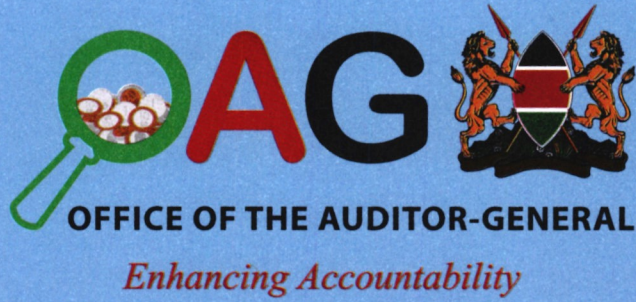


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DO 08 AUG 2023

DAY

TUESDAY

TABLED
BY:

Hon Owen Baya, MP
Deputy Leader, majority

CLERK AT
THE TABLE:

Annie Shubaki

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

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



SABATIA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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



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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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



Sabatia Constituency

National Government Constituencies Development Fund (NGCDF)

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Sabatia 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)



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

(c) Fiduciary Management

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

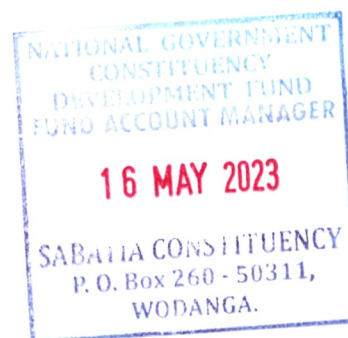
No	Designation	Name
1.	A.I.E holder	Gimonge Tom M.
2.	Sub-County Accountant	Clayton Omondi Okeyo
3.	Chairman NGCDFC	John Sagala Sabwa
4.	Member NGCDFC	Ephraim Gallo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 260-50311,
XXX Building/House/Plaza
Chavakali-Kapsabet Highway
Wodanga, KENYA



(f) Sabatia Constituency NGCDF Contacts

Telephone: (254) 722358998
E-mail: cdfsabatia@ngcdf.go.ke
Website: www.ngcdfsatia.go.ke

(g) Sabatia Constituency NGCDF Bankers

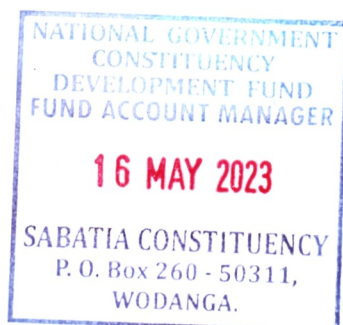
Sabatia Constituency Development Fund KCB Account
Mbale Branch
P.o Box 1102377678
Maragoli.

(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

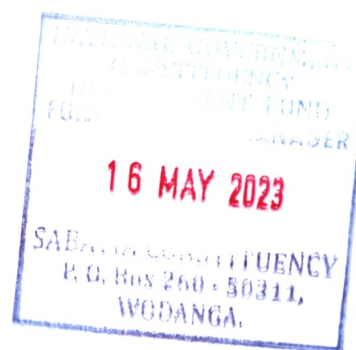


II. NG-CDFC Chairman's Report

(One to two pages)



Mr. John Sabwa Sagala
Chairman NG-CDF Sabatia



Sabatia Constituency Geographic and Climatic Background

Sabatia is one of the five constituencies in Vihiga County. It borders Vihiga constituency to the South, Emuhaya and Luanda, constituencies to the West, Hamisi to the East, and Ikolomani to the north.

The constituency has an equatorial climate with fairly distributed rainfall throughout the year. It has an average precipitation of 1900mm. Temperatures range between 14°C to 32°C with a mean of 23°C. The climate supports a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

Sabatia NG-CDF was allocated ksh.137,088,879 during the financial year 2021/2022. The constituency had a final budget of Ksh. 248,397,311 which included the original budget For the financial year 2021/2022 of Kshs. 137,088,879 plus a cashbook opening balance of Ksh. 62,969,533 as at 1st July 2021 and Ksh. 48,338,879 owed to the constituency as at 30th June 2021. The constituency spent Ksh. 201,182,673 during the year under review translating to 81%.

Sabatia Constituency Population and Density Projections

According to the 2009 National Population and Housing census, Sabatia Constituency had a population of 129,678. Currently, the constituency has a Population of 149,079(2018), and is projected to increase to 162,767 by 2022. Further, this population density is 1,344 per sq/km, and is projected to increase to 1,468 per sq/km by 2028.

Sabatia Constituency

National Government Constituencies Development Fund (NGCDF)

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

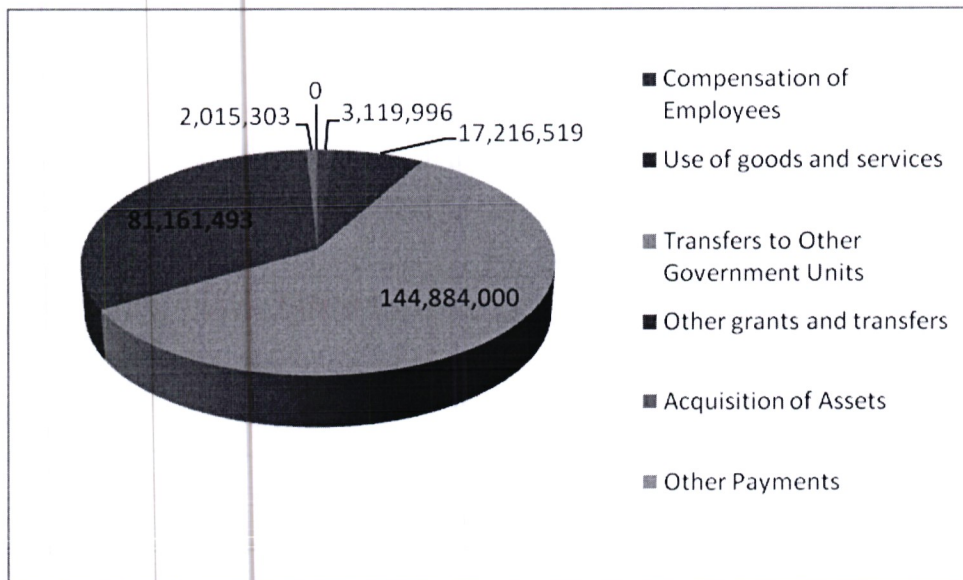
Administrative Units

CONSTITUENCY	DIVISION	NOs. LOCATION	NOs. SUB- LOCATION
SABATIA	Sabatia	3	15
	Chavakali	5	16

Summary the budget performance against actual amounts for current year 2021-2022

PAYMENTS	Final Budget	Actual on Comparable Basis
Compensation of Employees	3,119,996	3,025,292
Use of goods and services	17,216,519	17,150,021
Transfers to Other Government Units	144,884,000	112,484,000
Other grants and transfers	81,161,493	68,849,360
Acquisition of Assets	2,015,303	-
Other Payments	-	-

Table 1: Summary of budget performance against the actual amounts for the year 2021/2022



NATIONAL GOVERNMENT
 CONSTITUENCY
 DEVELOPMENT FUND
 FUND ACCOUNT MANAGER

16 MAY 2023
 SABATIA CONSTITUENCY
 P. O. Box 260 - 50311,
 WODANGA.

Figure 1: Summary of budget performance against the actual amounts for the year 2021/2022

- *During the year under review, Sabatia NG-CDF Committee held 23 meetings inclusive of sub-committees and Quarterly Monthly and evaluation*

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

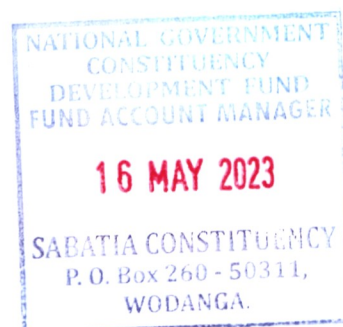
Some of the key achievements for during the financial 2021/2022



Pic. 1: Administration offices and classroom complex at Moi Girls High School - Vokoli funded by Sabatia NG-CDF



Pic. 2: Construction of Bugina Assistant Chiefs Office funded by Sabatia NG-CDF



Pic. 3: Construction one storeyed tuition block at Friends Technical Secondary School - Munoywa funded by Sabatia NG-CDF

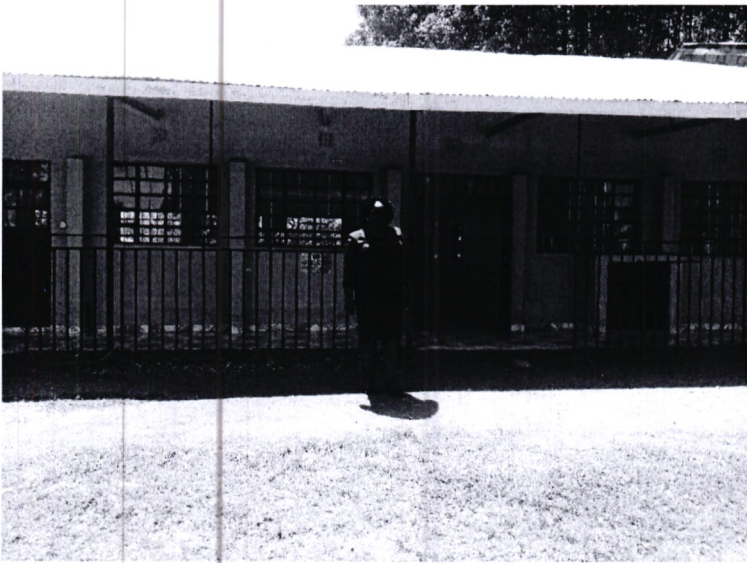


Fig. 4: Construction of science laboratory at Kegondi Secondary School funded by Sabatia NG-CDF

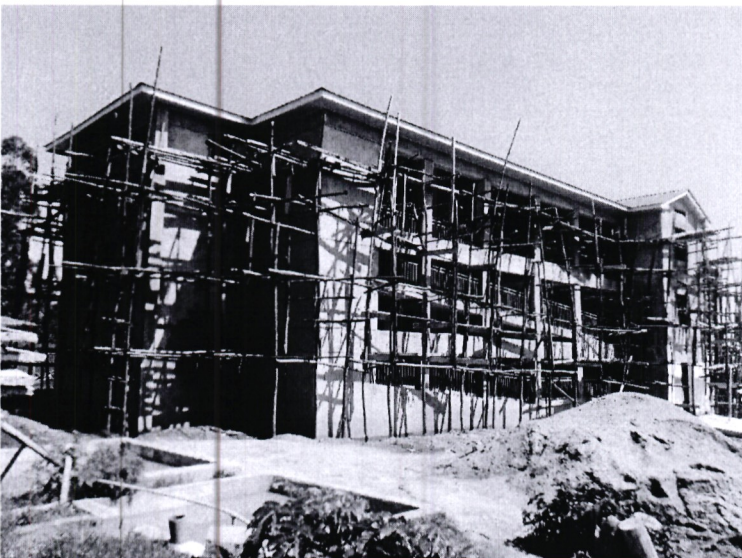


Fig. 5: Construction of 2-stoyied tution block at KMTC Vihiga - Kegondi funded by Sabatia NG-CDF

List the implementation challenges and recommended way forward.

- ❖ Shortage of technical officers from the public works to supervise the projects. The NGCDFC is in the process of hiring a qualified clerk of works to help on the same.

.....
Sign

Mr. John Sabwa Sagala
CHAIRMAN NG CDF COMMITTEE

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

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

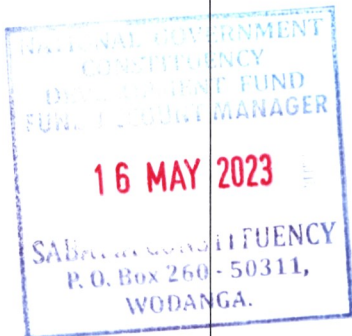
Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards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

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 2021/22 -Sabatia NG-CDF constructed 10 classrooms from 3 and also renovated 24 classrooms from 18</p> <p>The Constituency also constructed 10 laboratories during the year under review from 5</p> <p>- During the year, 13,700 secondary, 8,860 tertiary and 1,856 special school students benefitted from bursary.</p>
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office	Access to quality services	<ul style="list-style-type: none"> - number of usable physical infrastructure build 	SABATIA NG-CDFC constructed 7 chiefs' offices during the year under review



Sabatia Constituency

National Government Constituencies Development Fund (NGCDF)

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

	To have modern police stations and posts at the Constituency	Reduced crime rate	at the locational levels - Number of crimes reported	- The NGCDFC constructed Kilingili Police station houses to completion
Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of sanitary facilities constructed	During the financial year 2021-2022, Sabatia NGCDFC constructed 3 sanitary facilities
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	Sabatia NG-CDF committee held football in the month of August and December 2021
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Sabatia NGCDF committee allocated Kshs. 7M million under the emergency kitty to cater for the same

NATIONAL GOVERNMENT
CONSTITUENCY
DEVELOPMENT FUND
FUND ACCOUNT MANAGER
16 MAY 2023
SABATIA CONSTITUENCY
P. O. Box 260 - 50311,
WODANGA.

IV. Environmental and Sustainability Reporting

Sabatia 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.

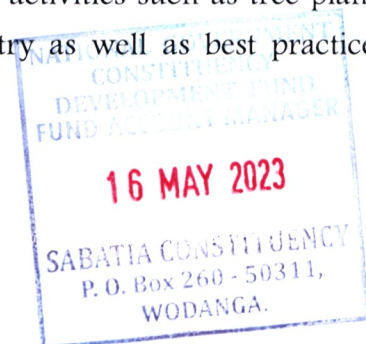
1. Sustainability strategy and profile -

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

- a. **Education and Training:** Sabatia NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

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



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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

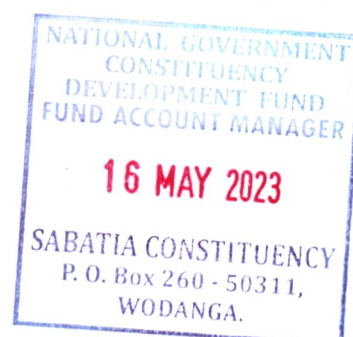
2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

We invest in providing the best working environment for our employees. Sabatia 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. Sabatia 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-

Sabatia NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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



Sabatia Constituency

National Government Constituencies Development Fund (NGCDF)

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

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.

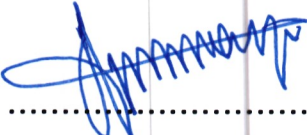
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



Name: Gimonge Tom M.

FAM



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



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-Sabatia Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Sabatia Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Sabatia 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 Sabatia Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing

Sabatia Constituency

National Government Constituencies Development Fund (NGCDF)

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

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.

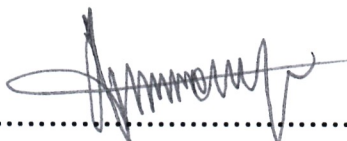
Approval of the financial statements

The NGCDF- Sabatia Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.



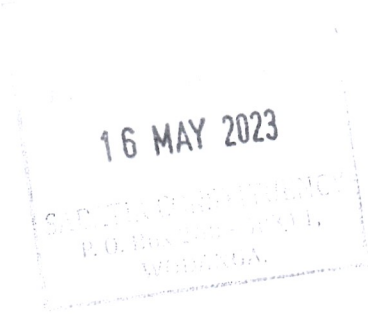
.....
Name: John Sabwa Sagala

Chairman – NGCDF Committee



.....
Name: Gimonge Tom M.

Finance Account Manager



REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that 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 - Sabatia Constituency set out on pages 1 to 39, which

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Sabatia Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

During the year under review, the Constituency Fund disbursed bursaries amounting to Kshs.10,752,770 to various secondary schools, Kshs.26,974,600 to tertiary institutions and Kshs.1,014,890 to special schools all totaling to Kshs.38,742,260. However, the following observations were made.

- (i) Review of the summary statement of appropriation revealed that an amount of Kshs.236,308,132 was received from the NG-CDF Board. However, the Fund spent an amount of Kshs.38,742,260 on bursary or equivalent to sixteen percent (16%) instead of Kshs.59,077,108 being the twenty five percent (25%) stipulated by Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016.
- (ii) Further, details on types and names of the learning institutions, bank details of the learning institutions, bursary amounts, full names of the students and their admission numbers, The County in which the learning institutions are located and receipts confirmations or acknowledgement that the bursaries were received by the respective institutions were not provided for audit review.

In the circumstances, the propriety and accountability of the expenditure of Kshs.38,742,260 could not be confirmed.

2. Unpresented Cheques

Review of records revealed stale bursary cheques amounting to Kshs.1,451,000 awarded to needy students between financial years 2019/2020 and 2021/2022. The CDF Committee minutes dated 25 July, 2022 approved cancellation and reversal in the cashbook of Kshs.740,657 while Kshs.711,000 was replaced with new cheques.

However, the list of the newly replaced cheques was not provided for audit review. There was no explanation why the Fund waited for two financial years to replace cheques that were meant for needy students.

A review of the bank reconciliation statement for the month of June, 2022 revealed un-presented cheques of Kshs.2,293,708.30 which included stale cheques totalling to Kshs.720,657.

In the circumstances, the accuracy of the financial statements 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 - Sabatia 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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis totalling Kshs.248,497,161 and Kshs.236,408,282 respectively, resulting to an underfunding of Kshs.12,088,879 (or 5%) of the budget. Similarly, the Fund spent Kshs.201,182,673 against an approved budget of Kshs.248,497,161 resulting to an under expenditure of Kshs.47,314,488 (or 19%) of the budget.

The underfunding and under expenditure affected the planned activities and impacted negatively on service delivery to the public.

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

Unsupported Emergency Projects

The statement of receipts and payments and Note 7 to the financial statements reflect other grants and transfers of Kshs.68,896,088 which includes an expenditure on emergency projects amounting Kshs.8,730,000. This amount in turn includes Kshs.5,770,000 for six emergency projects for which no proof was provided to ascertain that the emergencies related to 'urgent, unforeseen need for expenditure that could not be delayed until the next financial year without harming the public interest of the constituents' as provided for under Section 8(3) of National Government Constituencies Development Fund Act, 2015.

In addition, there was no evidence provided to confirm that the use of the emergency reserves was reported to the Board within thirty (30) days of occurrence contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

06 July, 2023

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

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

	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	173,338,879	162,617,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		173,338,879	162,617,724
PAYMENTS			
Compensation of employees	4	3,025,292	2,963,093
Use of goods and services	5	17,577,293	12,914,630
Transfers to Other Government Units	6	111,684,000	61,300,000
Other grants and transfers	7	68,896,088	33,427,404
Acquisition of Assets	8	-	11,232,500
Other Payments	9	-	-
TOTAL PAYMENTS		201,182,673	121,837,627
SURPLUS/DEFICIT		(27,843,794)	40,780,097

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

The Constituency financial statements were approved on _____ 2022 and signed by:



Fund Account Manager

Name: Gimonge Tom M.



**National Sub-County
Accountant**

Name: Clayton Omondi
ICPAK M/No: 13741



**Chairman NG-CDF
Committee**

Name: John Sabwa Sagala



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


VIII. Statement of Assets and Liabilities As At 30th June, 2022

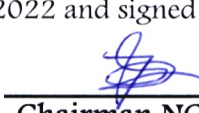
	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	35,635,609	63,069,403
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		35,635,609	63,069,403
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		35,635,609	63,069,403
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		35,635,609	63,069,403
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	63,069,403	20,374,183
Prior year adjustments	14	410,000	1,915,123
Surplus/Defict for the year		(27,843,794)	40,780,097
NET FINANCIAL POSITION		35,635,609	63,069,403

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

The Constituency financial statements were approved on _____ 2022 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Gimonge Tom M.

Name: Clayton Omondi
ICPAK M/No: 13741

Name: John Sabwa Sagala



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

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

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

The Constituency financial statements were approved on _____ 2022 and signed by:

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	173,338,879	162,617,724
Other Receipts	3	-	-
		173,338,879	162,617,724
Payments for operating activities			
Compensation of Employees	4	3,025,292	2,963,093
Use of goods and services	5	17,577,293	12,914,630
Transfers to Other Government Units	6	111,684,000	61,300,000
Other grants and transfers	7	68,896,088	33,427,404
Other Payments	9	-	-
		201,182,673	110,605,127
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	410,000	-
Prior year Adjustments	14	-	1,915,123
Net Adjustments		410,000	1,915,123
Net cash flow from operating activities		(27,433,794)	53,927,720
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	11,232,500
Net cash flows from Investing Activities		-	11,232,500
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	63,069,403	20,374,183
Cash and cash equivalent at END of the year		35,635,609	63,069,403
		-	-




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



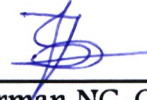
Fund Account Manager

Name: Gimonge Tom M.



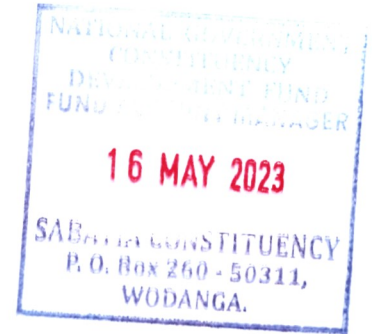
National Sub-County
Accountant

Name: Clayton Omondi
ICPAK M/No: 13741



Chairman NG-CDF
Committee

Name: John Sabwa Sagala



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

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Previous years Outstanding & Disbursements				
Transfers from NG-CDF Board	137,088,879	48,338,879	248,497,161	236,408,282	12,088,879	5.1%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTAL RECEIPTS	137,088,879	48,338,879	248,497,161	236,408,282	12,088,879	95.1%
PAYMENTS						
Compensation of Employees	2,809,855	16	3,120,012	3,025,292	94,720	97%
Use of goods and services	9,495,057	4,457,748	17,675,874	17,577,293	98,581	99%
Transfers to Other Government Units	78,934,000	38,938,879	145,372,879	111,684,000	33,688,879	77%
Other grants and transfers	43,849,967	4,942,236	80,313,093	68,896,088	11,417,005	86%
Acquisition of Assets	2,000,000	15,303	2,015,303	-	2,015,303	
Other Payments	-	-	-	-	-	
TOTAL	137,088,879	48,338,879	248,497,161	201,182,673	47,314,488	81%

o The underutilization was as a result of late disbursement of funds to the Constituency.

o The adjustment column is the opening balance of Kshs. 63,069,403 as 1st July 2021 plus the amount owing the Constituency as at 30th June 2021 of Kshs. 48,338,879 during the year under review.

NATIONAL GOVERNMENT
 CONSTITUENCY
 DEVELOPMENT FUND
 ACCOUNT MANAGER
16 MAY 2023
 SABATIA CONSTITUENCY
 P. O. Box 260 - 50311,
 WODANGA

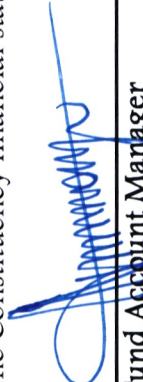
**Sabatia Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

- o The utilization difference of Kshs. 47,314,488 is the closing Cashbook balance of Kshs. 35,635,609 as at 30th June 2022 plus the amount owing the Constituency as at 30th June 2022 of Kshs. 12,088,879 less Kshs. 410,000/= retention .

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	47,314,488
Less undisbursed funds receivable from the Board as at 30th June 2022	12,088,879
Add Accounts payable	35,225,609
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	410,000.00
Cash and Cash Equivalents at the end of the FY 2021/2022	35,635,609



The Constituency financial statements were approved on _____ 2022 and signed by:


Fund Account Manager

Name: Gimonge Tom M.


National Sub-County Accountant

Name: Clayton Omondi
ICPAK M/No: 13741


Chairman NG-CDF Committee

Name: John Sabwa Sagala

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

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,809,855	310,141	16	3,120,012	3,025,292	94,720	97%
1.2 Committee allowances	3,863,655	2,167,832	1,499,794	7,531,281	7,514,300	16,981	100%
1.3 Use of goods and services	1,531,402	342,850	501,815	2,376,067	2,365,750	10,317	100%
Total	8,204,912	2,820,823	2,001,625	13,027,360	12,905,342	122,019	99%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,000,000	11,097	90,486	1,101,583	1,083,100	18,483	98%
2.2 Committee allowances	2,300,000	219,800	1,521,950	4,041,750	4,021,950	19,800	100%
2.3 Use of goods and services	800,000	981,490	843,703	2,625,193	2,592,193	33,000	99%
Total	4,100,000	1,212,387	2,456,139	7,768,526	7,697,243	71,283	99%
3.0 Emergency							
3.1 Primary Schools	7,192,207	1,593,891.00	36,509	8,822,607	8,730,000	92,607	99%
3.2 Secondary schools							
3.3 Tertiary institutions							

NATIONAL GOVERNMENT
 CONSTITUENCY
 DEVELOPMENT FUND
 ACCOUNT MANAGER

16 MAY 2023
 SABATIA CONSTITUENCY
 P. O. Box 260 - 50311,
 WONDANCA

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

Itegero Primary School.	1,000,000	-	-	1,000,000	-	1,000,000
Chatamilu Primary School.	700,000	-	-	700,000	-	700,000
Chamakanga Special School	1,500,000	-	-	1,500,000	-	1,500,000
Wasundi Primary School.	2,500,000	-	-	2,500,000	-	2,500,000
Mululu Primary School.	2,000,000	-	-	2,000,000	2,000,000	100%
Mudete Primary School.	1,200,000	-	-	1,200,000	-	1,200,000
Walodeya Primary School	800,000	-	-	800,000	800,000	100%
Chavakali Primary School.	800,000	-	-	800,000	-	800,000
Endeli Primary School	800,000	-	-	800,000	-	800,000
Hamadira Primary School.	800,000	-	-	800,000	-	800,000
Digula Primary School	800,000	-	-	800,000	-	800,000
Inyali Primary School.	800,000	-	-	800,000	-	800,000
Mutambi Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Mulundu Primary School	1,600,000	-	-	1,600,000	-	1,600,000
Mulele Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Keveye Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Lusaala Primary School.	800,000	-	-	800,000	800,000	100%
Madegwa Special School.	1,500,000	-	-	1,500,000	-	1,500,000
Selelwe Primary School	800,000	-	-	800,000	-	800,000
Mago Primary School.	800,000	-	-	800,000	-	800,000
Sabatia Primary School	800,000	-	-	800,000	-	800,000

NATIONAL GOVERNMENT
 CONSTITUENCY
 DEVELOPMENT FUND
 FUND ACCOUNT MANAGER

16 MAY 2023
 SABATIA CONSTITUENCY
 P.O. Box 260 - 50311,
 WODANGA.

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

Total	25,200,000	-	-	25,200,000	3,600,000	21,600,000	14%			
8.0 Secondary Schools Projects										
ACK Hombala Secondary School..	-	1,300,000	-	1,300,000	1,300,000	-	100%			
Bugina Secondary School	-	2,000,000	-	2,000,000	2,000,000	-	100%			
Demesi Secondary School	-	-	7,850,000	7,850,000	7,850,000	-	100%			
Digula Secondary School	-	700,000	-	700,000	700,000	-	100%			
Friends Technical Sec. Munoywa	-	-	2,000,000	2,000,000	2,000,000	-	100%			
Igunga Girls High School	-	1,500,000	-	1,500,000	1,500,000	-	100%			
Ikobero Secondary School..	1,000,000	-	-	1,000,000	1,000,000	-	100%			
Kapsambo Secondary School	1,500,000	-	-	1,500,000	3,000,000	-	100%			
St. Marks Chavogere Secondary School Chavogere	4,700,000	-	-	4,700,000	4,700,000	-	100%			
Busali Union Secondary School..	1,500,000	-	-	1,500,000	1,500,000	-	100%			
Viyalo Secondary School	2,000,000	-	-	2,000,000	2,000,000	-	100%			
Evojo PAG Secondary School.	1,000,000	-	-	1,500,000	2,500,000	-	100%			
Chamakanga Secondary School	1,500,000	-	1,500,000	3,000,000	3,000,000	-	100%			
Bukulunya Secondary School.	2,000,000	-	2,000,000	4,000,000	4,000,000	-	100%			
Kisangula Secondary School.	1,234,000	-	500,000	1,734,000	1,734,000	-	100%			
Chandumba Secondary School..	2,300,000	-	-	2,300,000	2,300,000	-	100%			
Ivona Secondary School	1,000,000	-	-	1,000,000	1,000,000	-	100%			

SABATIA CONSTITUENCY
P. O. Box 260 - 50311,
WODANGA.

16 MAY 2023

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

Kegondi Secondary School.	2,000,000	-	-	2,000,000	2,000,000	-	100%
Gathumbwa Secondary School.	1,500,000	-	1,500,000	3,000,000	3,000,000	-	100%
Gaigedi Secondary School..	2,000,000	1,500,000	1,500,000	5,000,000	5,000,000	-	100%
Jemovo Secondary School	2,000,000	-	-	2,000,000	2,000,000	-	100%
Moi Girls High School Vokoli	-	10,000,000	12,088,879	22,088,879	10,000,000	12,088,879	45%
Mukingi Secondary School	-	1,000,000	-	1,000,000	1,000,000	-	100%
Nabwani Secondary School.	1,500,000	1,500,000	-	3,000,000	3,000,000	-	100%
				-	-	-	
				-	-	-	
Total	28,734,000	22,500,000	28,938,879	80,172,879	68,084,000	12,088,879	85%
9.0 Tertiary institutions Projects				-	-	-	
Kenya Medical Training College - Vihiga..	25,000,000	5,000,000	10,000,000	40,000,000	40,000,000	-	100%
				-	-	-	
				-	-	-	
				-	-	-	
Total	25,000,000	5,000,000	10,000,000	40,000,000	40,000,000	-	100%
10.0 Security Projects				-	-	-	
Kedoli Assistant Chiefs Office	1,000,000	-	-	1,000,000	-	1,000,000	
Budaywa Assistant Chiefs Office.	1,000,000	500,000	-	1,500,000	1,500,000	-	100%
Chavakali Chiefs Office	-	600,000	-	600,000	600,000	-	100%

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Chavogere Ass. Chiefs Office	-	800,000	-	800,000	800,000	800,000	100%
Evojo Assistant Chiefs Office.	700,000	1,000,000	-	1,700,000	1,700,000	1,700,000	100%
Izava North Chiefs Office.	700,000	1,000,000	-	1,700,000	1,000,000	700,000	59%
Mukingi Assistant Chiefs Office.	500,000	1,000,000	-	1,500,000	1,500,000	-	100%
Kivagala Assistant Chiefs Office.	500,000	1,000,000	-	1,500,000	1,500,000	-	100%
Wodanga Chiefs Office.	1,300,000	-	-	1,300,000	-	1,300,000	-
Lusengeli Assistant Chiefs Office.	500,000	-	1,000,000	1,500,000	1,500,000	-	100%
Solongo Assistant Chiefs Office.	500,000	-	1,000,000	1,500,000	1,500,000	-	100%
Chavakali Police Station..	6,000,000	-	-	6,000,000	-	6,000,000	-
Kilingili Police Station	4,500,000	380,000	1,500,000	6,380,000	6,123,828	256,172	96%
Lunyere AP Camp	-	15,179	-	15,179	-	15,179	-
Total	17,200,000	6,295,179	3,500,000	26,995,179	17,723,828	9,271,351	66%
11.0 Acquisition of assets							
Sabatia NG-CDF Office	2,000,000	1,302,60	-	2,001,303	-	2,001,303	-
Purchase of Motor Vehicle	-	14,000	-	14,000	-	14,000	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	2,000,000	15,303	-	2,015,303	-	2,015,303	-
12.0 Other payments							



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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-Sabatia Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

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.

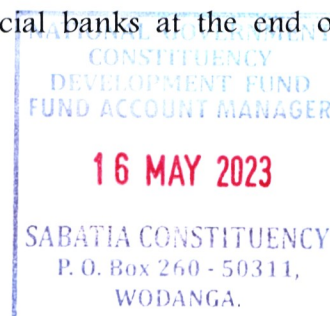
A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

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

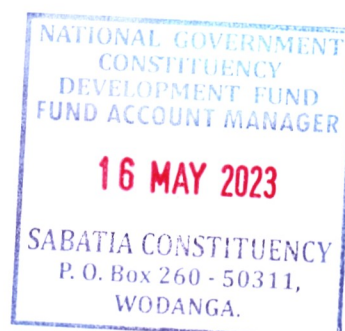
For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment 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 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

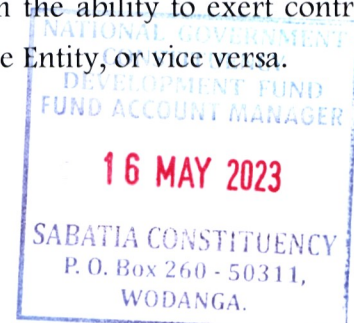
14. Errors

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

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

15. Related Party Transactions

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



Sabatia Constituency

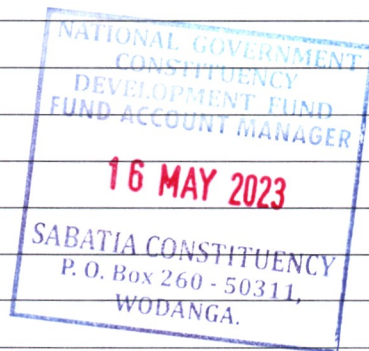
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B140820	3,250,000	-
AIE NO. B105274	33,000,000	-
AIE NO. B105692	34,000,000	-
AIE NO. B105921	30,000,000	-
AIE NO. B128688	6,000,000	-
AIE NO. B128999	12,000,000	-
AIE NO. B154195	12,000,000	-
AIE NO. B154418	18,000,000	-
AIE NO. B154475	13,388,879	-
AIE NO. A888537	11,700,000	-
AIE NO. B096895	-	4,500,000
AIE NO. B104866	-	61,117,724
AIE NO. B124657	-	9,000,000
AIE NO. B124872	-	3,000,000
AIE NO. B119633	-	8,500,000
AIE NO. B128023	-	13,000,000
AIE NO. B128265	-	6,900,000
AIE NO. B119633	-	6,000,000
AIE NO. B138989	-	13,000,000
AIE NO. B132320	-	6,000,000
AIE NO. B126281	-	7,000,000
AIE NO. B105076	-	10,600,000
AIE NO. B140720	-	12,000,000
AIE NO. B105177	-	2,000,000
	173,338,879	162,617,724



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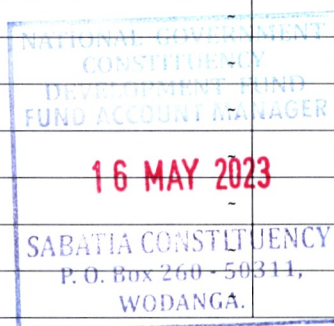
Notes to the Financial Statements (continued)

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	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	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	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	-	-
Total	-	-



4. Compensation Of Employees

Description	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,135,032	2,824,853
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	760,660	-
Employer Contributions Compulsory national social security schemes	129,600	138,240
TOTAL	3,025,292	2,963,093

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Notes to the Financial Statements (continued)

5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	64,000	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	33,040	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,083,100	1,485,000
Hospitality supplies and services	-	-
Other committee expenses	4,021,950	3,159,600
Committee allowance	7,514,300	5,699,445
Insurance costs	113,571	-
Specialized materials and services	-	-
Office and general supplies and services	4,399,250	2,570,585
Fuel , oil & lubricants	250,000	-
Other operating expenses	-	-
Bank service commission and charges	33,243	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	64,839	-
Routine maintenance- other assets	-	-
TOTAL	17,577,293	12,914,630

6. Transfer To Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	3,600,000	25,800,000
Transfers to Secondary Schools	68,084,000	35,500,000
Transfers to Tertiary Institutions	40,000,000	-
TOTAL	111,684,000	61,300,000

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Notes to the Financial Statements (continued)

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	10,752,770	14,032,500
Bursary -Tertiary (see attached list)	26,974,600	1,351,460
Bursary- Special Schools	1,014,890	1,269,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	17,723,828	104,712
Sports Projects (see attached list)	3,700,000	-
Environment Projects (see attached list)	-	11,260,000
Emergency Projects (see attached list)	8,730,000	5,409,732
TOTAL	68,896,088	33,427,404

8. Acquisition Of Assets

Non Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	1,496,500
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	9,736,000
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT 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	-	-
TOTAL		11,232,500

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9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

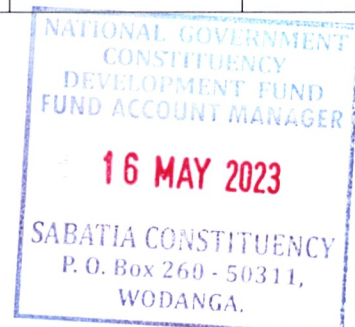
Notes to the Financial Statements (continued)

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Kenya Commercial Bank, Mbale Branch . Sabatia NG-CDF	A/C no. 1102377678	35,635,609	63,069,403
		-	-
		-	-
TOTAL		35,635,609	63,069,403
10B: CASH IN HAND)			
		2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

11: Outstanding Imprests

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



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12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1st July (A)	-	-
Retention held during the year (B)	410,000	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	410,000	-

Notes to the Financial Statements (continued)

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	760,660	-
Gratuity paid during the Year (C)	760,660	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022	2020-2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	63,069,403	20,374,183
Cash in hand		
Imprest		
TOTAL	63,069,403	20,374,183



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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	410,000	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	410,000	-
Changes in Accounts Payable E= D-E	410,000	-



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17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)		
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	94,720	3,443,892
Use of goods and services	98,581	2,089,071
Amounts due to other Government entities (see attached list)	33,688,879	70,900,000
Amounts due to other grants and other transfers (see attached list)	11,827,005	34,957,819
Acquisition of assets	2,015,303	17,500
Others (<i>specify</i>)	-	-
Funds pending approval		
	47,724,488	111,408,282

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	12,482,158	34,883,661
	12,482,158	34,883,661

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	A	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of staff salaries and gratuity	94,720	310,157	
Use of goods & services	Payment of goods and services	98,581	8,180,817	
Amounts due to other Government entities				
a) Primary Schools				
Maganyi Primary School.	Renovation of 2 classrooms	800,000	-	
Mwilitisa Primary School.	Renovation of 2 classrooms	800,000	-	
Itegero Primary School.	Renovation of 3 classrooms	1,000,000	-	
Chatamilu Primary School.	Renovation of 5 classrooms	700,000	-	
Chamakanga Special School	Construct dining hall	1,500,000	-	
Wasundi Primary School.	Purchase school land	2,500,000	-	
Mudete Primary School.	Renovation of 3 classrooms	1,200,000	-	
Chavakali Primary School.	Renovation of 2 classrooms	800,000	-	
Endeli Primary School	Renovation of 2 classrooms	800,000	-	
Hamadira Primary School.	Renovation of 2 classrooms	800,000	-	
Digula Primary School	Renovation of 2 classrooms	800,000	-	
Inyali Primary School.	Renovation of 2 classrooms	800,000	-	
Mutambi Primary School	Renovation of 3 classrooms	1,200,000	-	
Mulundu Primary School	Renovation of 4 classrooms	1,600,000	-	
Mulele Primary School	Renovation of 3 classrooms	1,200,000	-	
Keveye Primary School	Renovation of 3 classrooms	1,200,000	-	
Madegwa Special School.	Purchase land	1,500,000	-	
Selelwe Primary School	Renovation of 2 classrooms	800,000	-	
Mago Primary School.	Renovation of 2 classrooms	800,000	-	
Sabatia Primary School	Renovation of 2 classrooms	800,000	-	

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Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
b) Secondary Schools				
ACK Hombala Secondary School	Construction of 6 No. Classrooms storey building	-	1,300,000	
Bugina Secondary School	Construction of a dining Hall	-	2,000,000	
Demesi Secondary School	Purchase of a school bus	-	7,850,000	
Digula Secondary School	Renovation of 3No. classrooms	-	700,000	
Friends Technical Sec. Munoywa	Construction of 6 No. Classrooms storey building	-	2,000,000	
Igunga Girls High School	Construction of Science laboratory	-	1,500,000	
Kapsambo Secondary School	Construction of Science laboratory	-	1,500,000	
Evojo P.A.G Secondary School	Construction of assistant chief's office	-	1,500,000	
Chamakanga Secondary School	Construction of a single science laboratory	\	1,500,000	
Bukulunya Secondary School	Construction of 2 No. classrooms	-	2,000,000	
Kisangula Secondary School	Construction of a Library	-	500,000	
Gahumbwa Secondary School	Construction of a dormitory	-	1,500,000	
Gaigedi Secondary School	Construction of 6 No. Classrooms storey building	-	3,000,000	
Moi Girls High School Vokoli	Construction tuition block	12,088,879	22,088,879	
Mukingi Secondary School	Construction of a multi-purpose hall	-	1,000,000	
Nabwani Secondary School.	Construction of an Administration block.	-	1,500,000	
c) Tertiary Institutions				
Kenya Medical Training College - Vihiga..	Construction tuition block	-	15,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Sub-Total		33,688,879	66,438,879	
Amounts due to other grants and other transfers				
a) Security Projects				
Kedoli Assistant Chiefs Office	Construction of assistant chief office	1,000,000	-	
Budaywa Assistant Chiefs Office.	Purchase of 0.5 Acre Land	-	500,000	
Chavakali Chiefs Office	Construction of chiefs office	-	600,000	
Chavogere Ass. Chiefs Office	Construction of assistant chief office	-	800,000	
Evojo Assistant Chiefs Office.	Construction of assistant chief office	-	1,000,000	
Izava North Chiefs Office.	Construction of chiefs office	700,000	1,000,000	
Mukingi Assistant Chiefs Office.	Construction of assistant chief office	-	1,000,000	
Kivagala Assistant Chiefs Office.	Construction of assistant chief office	-	1,000,000	
Wodanga Chiefs Office.	Renovation of chief office	1,300,000	-	
Lusengeli Assistant Chiefs Office.	Construction of assistant chief office	-	1,000,000	
Solongo Assistant Chiefs Office.	Construction of assistant chief office	-	1,000,000	
Chavakali Police Station..	Construction of police station	6,000,000	-	
Kilingili Police Station	Construction of police station	256,172	1,880,000	
Luyererere AP Camp	Renovation of admin police houses	15,179	15,179	
b) Environment Projects				
Chavogere Primary School	Construction of exhaustible pit latrine	1,200,000	-	
Chugi Primary School	Construction of exhaustible pit latrine	1,200,000	-	
c) Sports				
	Carry out Sabatia football tournaments	7,760	1,500,000	
d) Emergency				
	To cater for unforeseen occurrences in the constituency	92,607	1,630,400	

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Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
e) Bursary				
Secondary Schools	Cater for bursary for needy and bright students in secondary schools	224	3,352,994	
Tertiary Institutions	Cater for bursary for needy and bright students in tertiary schools	55,063	20,579,663	
Special Needs	Cater for bursary for needy and bright students in special schools	-	14,890	
Sub-Total		11,827,005	36,873,126	
Acquisition of assets				
Sabatia NG-CDF Office	Construction of a generator house	2,001,303	1,303	
Purchase of Motor Vehicle	Purchase of a motor vehicle	14,000	14,000	
Others				
Sub-Total		2,015,303	15,303	
Funds pending approval				
Grand Total		47,724,488	111,818,282	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land				
Buildings and structures	21,500,000	-	-	21,500,000
Transport equipment	9,736,000	-	-	9,736,000
Office equipment, furniture and fittings	597,300	-	-	597,300
ICT Equipment, Software and Other ICT Assets	1,904,976	-	-	1,904,976
Other Machinery and Equipment	20,849	-	-	20,849
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	33,759,125	-	-	33,759,125

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Annex 5 –PMC Bank Balances As At 30th June 2022

NO.	PMC	Account number	Bank	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
1	ACK Hombala Secondary Sch AC	1134175809	KCB	13.03.2015	6,571	-
2	Bugina Secondary School - CDF	1233946714	KCB	07.06.2018	33,629	-
3	Bukulunya Secondary School - CDF	1117791130	KCB	21.04.2010	122,953	557,760
4	Busali Union Secondary School	1134180527	KCB	02.05.2012	7,646	-
5	Busweta Primary School	1126990744	KCB	10.05.2011	-	36,678
6	Chamakanga Special School	1239887434	KCB	12.10.2018	-	100,062
7	Chandumba Secondary School	1113042125	KCB	04.08.2009	163,830	-
8	Chatamilu Primary School	1208315757	KCB	05.04.2017	-	950,684
9	Chavakali Primary School	1117742709	KCB	16.04.2010	-	416,036
10	Chavogere Project Group (CPG)	1239216122	KCB	26.09.2018	19,743	-
11	Chugi Primary School	1285629329	KCB	11.05.2021	-	1,975
12	Egaloni Primary School	1285550722	KCB	07.05.201	-	28,975
13	Ellongo Primary School	1173860789	KCB	26.05.2015	-	359,925
14	Evojo PAG Secondary Sch - CDF	1183510535	KCB	02.08.2016	4,781	-
15	Evojo Sub-Location Office Project	1269903306	KCB	20.01.2020	5,269	-
16	Friends Kegondi Secondary - CDF	1237857899	KCB	29.08.2018	926	152,052
17	Friends Secondary School Ivona CDF A/C	1102323810	KCB	08.10.2008	5,031	-
18	Friends Technical Sec School CDF A/C	1122304390	KCB	18.10.2010	11,146	-
19	Gaigedi Secondary School CDF A/C	1112249796	KCB	09.06.2009	2,537	6,444
20	Givudiany Primary School	1239354606	KCB	01.10.2018	-	365,193

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NO.	PMC	Account number	Bank	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
21	Hakedohi Primary School	1136688285	KCB	24.09.2012	-	15,346
22	Hamadira Primary School	1236856082	KCB	07.08.2018	-	25,998
23	Havuyiya Primary School	1146539479	KCB	01.11.2013	-	269,163
24	Igunga Girls High School	1111725993	KCB	23.04.2009	8,074	-
25	Ikobero Secondary School	1109452160	KCB	24.10.2008	24,157	-
26	Inyali Primary School	1173377891	KCB	13.08.2015	-	7,326
27	Izava North Location Development CO	1285955382	KCB	24.05.2021	8,369	-
28	Jemovo Secondary School - CDF A/C	1109375344	KCB	21.10.2008	238,747	-
29	Keveye Girls High School	1118047230	KCB	03.05.2010	-	5,039
30	Kibaala Primary School	1109427360	KCB	18.09.2014	-	9,112
31	Kichutu AP line	1239565526	KCB	03.10.2018	4,809	23,917
32	Kisangula Secondary School -CDF	1234002493	KCB	08.06.2018	1,406	-
33	Kisatiru Primary School	1286130530	KCB	31.05.2021	-	448,855
34	Kivagala Sub-Location Group	1269772538	KCB	17.01.2020	19,033	-
35	KMTC - Vihiga PMCT	1288090951	KCB	11.08.2021	2,021,681	-
36	Lotego Primary School	1281600342	KCB	17.12.2020	-	1,849
37	Lusala Primary CDF Account	1126851531	KCB	05.05.2011	38,032	-
38	Lusengeli Sub-Location Development	1287688810	KCB	29.07.2021	5,549	-
39	Madegwa Primary School	124277522	KCB	14.06.2018	-	2,899
40	Moi Girls High School Vokoli	1156902509	KCB	22.07.2014	7,927,805	25,717,730

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NO	PMC	Account number	Bank	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
41	Moses Mudavadi Primary School	1129156311	KCB	23.07.2011	134,506	-
42	Mudungu Primary School	1121459394	KCB	14.09.2010	-	1,249
43	Mukamba Primary School	1235833119	KCB	12.07.2018	-	760,544
44	Mukunya Primary School	1127851284	KCB	07.06.2011	-	34,264
45	Munoywa Primary School	1236825608	KCB	07.08.2018	-	31,048
46	Mutsulyu Primary School	1201462525	KCB	28.10.2016	-	855
47	Nabwani Secondary School - CDF	1237506190	KCB	22.08.2018	5,468	-
48	Precious Kapsambo School - CDF	1167449010	KCB	11.02.2015	6,733	-
49	Sabatia Latrine prog Commi	1285819888	KCB	18.05.2021	-	3,701,148
50	Simboyi Primary School	1111082545	KCB	25.02.2009	-	1,778
51	Solongo Sub-Location Self Help Group	1270718827	KCB	07.02.2020	25,944	-
52	St. Mark Orthodox Secondary Chavogere	1126391077	KCB	13.04.2011	1,207,778	-
53	St. Ursulas Chamakanga Girls School - CDF	1265201528	KCB	27.09.2019	119,418	-
54	Tsimbalo Primary School	1140225634	KCB	27.02.2013	-	760,490
55	Vihindi Primary School	1135340854	KCB	13.07.2012	-	32,273
56	Viyalo Secondary School CDF Account	1202846912	KCB	29.11.2016	297,639	-
57	Wangulu Primary School	1282024825	KCB	05.01.2021	-	56,997
58	Walodeya Primary School	1292782986	KCB	24.01.2022	2,950	-
					12,482,158	34,883,661

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Annex 6: Progress On Follow Up of Auditor Recommendations

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KSM/2020-2021-1-01-0212-09/(4)	<p>Inadequacies in Cash and Cash Equivalents</p> <p>The statement of assets and liabilities reflects cash and cash equivalents of Kshs. 6,607,069 and as disclosed in Note 10A to the financial statements. However, the bank reconciliation for June 2021 which was provided for the Audit reflected unrepresented cheques amounting to Kshs. 1,690,821 which in turn included stale cheques totalling to Ksh. 163,793 which had not been written back to the cashbook. In addition, bank reconciliation included receipt in bank not in the cashbook amounting to Kshs. 104,850 which have not been explained. Further, in the same bank reconciliation there was a direct payment of Kshs. 157,483 from the bank reflected as tax paid in the reconciliation which was not supported. Although management had raised this issue with bank but as at the same time of the Audit in April 2022, the bank had not corrected the error.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 63,069,403 could not be confirmed</p>	<p>The stale cheques were later reversed and replaced in the cashbook.</p> <p>The Kshs. 104,850 is retention money amounting to Kshs. 99,850 and Kshs. 5,000 sale of tender documents which have since been captured in the cashbook and therefore cleared from the bank reconciliation statement.</p> <p>The direct payment of Kshs. 157,483 was erroneous payment by the bank from the NG-CDF account. The matter was taken up by the bank and we are awaiting the bank to take up the action by crediting back the amount to our account</p>	Resolved Resolved Not resolved	Resolved Resolved 30 th June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Budgetary control and Performance The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs. 233,245,909 and Ksh. 184,907,030 respectively resulting to an underfunding of Kshs. 48,338,879 or 21% of the budget. Similarly, the Fund expended Ksh. 121,837,627 against an approved budget of Kshs. 233,245,909 resulting to un-expenditure of Kshs. 111,408,282 or 48% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The underfunding and under-performance was as a result of late disbursement of funds to the Constituency</p>	Resolved	Resolved



 Name
 Fund Account Manager.

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