696	
<b>Sub-Total</b>		<b>-</b>	<b>205,696</b>	
<b>Amounts due to other Government entities</b>				
Lerata Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Lpus Leluai Primary School	Teachers house construction	1,000,000	~	Awaiting Board Disbursements
Milgis Primary School	Classroom construction	1,200,000	~	Awaiting Board Disbursements
Milimani Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Nairimirimo Primary School	Mattress purchases	150,000	~	Awaiting Board Disbursements
Nairimirimo Primary School	Latrine construction	800,000	1,000,000	Awaiting Board Disbursements
Naisuryai Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Ngutuk Elimuget Primary School	Classroom renovation	1,000,000	~	Awaiting Board Disbursements
Nooloto Primary School	Desk acquisition	80,000	1,000,000	Awaiting Board Disbursements
Ntepes Primary School	School fencing	1,500,000	~	Awaiting Board Disbursements
Sarara Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Sarara Primary School	Kitchen construction	700,000	~	Awaiting Board Disbursements
Sasab Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Sionta Primary School	Admin block construction	1,500,000	~	Awaiting Board Disbursements
Sukuroi Primary School	Desk acquisition	80,000	~	Awaiting Board Disbursements
Wamba Deb Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Wamba Muslim Primary School	Classroom construction	1,000,000	~	Awaiting Board Disbursements
Oromodei primary school	Classroom construction		1,000,000	Funded
Pareu primary school	Classroom construction		1,000,000	Funded

**REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2014 (Kshs'000)**

Remot primary school	Classroom construction			1,000,000	Funded
Resim primary school	Classroom construction			1,000,000	Funded
Legarde primary school	Teachers house			1,000,000	Funded
Ndume primary school	Teachers house			1,000,000	Funded
Ndonyo Nasipa primary school	Fencing to completion			2,500,000	Funded
Kitmany primary school	Teachers house			1,000,000	Funded
Kitmany primary school	Water pipe connection			1,500,000	Funded
Ngilai primary school	Teachers house			1,000,000	Funded
Girgir primary school	Classroom construction			900,000	Funded
Lodungokwe primary school	Teachers house			1,000,000	Funded
<b>Sub-Total</b>				<b>15,010,000</b>	<b>16,900,000</b>
Laso Girls Secondary School	School bus acquisition			6,500,000	Awaiting Board Disbursements
Tipito Girls Secondary School	School bus acquisition			6,500,000	Awaiting Board Disbursements
Ngilai Mixed Secondary School	Dormitory construction			3,000,000	Awaiting Board Disbursements
Wamba Mixed Secondary School	School bus acquisition			6,500,000	Awaiting Board Disbursements
Wamba girls secondary school	Dormitory construction			2,500,000	Funded
Lussen gap girls secondary school	Fencing to completion			2,500,000	Funded
Girgir Mixed Secondary School	Fencing to completion			1,629,810	Awaiting Board Disbursements
Nalele Boys Secondary School	Fencing to completion			2,500,000	Awaiting Board Disbursements
Samburu Technical Training	Fencing to completion			3,500,000	Awaiting Board Disbursements
<b>Sub-Total</b>				<b>30,129,800</b>	<b>19,100,000</b>
<b>Amounts due to other grants and other transfers</b>					
Archers Post A.C.C Office	Fencing to completion			1,000,000	Awaiting Board Disbursements
Emergency allocation	Emergency allocation			818,241	Funded
Bursary	Bursary to institutions			34,987,362	Funded
Sereolipi Police Station	Admin block construction			1,000,000	Awaiting Board Disbursements
<b>Naisunyai Environmental</b>	<b>Gabion construction</b>			<b>700,000</b>	<b>~</b>
Treetop Environmental	Gabion construction			600,000	Awaiting Board Disbursements
Seiya Environmental	Gabion construction			1,000,000	Awaiting Board Disbursements
Sereolipi Environmental project	Gabion construction			500,000	Funded
<b>Sub-Total</b>				<b>4,300,000</b>	<b>37,305,603</b>

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2014 (Kshs'000)**

Acquisition of assets				
<b>Others (specify)</b>				
Constituency Motor Cycle	296,534	296,534	Awaiting Board Disbursements	
Ngcdf Toilet	304,569	304,569	Awaiting Board Disbursements	
Tipito Girls Secondary School	1,500,000		Awaiting Board Disbursements	
<b>Sub-Total</b>	<b>2,101,103</b>	<b>601,103</b>		
<b>Funds pending approval</b>				
Marmaroi Primary School	1,000,000	~		
Matakwani Primary School	1,000,000	~		
Seiya Boys Secondary School	3,500,000	~		
<b>Sub-Total</b>	<b>5,500,000</b>	<b>~</b>		
<b>Grand Total</b>	<b>58,049,239</b>	<b>76,275,708</b>		

*Samburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/2020</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2020/21</b>
Land	~	~	~	~
Buildings and structures	~	~	~	~
Transport equipment	3,744,473	~	~	3,744,473
Office equipment, furniture and fittings	2,622,500	~	~	2,622,500
ICT Equipment, Software and Other ICT Assets	~	~	~	~
Other Machinery and Equipment	~	~	~	~
Heritage and cultural assets	~	~	~	~
Intangible assets	~	~	~	~
<b>Total</b>	<b>6,366,973</b>	~	~	<b>6,366,973</b>

*Jamburu East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

<b>PMC</b>	<b>Bank</b>	<b>Account umber</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
SEIYA BOYS SECONDARY SCHOOL	EQUITY BANK	1100279067210	795	537,480
UASO GIRLS SECONDARY SCHOOL	EQUITY BANK	410277245732	306	5,280
KULE PRIMARY SCHOOL	EQUITY BANK	1100279774412	4,007	4,520
MATAKWANI PRIMARY SCHOOL	EQUITY BANK	1100278745319	20,720	15,900
MPASSION PRIMARY SCHOOL	EQUITY BANK	1100277526178	2,210	510
NARASHA BOYS SECONDARY SCHOOL	EQUITY BANK	1100279071992	224,192	1,323,440
NDONYO WASIN PRIMARY SCHOOL	EQUITY BANK	410267122070	10,080	90,200
RARAITI PRIMARY SCHOOL	EQUITY BANK	1100278860257	10,000	320,000
SEREOLUPI PRIMARY SCHOOL	EQUITY BANK	410278832558	60,880	880
SIRATA LEMURT PRIMARY SCHOOL	EQUITY BANK	410177649028	10,120	10,120
SUKUROI PRIMARY SCHOOL	EQUITY BANK	410267405268	5,280	5,280
SILANGO NANYOKIE PRIMARY SCHOOL	EQUITY BANK	410262838142	2,304	-
LOROK ONYOKIE PRIMARY SCHOOL	EQUITY BANK	1100277394206	27,455	-
LMARMAROI PRIMARY SCHOOL	EQUITY BANK	410277556850	1,790	-
MILIMANI ENVIRONMENTAL PROJECT	EQUITY BANK	1100177564205	746	-
TIPITO GIRLS SECONDARY SCHOOL	EQUITY BANK	410277529526	420,615	-
LUSSEN GAP GIRLS SECONDARY SCHOOL	EQUITY BANK	1100279871228	2,166,337	9,440,520
<b>Total</b>			<b>2,967,837</b>	<b>11,754,130</b>

**Samburu East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Time frame: (Put a date when you expect the issue to be resolved)</b>
Samburueast cdf/2019-2020	Errors in the annual reports and financial statements	Errors in the financial statements amended to reflect the true position	Not resolved	
Samburueast cdf/201-2020	Inaccuracies' in the Financial Statements	Issues amended to reflect fair presentation and disclosures of financial statements	Not resolved	
Samburueast cdf/2019-2020	Variances between Financial Statements and Supporting schedules	Variances are reconciled to reflect the true position	Not resolved	
Samburueast cdf/2019-2020	Compensation of Employees	Variances between reported compensation of employees and computed are now reconciled	Not resolved	
Samburueast cdf/2019-2020	Variance between financial statements and supporting schedules	Issues noted and have been responded accordingly	Not Resolved	
Samburueast cdf/2019-2020	Bursary Payments	Bursary payments issues explained accordingly	Not resolved	
Samburueast cdf/2019-2020	Unsupported expenditure	Issues noted and have been responded accordingly	Not resolved	
Samburueast cdf/2019-2020	Unsupported sports expenditure	Issues noted and have been responded accordingly	Not resolved	

*Samburu East Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Reports and Financial Statements for The Year Ended June 30, 2021*

Samburueast cdf/2019-2020	Emergency projects	Issues noted and have been responded accordingly	Not resolved	
Samburueast cdf/2019-2020	Risk management policy and fire policy	Issue noted	Not resolved	