



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – SAKU CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2019**



THE NATIONAL ASSEMBLY  
PAPERS L AID

DATE: 11 NOV 2021

DAY

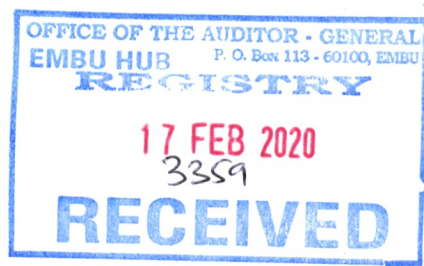
TABLED  
BY:

WHP - WANGWE

CLERK-AT  
THE-TABLE:

Jainoo



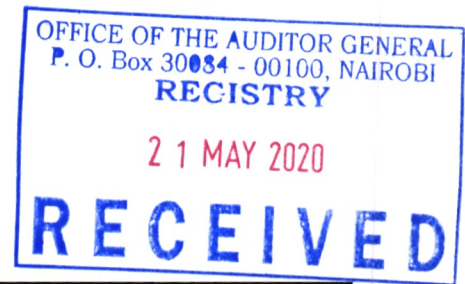


---

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -SAKU CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019



---

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SAKU  
CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

	Page
Table of Contents	
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CHAIRMAN ngcdf COMMITTEE .....	4
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	5
IV. REPORT OF THE INDEPENDENT AUDITOR.....	6
V. STATEMENT OF RECEIPTS AND PAYMENTS.....	7
VI. STATEMENT OF ASSETS AND LIABILITIES.....	8
VII. STATEMENT OF CASHFLOW.....	9
VIII. SUMMARY STATEMENT OF APPROPRIATIONS: RECURRENT AND DEVELOPMENT COMBINED.....	11
IX. BUDGET EXECUTION BY PROGRAMMES AND SUB – PROGRAMMES.....	12
X. SIGNIFICANT ACCOUNTING POLICIES.....	17
XI. NOTES TO THE FINANCIAL STATEMENTS.....	20
X. PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS.....	33

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
SAKU CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2019**

---

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work

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

**(b) Key Management**

The NGCDF SAKU Constituency 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Japhet N. Ngui
2.	Sub-County Accountant	Stephen Mwangi
3.	Chairman NGCDFC	Guyo Bonaya
4.	Member NGCDFC	Boru Jattani

**(d) Fiduciary Oversight Arrangements**

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

Saku CDF  
P.O. Box 184-60500,  
Marsabit Township, next to Public Works Offices  
Marsabit, KENYA.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**(f) NGCDF SAKU Constituency Contacts**

E-mail: [sakucdf@ngcdf.go.ke](mailto:sakucdf@ngcdf.go.ke)  
[cdfsaku@gmail.com](mailto:cdfsaku@gmail.com)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF SAKU Constituency Bankers**

Kenya Commercial Bank  
Marsabit Branch,  
A/C No. 1102647977

**(h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 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. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

NG-CDFC-Saku Constituency has made tremendous achievements since its inception in 2003 towards poverty eradication in the constituency and more so in promotion of education standards in this marginalised part of the country. I really thank my CDFC for the great support they have given me during the year. 109040876

During the financial year, the NG-CDF-Saku had been allocated Sh. 109,040,876. Out of this, Ksh. 54,000,000 had been received by 30<sup>th</sup> June 2019. This resulted to low uptake of the funds to projects as much of it went to bursary and administrative costs.

Saku constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary which was allocated a budget of Ksh. 27 million translating to 25% of the total annual budget.

The huge education budget targeting infrastructural development in schools and bursary has really lead to increased student enrolment in schools and institutions of higher learning hence enhancing literacy levels in the constituency.

NGCDF-Saku is also facilitating construction of the first technical institution in the constituency which will go a long way in developing middle level skills in youth. The CDFC has initiated major projects in schools like construction modern Science Laboratory in Badasa Secondary School, a modern Dining hall and Kitchen in Karare Mixed and in Goro Rukesa Secondary Schools, a state of art Administration block at Marsabit Boys Secondary School among many others.

One of the major challenges is poor infrastructural facilities in most educational institutions as majority were constructed many years back. However the CDFC has initiated programmes to refurbish them. The CDFC had also a big challenge in implementing/completing projects since only one half of the annual budget had been received from NG-CDF Board by close of the year.

I wish to urge the CDF Board/NASC to continually increase the CDF allocations to enable more projects uptake and also timely disbursement of funds to constituencies.

Yours in service,



.....  
Mr. Guyo Bonaya  
CDFC Chairman

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

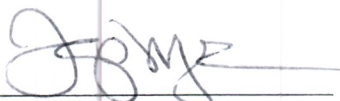
The Accounting Officer in charge of the NGCDF-Saku Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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-Saku Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Saku Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NGCDF-Saku Constituency financial statements were approved and signed by the Accounting Officer on 30/8 2019.



Fund Account Manager  
Name: Japhet N. Ngui

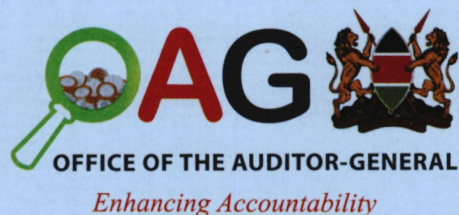


Sub-County Accountant  
Name: Stephen Mwangi  
ICPAK Member Number: 16546

THE NATIONAL SUB-COUNTY  
ACCOUNTANT  
MARSABIT CENTRAL

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SAKU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

---

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Saku Constituency set out on pages 7 to 41 which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 - Saku Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

#### **Basis for Qualified Opinion**

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

The statement of receipts and payments and Note 5 to the financial statements, reflect use of goods and services of Kshs.18,643,157. The following observations were made regarding the expenditure:

##### **1.1 Unsupported Domestic Travel and Subsistence Allowance**

Note 5 to the financial statements reflects Kshs.319,200 in respect to domestic travel and subsistence. However, supporting documents for allowances totalling Kshs.262,000 were not provided.

In the circumstances, the propriety and value for money for the Kshs.262,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

## **1.2 Unsupported Strategic Plan Expenditure**

Note 5 to the financial statements reflects Kshs.3,499,500 in respect to the strategic plan which further includes Kshs.2,000,000 paid to a firm for delivery of one thousand (1,000) copies of the strategic plan. However, evidence that the documents were delivered was not provided for audit.

In addition, the amount included Kshs.256,000 in respect of allowances paid to sixty-four (64) Locational Development Committee (LDC) members at a rate of Kshs.2,000 per day for attending a strategic plan workshop for two (2) days. However, the invitation letters, attendance register and the basis for paying allowances at the rate of Kshs.2,000 per day were not provided for audit.

In the circumstances, the accuracy, propriety and value for money for the expenditure on the strategic plan could not be ascertained.

## **2.0 Unsupported Bursary Payments**

The statement of receipts and payments reflects Kshs.47,812,122 in respect to other grants and transfers which as disclosed at Note 7 to the financial statements, includes Kshs.23,414,902 and Kshs.13,550,850 with respect to bursary disbursements to secondary schools and tertiary institutions respectively, both totalling to Kshs.36,965,752. However, no evidence was provided that the bursary sub-committee was constituted as required by the Constituencies Development Fund Circular Reference No. Vol. 1/111 of 13 September, 2010 and that the bursary applications were vetted by the bursary sub-committee as required under Regulation 21(3) of National Government Constituencies Development Fund Regulations, 2016.

Further, acknowledgement by the beneficiary schools and institutions of bursaries amounting to Kshs.34,714,042 representing 94% of the total bursaries disbursed was not provided.

In the circumstances, it has not been possible to confirm the accuracy and propriety of bursaries totaling to Kshs.36,965,752.

## **3.0 Accuracy of Cash and Bank Balances**

The statement of assets and liabilities and Note 10A to the financial statements, reflect bank balances of Kshs.4,099,956 held in a local commercial bank account as at 30 June, 2019. However, the June, 2019 bank reconciliation statement reflected unpresented cheques totaling Kshs.5,547,825 of which cheques totaling to Kshs.190,670 were stale and had not been replaced or reversed in the cashbook.

Further, the bank reconciliation statement reflected Kshs.32,000 in respect to receipts in the bank statement not in cash book.

Consequently, the accuracy and validity of cash and cash equivalents balance of Kshs.4,099,956 as at 30 June, 2019, could not be confirmed.

#### **4.0 Unreconciled Unutilized Funds Balance**

The summary statement of appropriation - recurrent and development combined reflects a budget under-utilization of Kshs.59,140,831 which differs with the balance of Kshs.4,099,956 reflected under Note 15.3 to the financial statements and Annex 3 by Kshs.55,040,875. The difference has not been reconciled or explained.

Consequently, the accuracy of the unutilized funds balance could not be confirmed.

#### **5.0 Project Management Committee (PMC) Bank Balances**

Notes 6 and 7 to the financial statements reflect Kshs.59,665,862 and Kshs.47,812,122 with respect to transfers to other Government entities and other grants and transfers respectively, both totaling to Kshs.107,477,984. The funds were disbursed to various PMCs of institutions for implementation of projects. Note 15.4 to the financial statements reflects Kshs.950 as the unutilized balance held in PMC bank accounts as at 30 June, 2019. However, the certificate of bank balances, cashbooks and bank reconciliation statements for the various PMC bank accounts were not provided for audit.

In the circumstances, it was not possible to ascertain the completeness, existence and accuracy of the bank balance of Kshs.950 as at 30 June, 2019.

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

### **1.0 Budgetary Performance and Controls**

The statement of appropriation – recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.187,154,886 and Kshs.132,114,011 respectively, resulting to an under-funding of Kshs.55,040,875 or 29% of the budget. Similarly, the Fund expended Kshs.128,014,055 against an approved budget of Kshs.187,154,886 resulting to an under-expenditure of Kshs.59,140,831 or 32% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Saku Constituency.

### **2.0 Unresolved Prior Year Audit Matters**

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2019. Management has not provided satisfactory reasons for the delay in resolving the issues.

### **3.0 Chairman's Report**

The Forward by the Chairman at page 4 of the annual report reflects Kshs.54,000,000 as the amount received from the National Government Constituencies Development Fund Board during the financial year 2018/2019. However, the statement of receipts and payments reflects receipts of Kshs.108,784,483 from the Board hence resulting into a material inconsistency between the Forward by the Chairman and the financial statements.

## **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**

#### **1.0 Transfers to Primary Schools**

Note 6 to the financial statements reflects an amount of Kshs.59,665,862 in respect to transfers to other government entities which includes Kshs.21,468,620 with respect

to transfers to primary schools. However, poor workmanship was noted in various projects implemented in primary schools:

### **1.1 Refurbishment of Office Block at Manyatta Jillo Primary School**

An amount of Kshs.1,299,400 was spent on refurbishment of an office block at Manyatta Jillo Primary School. However, audit inspection of the project in December 2019, revealed that the office block had already developed cracks on the floors and walls.

In the circumstances, the propriety and value for money for the expenditure of Kshs.1,299,400 could not be confirmed.

### **1.2 Construction of Classroom in Loruko Primary School**

Kshs.1,400,000 was spent on construction of a classroom at Loruko Primary School to completion. However, audit inspection of the Project in November, 2019 revealed that the classroom had cracks on floors and on the walls.

In the circumstances, the propriety and value for money for the expenditure amounting to Kshs.1,400,000 could not be confirmed.

## **2.0 Transfer to Secondary Schools**

Note 6 to the financial statements reflects an amount of Kshs.59,665,862 in respect to transfers to other government entities which includes Kshs.38,197,242 in respect to transfers to secondary schools. Audit inspection of the projects implemented at the respective secondary schools revealed the following anomalies:

### **2.1 Construction of a Dining Hall and Kitchen at Karare Mixed Secondary School**

An amount of Kshs.2,500,000 was spent on the construction of a dining hall and kitchen at Karare Mixed Secondary School. However, a review of the bill of quantities and audit inspection of the Project in November 2019, revealed that two (2) steel casement doors measuring 1200 by 2100mm at a cost of Kshs.24,000 had not been installed. Further, the supporting documents for the payment of provisional sums amounting Kshs.200,000 to the contractor were not provided for audit review.

Consequently, the propriety and value for money for the expenditure amounting to Kshs.224,000 could not be confirmed.

### **2.2 Construction of an Administration Block at Marsabit Boys Secondary School**

An administration block at Marsabit Boys Secondary School was constructed at a cost of Kshs.3,000,000. However, a review of the bill of quantities and audit inspection

done in November 2019, revealed that two (2) steel doors measuring 1200mm by 2400mm and 900mm by 2400mm at a cost Kshs.100,000 and Kshs.25,000 respectively, both totaling to Kshs.125,000 were not installed. Further, the contractor was to fix twelve (12) windows at a cost of Kshs.240,000 but only nine (9) windows at a total cost of Kshs.165,000 were fixed.

Consequently, the propriety and value for money for the expenditure of Kshs.200,000 relating to the items not fixed could not be confirmed.

### **2.3 Purchase of Beds and Construction of Classrooms at Saku High School**

The amount of Kshs.38,197,242 with respect to transfers to secondary schools includes Kshs.750,000 and Kshs.2,779,000 both totaling to Kshs.3,529,000 spent on supply of one hundred (100) double decker beds and construction of two (2) classrooms respectively, at Saku High School. However, audit inspection in November 2019, revealed that the floors of the two (2) classrooms had developed major cracks an indication of poor workmanship by the contractor. Further, the supply of one hundred (100) double decker beds to the School had been made although the construction of the dormitory where the beds were to be utilized was not complete.

In the circumstances, the propriety and value for money for the expenditure of Kshs.3,529,000 could not be confirmed.

### **3.0 Failure to Observe Thresholds for Procurement Methods**

First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 provides a threshold of Kshs.500,000 for use of the request for quotations method of procurement for Class C procuring entities including National Government Constituencies Development Funds. However, the Fund Management procured various works, goods and services using the method when the amounts involved were higher than the prescribed thresholds:

<b>Project Location</b>	<b>Project Details</b>	<b>Amount (Kshs.)</b>
Loruko Primary School	Construction of classrooms	1,400,000
County Commissioner's Office	Refurbishment of Office	1,499,360
Environment (Constituency)	Purchase of seedlings	999,000
Badasa – Jaldesa Chief's Office	Construction of Office	1,500,000

In addition, Note 7 to the financial statements, reflects expenditure of Kshs.1,000,000 with respect to sports of which Kshs.662,000 was used to purchase sports equipment in cash. However, the amount had exceeded the low value procurement threshold of Kshs.5,000 for class C procuring entities provided in the First Schedule of Public Procurement and Disposal (Amendment) Regulations, 2013. Further, the list of beneficiaries of the sports equipment and the criteria for identification of the beneficiaries were not provided for the audit.

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

#### 4.0 Construction of Badasa - Jaldesa Chief's Office

Note 7 to the financial statements reflects Kshs.47,812,122 in respect to other grants and other payments which includes Kshs.5,747,740 in respect to security of which Kshs.1,500,000 was in respect to construction of Badasa - Jaldesa Chief's Office. However, audit inspection in November, 2019, revealed that the State Department for Public Works had issued a certificate of practical completion although works totaling Kshs.161,700 (or about 11% of the total works) had not been done as follows:

<b>Details of Works not Done</b>	<b>Amount (Kshs.)</b>
Installation of rain water goods (Gutters)	66,400
Installation of door stoppers screwed to the floor	400
Supply, assemble and fix three (3) mild steel casement doors	30,000
Supply, assemble and fix a semi solid core flush door	50,000
Supply, assemble and fix one (1) standard section purpose made steel casement window	8,500
Supply and install four (4) telephone plates	6,400
<b>Total</b>	<b>161,700</b>

In the circumstances, the Fund was in breach of the Law and the value for money for the expenditure could not be confirmed.

#### 5.0 Project Implementation Status Report not Provided

Notes 6 and 7 to the financial statements reflect Kshs.59,665,862 and Kshs.47,812,122 in respect to transfers to other Government entities and other grants and other payments respectively both totalling to Kshs.107,477,984. The amounts were disbursed to various institutions for implementation of projects. However, the project implementation status report as at 30 June, 2019 was not provided for audit.

In the circumstances, it has not been possible to ascertain the implementation status of projects within the Constituency during the financial year 2018/2019.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the Management is aware of the intention to terminate the Fund or 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 Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

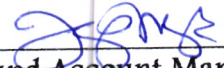
**15 October, 2021**

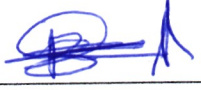
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**III. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30/06/2019**

	Note	2018 – 2019	2017 – 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	108,784,483	84,353,447
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
<b>TOTAL RECEIPTS</b>		<b>108,784,483</b>	<b>84,353,447</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,892,914	1,602,443
Use of goods and services	5	18,643,157	6,123,403
Transfers to Other Government Units	6	59,665,862	28,446,090
Other grants and transfers	7	47,812,122	30,562,588
Acquisition of Assets	8	0	0
Other Payments	9	0	0
<b>TOTAL PAYMENTS</b>		<b>128,014,055</b>	<b>66,734,524</b>
<b>SURPLUS/DEFICIT</b>		<b>(19,229,572)</b>	<b>17,618,923</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Saku Constituency financial statements were approved on 30/8 2019 and signed by:

  
**Fund Account Manager**  
**Name: Japhet N. Ngui**

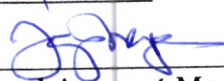
  
**Sub-County Accountant**  
**Name: Stephen Mwangi**  
**ICPAK Member Number: 16546**

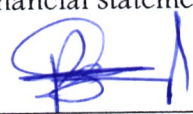
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 30/06/2019**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	4,099,956	23,329,527
Cash Balances (cash at hand)	10B	0	0
<b>Total Cash and Cash Equivalents</b>		<b>4,099,956</b>	<b>23,329,527</b>
<b>Current Receivables</b>			
Outstanding Imprests	11	0	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,099,956</b>	<b>23,329,527</b>
<b>FINANCIAL LIABILITES</b>			
<b>Accounts Payable</b>			
Retention	12A	0	0
Gratuity	12B	0	0
<b>Total Financial Liabilities</b>		<b>0</b>	<b>0</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>4,099,956</u></b>	<b><u>23,329,527</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	23,329,527	5,710,604
Surplus/Defict for the year		(19,229,572)	17,618,923
Prior year adjustments	14	0	0
<b>NET LIABILITIES</b>		<b>4,099,956</b>	<b>23,329,527</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Saku Constituency financial statements were approved on 30/8 2019 and signed by:

  
**Fund Account Manager**  
 Name: Japhet N. Ngui

  
**Sub-County Accountant**  
 Name: Stephen Mwangi  
 ICPAK Member Number: 16546

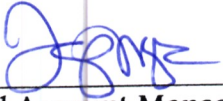
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**IV. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30/06/2019**

	Note	2018 - 2019	2017 - 2018
		Ksh	Ksh
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Transfers from CDF Board	1	108,784,483	84,353,447
Other Receipts	3	-	
<b>Total Receipts</b>		<b>108,784,483</b>	<b>84,353,447</b>
<b>Payments</b>			
Compensation of Employees	4	1,892,914	1,602,443
Use of goods and services	5	18,643,157	6,123,403
Transfers to Other Government Units	6	59,665,862	28,446,090
Other grants and transfers	7	47,812,122	30,562,588
Other Payments	9	0	0
<b>Total Payments</b>		<b>128,014,055</b>	<b>66,734,524</b>
<b>Total Receipts Less Total Payments</b>		<b>(19,229,572)</b>	<b>17,618,923</b>
<b>Adjusted for:</b>			
Outstanding Imprest	11	0	
Retention	12A	0	
Gratuity Payable	12B	0	
Prior Year adjustment	14	0	
<b>Net Adjustments</b>		<b>0</b>	<b>0</b>
<b>Net cash flow from operating activities</b>		<b>(19,229,572)</b>	<b>17,618,923</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	0	0
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(19,229,572)</b>	<b>17,618,923</b>
Cash and cash equivalent at BEGINNING of the year	13	23,329,527	5,710,604
Cash and cash equivalent at END of the year		4,099,956	23,329,527

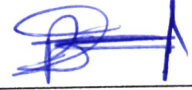
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Saku Constituency financial statements were approved on 30/8 2019 and signed by:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**



---

**Fund Account Manager**  
**Name: Japhet N. Ngui**



---

**Sub-County Accountant**  
**Name: Stephen Mwangi**  
**ICPAK Member Number:16546**

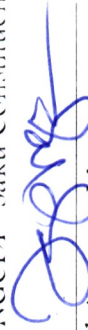
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**  
**Reports and Financial Statements For the year ended June 30, 2019**


**V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30/06/2019**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	A	B	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	78,114,010	187,154,886	132,114,011	55,040,876	71
Proceeds from Sale of Assets	0	0	0	0	0	0
Other Receipts	0	0	0	0	0	0
<b>Total Receipts</b>	<b>109,040,876</b>	<b>78,114,010</b>	<b>187,154,886</b>	<b>132,114,011</b>	<b>55,040,876</b>	<b>71</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,822,000	1,422,000	4,244,000	1,892,914	2,351,086	45
Use of goods and services	6,991,679	13,199,933	20,191,612	18,643,157	1,548,455	92
Transfers to Other Government Units	43,128,000	46,439,457	89,567,457	59,665,862	29,901,595	67
Other grants and transfers	54,399,197	17,052,620	71,451,817	47,812,122	23,639,695	67
Acquisition of Assets	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0
Allocation awaiting approval by NGCDF Board	1,700,000	0	1,700,000	0	1,700,000	0
<b>TOTALS</b>	<b>109,040,876</b>	<b>78,114,010</b>	<b>187,154,886</b>	<b>128,014,055</b>	<b>59,140,831</b>	<b>68</b>

i. The under utilization on Compensation of Employees, transfers to other Government Units and Other grants and transfers was as a result of not having received disbursements from NG-CDF Board of Ksh. 55,040,876 by 30<sup>th</sup> June 2019, which translates to one half of the allocation for the financial year,

The NGCDF- Saku Constituency financial statements were approved on 30/6/2019 2019 and signed by:

  
**Fund Account Manager**  
 Name: Japhet N. Ngui

  
**Sub-County Accountant**  
 Name: Stephen Mwangi  
 ICPAK Member Number: 1541  
**THE NATIONAL SUB-COUNTY ACCOUNTANT**  
**MARSABIT CENTRAL**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**  
**Reports and Financial Statements For the year ended June 30, 2019**

**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30/06/2019**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019 Kshs	Kshs	2018/2019 Kshs	30/06/2019 Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	2,822,000	1,422,000	4,244,000	1,892,914	2,351,086
1.2 Committee allowances	2,133,152	1,782,079	3,915,230	3,893,000	22,230
1.3 Goods and services	1,587,301	617,554	2,204,855	2,153,375	51,480
<b>Sub-total</b>	<b>6,542,453</b>	<b>3,821,633</b>	<b>10,364,085</b>	<b>7,939,289</b>	<b>2,424,796</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	900,000	700,000	1,600,000	1,200,000	400,000
2.2 Committee allowances	1,271,226	1,124,300	2,395,526	2,145,000	250,526
2.3 Goods and services	1,100,000	1,435,168	2,535,168	2,185,623	349,545
<b>Sub-total</b>	<b>3,271,226</b>	<b>3,259,468</b>	<b>6,530,694</b>	<b>5,530,623</b>	<b>1,000,071</b>
<b>3.0 Emergency</b>					
3.1 Primary Schools	5,738,993	4,168,990	9,907,983	6,666,289	3,241,694
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
3.5 Others					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**

**Reports and Financial Statements For the year ended June 30, 2019**

<b>4.0 Bursary and Social Security</b>								
4.2 Secondary Schools	15,260,203	8,215,400	23,475,603	23,414,902	60,701			
4.3 Tertiary Institutions & Universities	12,000,000	1,573,000	13,573,000	13,549,850	23,150			
<b>Sub-total</b>	<b>27,260,203</b>	<b>9,788,400</b>	<b>37,048,603</b>	<b>36,964,752</b>	<b>83,851</b>			
<b>5.0 Sports</b>	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000			
<b>6.0 Environment</b>	1,700,000	1,000,000	2,700,000	1,000,000	1,700,000			
<b>7.0 Primary Schools Projects</b>								
Loruko Primary School	1,550,000	-	1,550,000	1,550,000	0			
Ilpus Primary School	1,750,000	1,650,000	3,400,000	1,750,000	1,650,000			
Kubi Qallo Primary School	1,650,000	1,450,000	3,100,000	3,069,290	30,710			
Karare Primary School	1,650,000	610,000	2,260,000	0	2,260,000			
Manyatta Daba Primary School	1,450,000	1,797,285	3,247,285	3,247,285	0			
Lagdima Primary School	1,650,000	-	1,650,000	0	1,650,000			
Komboni Primary School	600,000	200,000	800,000	0	800,000			
St. Peters Primary School	1,000,000	280,000	1,280,000	280,000	1,000,000			
Dokatu Primary School	1,750,000	-	1,750,000	0	1,750,000			
Kituruni Primary School	-	900,000	900,000	896,500	3,500			
Hula Hula Primary School	-	120,000	120,000	120,000	-			
Manyatta Jillo Primary School	-	2,100,000	2,100,000	2,098,900	1,100			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**  
**Reports and Financial Statements For the year ended June 30, 2019**

Kiwanja Ndege Primary School	-	400,000	400,000	400,000	0
Marsabit Primary School	-	320,000	320,000	320,000	0
Songa Primary School	-	600,000	600,000	599,950	50
Parkishon Primary School	-	500,000	500,000	499,900	100
Alhidaya Primary School	-	400,000	400,000	400,000	0
Gutu Ali Primary School	-	400,000	400,000	400,000	0
Mwangaza Primary School	-	400,000	400,000	400,000	0
Goro Rukesa Primary School	-	400,000	400,000	400,000	0
Garqasa Primary School	-	400,000	400,000	400,000	0
Leyai Primary School	-	400,000	400,000	400,000	0
Hekima Primary School	-	610,000	610,000	608,910	1,090
Sakuu Primary School	-	800,000	800,000	800,000	0
Kiwanja Ndege Primary School	-	400,000	400,000	400,000	0
Badassa Primary School	-	820,000	820,000	818,500	1,500
Marsabit Primary School	-	100,000	100,000	100,000	0
SKM Primary School	-	716,207	716,207	509,900	206,307
Kubi Bagasa Primary School	-	1,000,000	1,000,000	999,485	515
<b>Sub-total</b>	<b>13,050,000</b>	<b>17,773,492</b>	<b>30,823,492</b>	<b>21,468,620</b>	<b>9,354,872</b>
<b>8.0 Secondary Schools Projects</b>					
8.1 Badasa Mixed Secondary School	3,878,000	6,310,000	10,188,000	10,074,632	113,368

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**

**Reports and Financial Statements For the year ended June 30, 2019**

8.2 Marsabit Boys Secondary School	4,000,000	750,000	4,750,000	3,749,640	1,000,360
8.3 Dakabaricha Mixed Secondary School	150,000	1,500,000	1,650,000	1,629,980	20,020
8.4 Goro Rukesa Mixed Secondary School	4,000,000	0	4,000,000	4,000,000	0
8.5 Karare Mixed Secondary School	6,200,000	1,950,000	8,150,000	2,950,000	5,200,000
8.6 Saku High School	6,150,000	2,200,000	8,350,000	7,628,350	721,650
8.7 St. Peters Mixed Secondary School	2,000,000	0	2,000,000	1,200,000	800,000
8.8 Songa Mixed Secondary School	3,700,000	0	3,700,000	0	3,700,000
Moi Girls Secondary School	-	3,565,000	3,565,000	3,565,000	0
Marsabit Mixed Secondary School	-	1,000,000	1,000,000	1,000,000	0
Sasura Girls Secondary School	-	1,000,000	1,000,000	1,000,000	0
Manyatta Jillo Sec School	-	1,400,000	1,400,000	1,399,640	360
<b>Sub-total</b>	<b>30,078,000</b>	<b>19,675,000</b>	<b>49,753,000</b>	<b>38,197,242</b>	<b>11,555,758</b>
<b>9.0 Tertiary institutions Projects</b>					
9.1 Saku Technical & Vocational college	3,100,000	0	3,100,000	0	3,100,000
<b>10.0 Security Projects</b>					
10.1 Deputy County Commissioner's Office	1,500,000	0	1,500,000	1,499,360	640
10.2 Badasa Chiefs Office	2,500,000	0	2,500,000	1,500,000	1,000,000
10.3 Songa Chiefs Office	2,500,000	0	2,500,000	0	2,500,000
10.4 Nagayo Chiefs Office	300,000	0	300,000	300,000	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**

**Reports and Financial Statements For the year ended June 30, 2019**

10.5 Jaldesa Administration Police Line	1,000,000	0	1,000,000	0	1,000,000
10.6 Leyal Police Line	1,500,000	0	1,500,000	0	1,500,000
Karare Chiefs' office	-	250,000	250,000	249,750	250
Dirr Division Assistant DCC office	-	600,000	600,000	598,780	1,220
Dirr Division Assistant DCC AF line	-	1,600,000	1,600,000	1,599,850	150
<b>Sub-total</b>	<b>9,300,000</b>	<b>2,450,000</b>	<b>11,750,000</b>	<b>5,747,740</b>	<b>6,002,260</b>
<b>11.0 Acquisition of assets</b>					
11.1 Construction of CDF office	8,000,000	7,000,000	15,000,000	0	15,000,000
<b>12.0 Others</b>					
12.1 Constituency Strategic Plan	-	3,500,000	3,500,000	3,499,500	500
12.2 Constituency Innovation Hub	-	4,677,027	4,677,027	0	4,677,027
<b>Sub-total</b>	<b>-</b>	<b>8,177,027</b>	<b>8,177,027</b>	<b>3,499,500</b>	<b>4,677,527</b>
<b>Grand total</b>	<b>109,040,876</b>	<b>78,114,010</b>	<b>187,154,886</b>	<b>128,014,055</b>	<b>59,140,831</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting Entity**

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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

**External Assistance**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

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

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

During the year ended 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law. Included in the adjustments are the unutilized funds.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

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 2019.

**14. Errors**

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

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

**15. Related Party Transactions**

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

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

	Description		2018 - 2019	2017 - 2018	
GFS CODE		AIE NO.S	Kshs	Kshs	AIE NO.S
1330407	Normal Allocation	2017/18-B0005211	54,684,483	5,500,000	A855997
		2018/19-B030210	10,000,000	40,948,275	A892812
		2018/19-B005465	12,000,000	37,905,172	A892987
		2018/19-B007464	8,000,000		
		2018/19-B42836	12,000,000		
		2018/19-B042971	12,000,000		
		2017/18-B042679	100,000		
	<b>TOTAL</b>		<b>108,784,483</b>	<b>84,353,447</b>	

**2. PROCEEDS FROM SALE OF ASSETS**

	Description	2018 - 2019	2017 - 2018
--	-------------	-------------	-------------

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

		Kshs	Kshs
3510202	Receipts from the Sale of Buildings	0	0
3510601	Receipts from the Sale of Vehicles and Transport Equipment	0	0
3510801	Receipts from the Sale Plant Machinery and Equipment	0	0
3510803	Receipts from the Sale of office and general equipment	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	Description	2018 - 2019	2017 - 2018
		Kshs	Kshs
1410107	Interest Received	0	0
1410405	Rents	0	0
1420601	Sale of tender documents	0	0
1450207	Other Receipts Not Classified Elsewhere (specify)	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

**4. COMPENSATION OF EMPLOYEES**

2110000	Description	2018-2019	2017 – 2018
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,083,841	1,286,746
2110202	Basic wages of casual labour	0	0
	<b>Personal allowances paid as part of salary</b>		
2110301	House allowance	0	0
2110314	Transport allowance	0	0
2110320	Leave allowance	0	0
2110326	Other personnel payments	0	0
2120101	Employer contribution to NSSF	0	0
2710120	Gratuity-Paid	809,073	315,697
2710120	Gratuity-Accrued	0	0
	<b>TOTAL</b>	<b>1,892,914</b>	<b>1,602,443</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2210100	Utilities, supplies and services	9,450	25,960
2210101	Electricity	0	0
2210102	Water & sewerage charges	0	0
2210104	Office rent	630,000	675,000
2210200	Communication, supplies and services	0	0
2210300	Domestic travel and subsistence	319,200	440,000
2210500	Printing, advertising and information supplies & services		0
2210600	Rentals of produced assets		0
2210700	Training expenses	0	600,000
2210800	Hospitality supplies and services	0	0
2210802	Other committee expenses	0	0
2210809	Committee allowance	6,538,000	3,116,000
2210900	Insurance costs	0	0
2211000	Specialized materials and services	0	0
2211100	Office and general supplies and services	251,523	101,198
2211200	Fuel , oil & lubricants	4,321,710	904,017
2211300	Other operating expenses	244,000	0
2211301	Bank service commission and charges	20,429	0
2211313	Security operations	0	0
2220100	Routine maintenance - vehicles and other transport equipment	2,634,095	151,728
2220200	Routine maintenance- other assets	175,250	109,500
2211310	Strategic Plan	3,499,500	0
	<b>TOTAL</b>	<b>18,643,157</b>	<b>6,123,403</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2630204	Transfers to Primary schools	21,468,620	15,167,045
2630205	Transfers to Secondary schools	38,197,242	13,279,045
2630206	Transfers to Tertiary institutions	0	0
	TIVET	0	0
	<b>TOTAL</b>	<b>59,665,862</b>	<b>28,446,090</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2640101	Bursary -Secondary	23,414,902	13,076,474
2640102	Bursary Tertiary	13,550,850	7,278,000
2640104	Bursary-Special schools	0	0
2640105	Mocks & CAT	0	0
2640507	Security	5,747,740	6,896,310
2640509	Sports	1,000,000	650,000
2640510	Environment	999,000	869,930
2640200	Emergency Projects	3,099,630	1,791,874
	<b>TOTAL</b>	<b>47,812,122</b>	<b>30,562,588</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	Non Financial Assets	2018 - 2019	2017 - 2018
		Kshs	Kshs
3110102	Purchase of Buildings	0	0
3110202	Construction of Buildings	0	0
3110302	Refurbishment of Buildings	0	0
3110701	Purchase of Vehicles	0	0
3110704	Purchase of Bicycles & Motorcycles	0	0
3110801	Overhaul of Vehicles	0	0
3111001	Purchase of Office furniture and fittings	0	0
3111002	Purchase of computers ,printers and other IT equipments	0	0
3111005	Purchase of photocopier	0	0
3111009	Purchase of other office equipments	0	0
3111112	Purchase of soft ware	0	0
3130101	Acquisition of Land	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

**9. OTHER PAYMENTS**

	2018 - 2019	2017 - 2018
	Kshs	Kshs
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

Name of Bank, Account No. & currency	Account Number	2018 - 2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Kenya Commercial Bank, Marsabit Branch	1102647977	4,099,956	23,329,527
<b>Total</b>		<b>4,099,956</b>	<b>23,329,527</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered	Balance (30/6/2018)	Balance (30/6/2017)
		Kshs	Kshs	Kshs	Kshs
None		0	0	0	0

**12A. RETENTION**

	2018 - 2019	2017-2018
	Kshs	Kshs
<b>Total</b>	0	0

**12B. STAFF GRATUITY OUTSTANDING**

	2018 - 2019	2017-2018
	Kshs	Kshs
<b>Total</b>	0	0

**13. BALANCES BROUGHT FORWARD**

	2018 - 2019	2017 - 2018
	Kshs (1//7/2018)	Kshs (1//7/2017)
Bank accounts	23,329,527	5,710,604
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>23,329,527</b>	<b>5,710,604</b>

**14. PRIOR YEAR ADJUSTMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**15. OTHER IMPORTANT DISCLOSURES**

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

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0	3400,000
Construction of civil works	0	0
Supply of goods	0	1,224,420
Supply of services	0	275,300
<b>Total</b>	<b>0</b>	<b>4,899,720</b>

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

	2018-2019	2017-2018
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SAKU CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	99,956	424,600
Use of goods and services	0	2,867,327
Amounts due to other Government entities	0	13,869,600
Amounts due to other grants and other transfers	0	6,168,000
Acquisition of assets	0	0
CDF Office	4,000,000	0
<b>Total</b>	<b>4,099,956</b>	<b>23,329,527</b>

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

	2018-2019	2017-2018
	Kshs	Kshs
Loruko Primary School PMC Account	950	0
<b>Total</b>	<b>950</b>	<b>0</b>

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>	Nil				
Sub-Total	Nil				
<b>Construction of civil works</b>	Nil				
Sub-Total	Nil				
<b>Supply of goods</b>	Nil				
Sub-Total	Nil				
<b>Supply of services</b>	Nil				
Sub-Total	Nil				
<b>Grand Total</b>	<b>Nil</b>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY**

**Reports and Financial Statements For the year ended June 30, 2019**

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

Name of Staff	Job Group	Original Amount	Date Payable Contract ed	Amount Paid To-Date	Outstand ing Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
Sub-Total		0			0	
Middle Management						
Sub-Total		0		0	0	
Unionisable Employees						
Sub-Total		0		0	0	
Others ( <i>specify</i> )		0		0	0	
Sub-Total		0		0	0	
Grand Total		0		0	0	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY**

**Reports and Financial Statements For the year ended June 30, 2019**

**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		99,956	424,600	
Use of goods & services		0	2,867,327	
Amounts due to other Government entities		0	13,869,600	
	Sub-Total	99,956	17,161,527	
Amounts due to other grants and other transfers		4,000,000	6,168,000	
	Sub-Total	4,000,000	6,168,000	
Acquisition of assets		0	0	
Others ( <i>specify</i> )		0	0	
	Sub-Total	0	0	
	Grand Total	4,099,956	23,329,527	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER AS AT 30.06.2019**

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	10,388,580	-	-	10,388,580
Office equipment, furniture and fittings	103,750	-	-	103,750
ICT Equipment, Software and Other ICT Assets	121,750	-	-	121,750
Other Machinery and Equipment	1,300	-	-	1,300
Heritage and cultural assets	-	-	-	-
<b>Total</b>	<b>10,615,380</b>	<b>-</b>	<b>-</b>	<b>10,615,380</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Comparative balances	This has since been corrected	FAM	Resolved	
2.1	<p><b>Construction of Karare Chiefs Office;-</b></p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,998,900 paid out for construction of Karare Chief's office during the year under review, but whose contract had been awarded in the previous year 2016/2017. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that even though the Office was complete and in use, electrical Installation works amounting to Kshs 158,150 and roof gutters amounting to Kshs 63,600 all totaling to Kshs. 221,750 had not been done.</p> <p>Further, there were no handover report, bank</p>	<p>The issue of electrical installation and guttering of the office was taken up with the Sub-County Works Officer who supervised the works and issued a certificate of practical completion to see to it that the works are done. Electrical installation has since been done, while the gutters are being installed.</p> <p>On handing over of the office, this was done officially on 31<sup>st</sup> May 2018 by the Member of Parliament Hon. Dido Rasso.</p> <p>Though the PMC was disbanded after completion of the project, the PMC secretary and Treasurer has</p>	FAM	Partially resolved- electrical works done	To be resolved by 30/10/19

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	statements and the project file that were availed for audit review. In the circumstances, the accuracy and value for money for the Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.	been requested to provide the project/returns/file.			
2.2	<p><b>Refurbishment of Gadamoji Division Headquarters office block and residence;-</b></p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,998,900 paid out for construction/refurbishment of Gadamoji Assistance County Commissioners office and official residence; during the year under review. Records, but whose contract made available shows that the contract was awarded through quotation. However, it was noted that the procurement method for works of Ksh. 1,998,500 was above the set limit Ksh. 500,000 for class C entities for using</p>	<p>The procurement for the works was actually done through floatation of tenders and only the summary top page was attached for the tenderer to give bid total</p> <p>The issue of putting the project into the intended use has also been taken up with the Member of Parliament and County Commissioner to ensure posting of Assistant County Commissioner. However, the buildings are occupied by Security personnel (APs)</p>	FAM/Member of Parliament/County Commissioner	Not resolved – consultations still underway to post Assistant County Commissioner, though the facility is currently occupied by security personnel as the area has become very volatile	30/12/19

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that even though the Office was complete, it is yet to be utilized for the intended purposes as it is being used as an office , classroom, store and for residential purposes for Kubi qallo Primary School which is a neighbouring school. In addition, no handing over report has been availed for audit review.</p> <p>In the circumstances, the accuracy and value for money for the Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.</p>				
2.3	<p><b>Construction of Sagante Chief's Office;-</b></p> <p>Note 7 to the financial statements reflects other grants and other</p>	<p>The procurement for the works was actually done through floatation of tenders and only the summery top page reading request to tender/quotation</p>	FAM/MP	Resolved	December 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,999,510 paid out for construction /Sagante Chief's office during the year under review. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that the Office was in use. However, the bill of quantities revealed that works totalling to Ksh.223,500 which were to be undertaken had not been done as at the time of the project verification despite certificate of completion having been issued by the Sub County Works officer in February 2018.</p>	<p>was attached for the tenderer to indicate her bid total, otherwise Bill of Quantities were attached/provided.</p> <p>The issue of works not done was taken up with the Sub-County Works Officer and the Contractor and the works have since been done.</p> <p>The handing over issue was taken up with Member of Parliament and promised to officially open the by December 2019.</p>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Further, the works contract was procured through request for quotation method which was however above the set limit of Ksh. 500,000 for class C entities for using quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013. In addition there was no handing over report of the project on completion.</p> <p>In the circumstances, the accuracy and value for money for the Kshs. 1,999,510 expenditure for the year ended 30 June 2018 could not be confirmed.</p>				
2.4	<p><b>Un-supported bursaries to Secondary and Tertiary institutions.</b> Note 7 to the financial</p>	<p>As observed by your audit team, we have had a big challenge with</p>	FAM	Resolved- the CDFC has entered into contract with	January 2020

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>statements reflects other grants and other payments of Ksh. 30,562,558 which includes Ksh. 13,076,474 and Ksh. 7,278,000 for bursaries to Secondary and Tertiary institutions respectively both totalling Ksh.20,354,474. However, no acknowledgements receipts from the institutions, names of the institutions and list of applicants were availed for audit review. In the circumstances, the accuracy and value for money for the Kshs. 20,354,474 expenditure for the year ended 30 June 2018 could not be confirmed.</p>	<p>institutions not acknowledging receipts of our bursary cheques despite our clear instruction to them through our letters dispatching the cheque to do so in writing. Despite the challenge, your Audit team confirmed all the bursary cheques sent to the various Secondary institutions audited were actually received by them and entered in the school ledgers. However, we will not relent in pursuing the beneficiary institutions to acknowledge receipt of the bursary cheques. We are also negotiating with the Postal Corporation of Kenya to be delivering our bursary cheques</p>		<p>Postal corporation to help disburse bursary cheques and get acknowledgements from institutions</p>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		to institutions and get the acknowledgements as from next year.			
3.0	<p><b>Poor workmanship at Goro Rukesa Mixed Secondary School;-</b></p> <p>Note 6 to the financial statements reflects transfers to other Government entities of Ksh. 28,446,090 which includes Ksh. 13,279,045 for transfer to Secondary Schools which further includes Ksh. 1,196,385 incurred for the construction of an Administration block at Goro Rukesa Secondary School during the year under review. The project commenced in the financial year 2016/2017 with an initial funding of Ksh. 3,000,000 which</p>	<p>The issue of poor workmanship was taken up with the County Works officer who said that the small cracks were as a result of the building settling down. The project returns were provided. The retention was not provided for as per County Works office as the project had been completed two years down the line, but CDFC was mandated to take up the matter with the contractor to amend the anomaly.</p>	CDFC/Sub county Works Officer	Resolved	November 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
 CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>together with Ksh. 1,196,385 funding during the year under review, translated to a total funding of Ksh.4,196,385. However, The project returns, completion certificates and evidence that the fund is holding 10% retention fee were not made available for audit review. In addition, although the project is said to be complete, physical inspection carried out in the month of January 2019 revealed that the block had cracks on the floor and on the walls which is an indication of poor workmanship.</p> <p>In the circumstances, the accuracy and value for money for the Kshs. 4,196,385 expenditure</p>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU  
 CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	for the year ended 30 June 2018 could not be confirmed.				



*[Faint, illegible handwritten text]*