

REPORT

OF

THE AUDITOR-GENERAL

ON

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

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

THE NATIONAL ASSEMBLY

DATE: 06 JUL 2023

DAY: Thursday

TABLED BY:

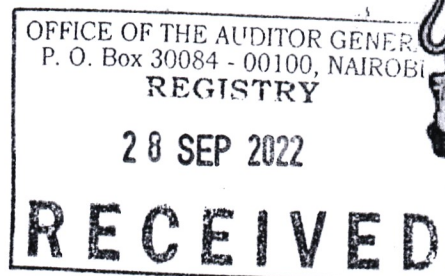
Hon. Samuel Chepkonga

CLERK AT THE TABLE:

Joyce Kempele

PARLIAMENT
OF KENYA
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Revised Template 30th June 2022



SAKU 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)

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Saku Constituency

National Government Constituencies Development Fund (NGCDF)

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

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;

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- 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 Saku 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)

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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

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

(d) Fiduciary Oversight Arrangements

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

Saku NG-CDF
P.O. Box 184-60500,
Marsabit Township, behind Kenya Commercial Bank
Marsabit, KENYA.

(f) Saku Constituency NGCDF Contacts

E-mail: sakungcdf@ngcdf.go.ke or cdfsaku@gmail.com
Website: www.ngcdf.go.ke

*Saku Constituency
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(g) Saku Constituency NGCDF Bankers

Kenya Commercial Bank
Marsabit Branch
Account No. 1102647977

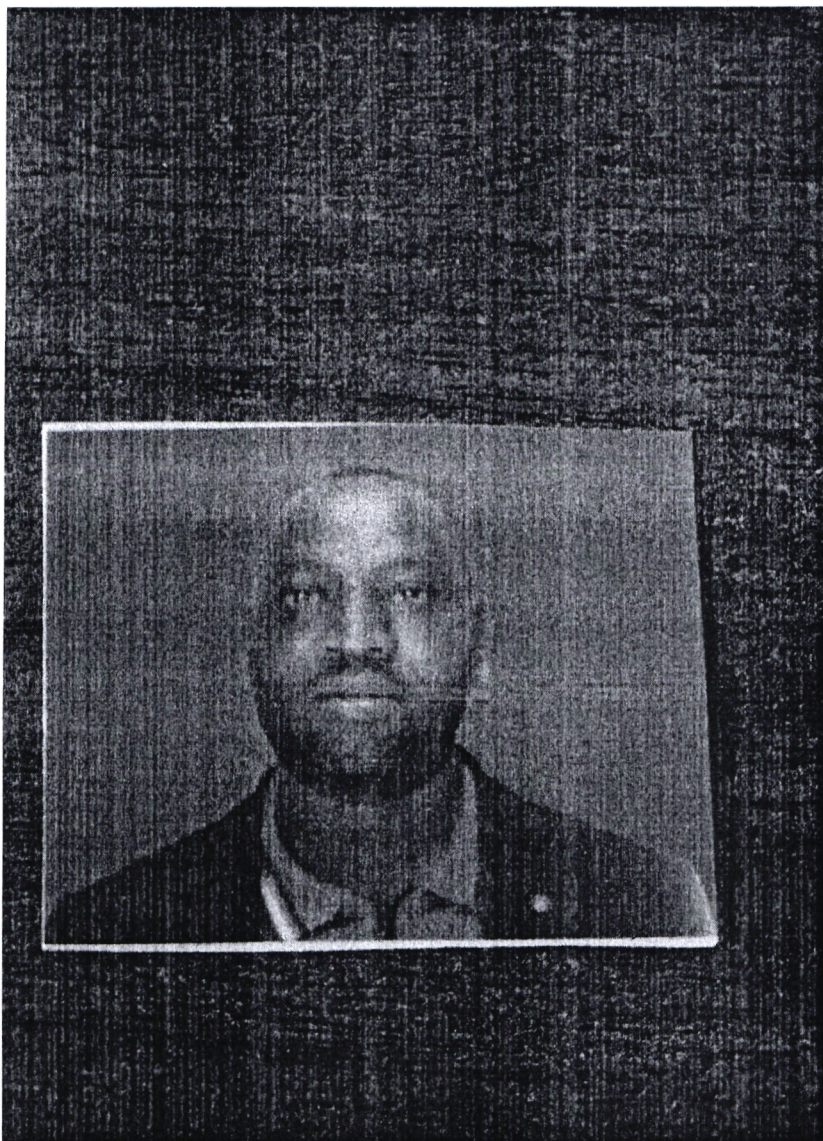
(h) Independent Auditors

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



MR. GUYO BONAYA- SAKU NGCDFC CHAIRMAN

Greetings fellow stakeholders of NG-CDFC Saku Constituency.

Let me take this opportunity to thank you all for the great support you have accorded to us during this financial year which has made us achieve a lot despite the many challenges complicated by the outbreak of COVID-19 pandemic and heightened insecurity in the County.

Despite all that, NG-CDFC Saku Constituency has made tremendous achievements since its inception in 2003 towards poverty eradication in the constituency and more so in promotion of education and security standards in this marginalised part of the country.

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I really thank my CDFC for the great support they have given me during the year in serving the constituents.

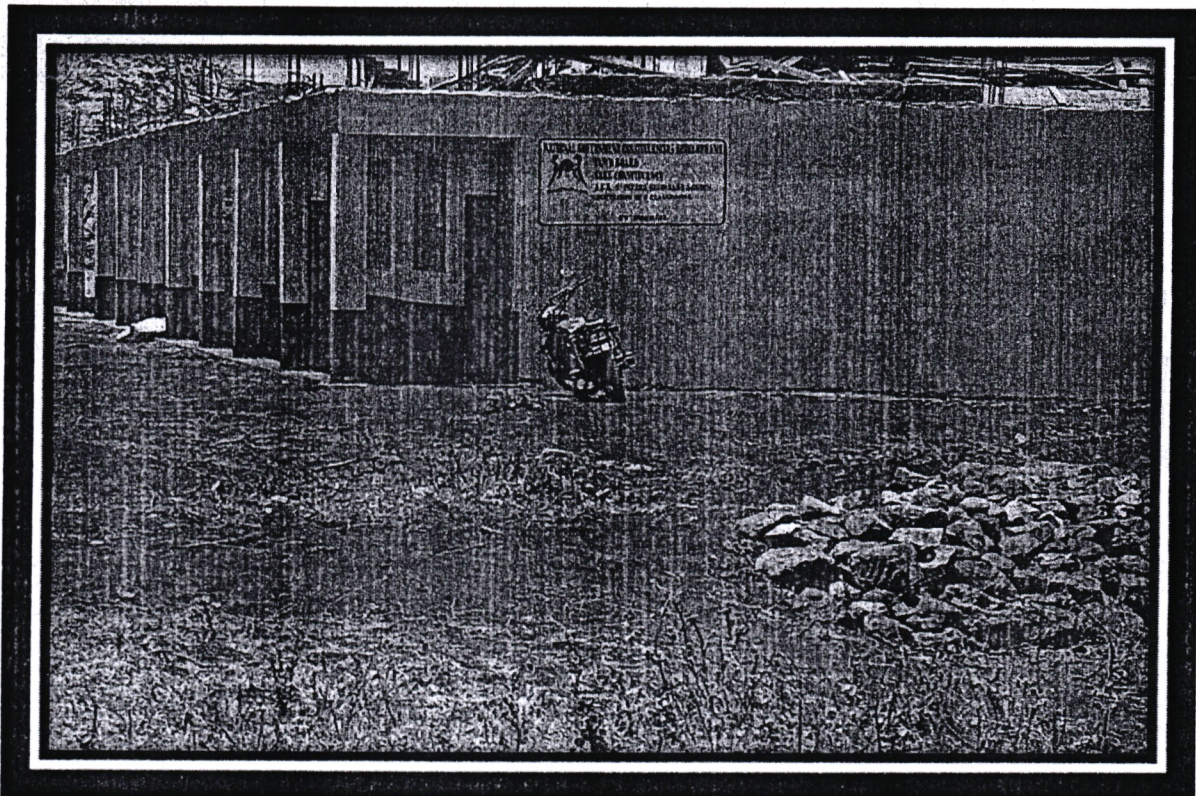
During the financial year, the Saku NG-CDF had been allocated Sh. 137,088,879, of which all of it had been received by 30th June 2022. I wish to greatly thank the NG-CDF Board and NASC for this gesture which was unlike previous years when we could even receive less than 50% of the financial years' allocation.

During the current financial year, the Saku NG-CDF received a total of Sh.170,088,879 out of which Kshs. 33,000,000 was however for the previous financial year.

Saku constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary which was allocated a budget of Ksh. 35,000,000 translating to 25% of the total annual budget.

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

The CDFC has initiated major projects in schools and Security sector like construction modern Dormitory block at Saku High and Goro Rukesa Secondary Schools, a state of the art envisaged three storey block to house three Science Laboratories, four classrooms and library at ACK St Peters' Secondary School among many others projects.



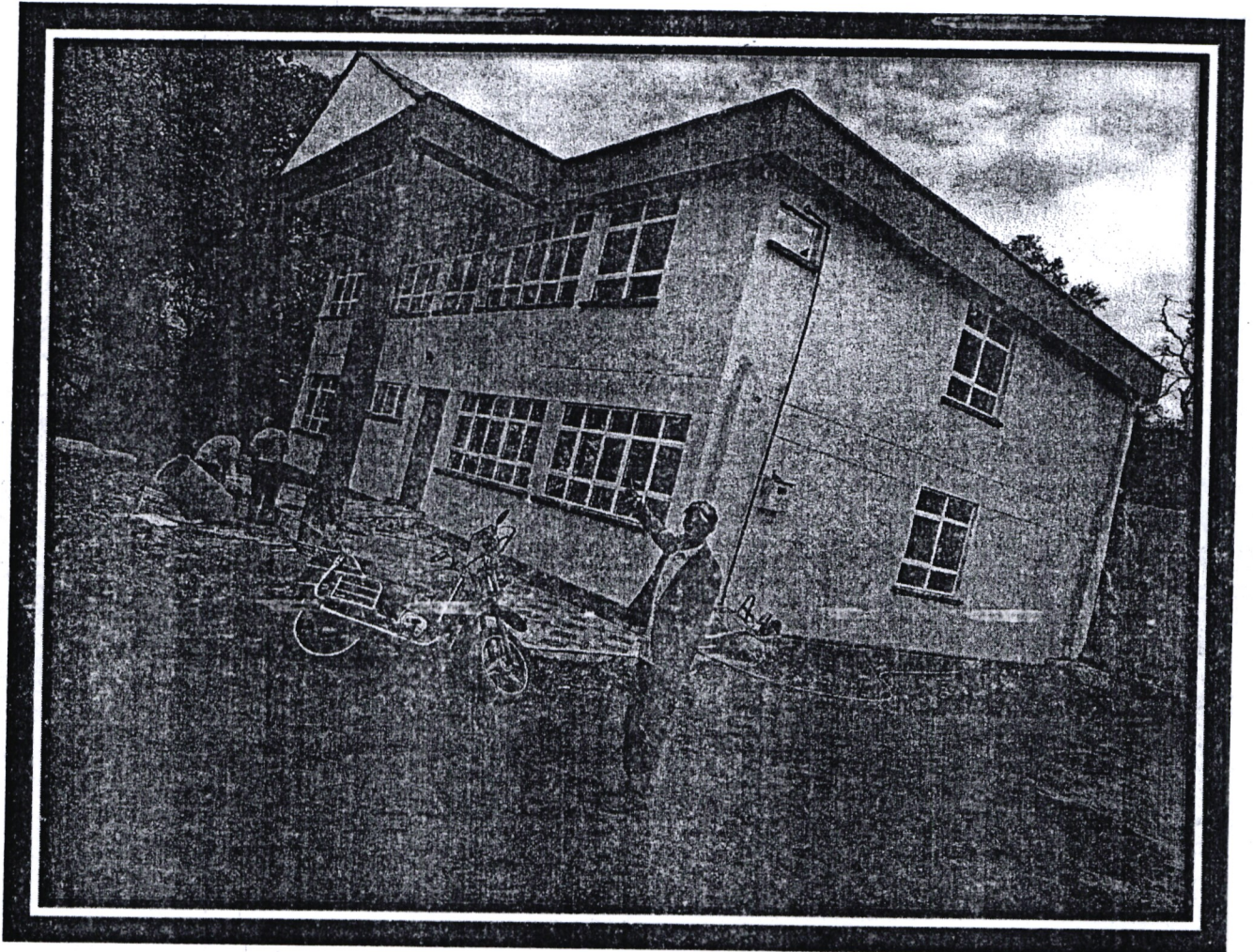
ACK St Peters' Secondary School Science Laboratory and classrooms block

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In an effort to improve on service delivery to the constituents, the NGCDFC initiated construction of a NGCDF Office complex (to accommodate both NGCDF and Member of Parliament) which is now complete and in use.



NGCDF Office complex

One of the major challenges facing the constituency is poor infrastructural facilities in most educational institutions as majority were constructed many years back. However the NGCDFC has initiated programmes to construct new and also refurbish over 10 classrooms.

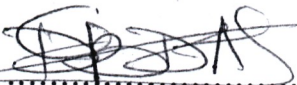
Another great challenge is in implementing/completing projects due to persistent inter-ethnic classes which has left over 60 houses burned and families displaced, many schools closed completely and others vandalised, highly affecting learning, Many projects for the financial year has not also started due high insecurity in the region which has highly affected opening of PMC bank accounts to facilitate disbursement of funds.

The NGCDFC has come handy in improving on security through construction of Police posts like Leyai, Jaldesa and Sagante and also construction a modern DCIO Office at the county head quarters.

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

Yours in service,



.....
Guyo Bonaya
CHAIRMAN- NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of NGCDF-SAKU Constituency's 2018-2023 plan are to:

- To plan for medium and long-term projects,
- To provide a strategic and clear direction in policy priority, clarity of vision, value and objectives for the fund,
- To enhance teamwork and better understanding of project formulation and project prioritization in a more transparent and efficient manner and,
- To make project supervision, monitoring and evaluation an objective exercise

IV. Progress on attainment of Strategic development objectives for FY2021/22

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 2021/2022 -we increased the number of classrooms, staff houses, dormitories, administration blocks, laboratories, dining halls, toilets etc by 30 in the following schools/institutions;- Karae, Ilpus, Kubi Qallo, Dokatu, Boru Haro, Qachacha, Primary Schools – among others; St Peters Mixed Sec, Saku High school, Goro Rukesa Mixed Secondary Schools among many others.

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				- Bursary beneficiaries at all levels increased from 3,200 to over 4,500 beneficiaries
Security	Increased security infrastructure and promote peaceful co-existence and cohesion among the communities	Improved public access to security personnel	Reduced crime rates	During the year, the CDFC initiated construction a modern Police posts, and DCIO Office, construction and furnishing of 4 Chiefs offices among other security projects
Staff	To develop staff capacity with focus on quality performance and service delivery	Increased degree of competency in provision of services to the public, low staff turnover and a motivated staff	Number of service related complaints by the Fund's stakeholders, number of staff training programmes, number of staff leaving service	During the year, the Fund carried 3 staff capacity building sessions, received 3 complaints on service delivery compared to 7 in the previous year and no staff left service
Environment	Investment in environmental conservation and management best practices	Increased access to clean water	Number of tanks installed	During the Fy 2021/22 the constituency installed 10no. 10,000 ltr tanks and and construction of abolition blocks

V. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Saku 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.

- b. 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.
- c. **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.
- d. **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.
- e. **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;-

During the year, NGCDF has constructed several pit latrines and supplied water tanks to several schools to aid in environmental conservation.

During occasions when sporting activities are taking place, the NGCDFC sends representatives to to sensitize communities on environmental conservation matters.

3. Employee welfare

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

Saku 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

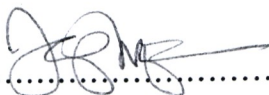
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....
Name; Japhet N. Ngui

Fund Account Manager

VI. 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-Saku Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Saku Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the 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- Saku 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.

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

Approval of the financial statements

The NGCDF- Saku Constituency financial statements were approved and signed by the Accounting Officer on 9/9/22 2022.



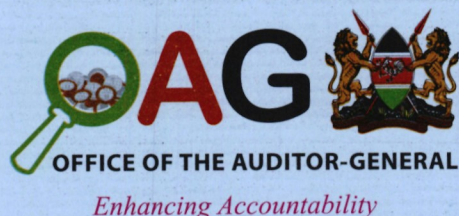
.....
Name: Guyo Bonaya
Chairman – NGCDF Committee



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

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SAKU 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 Control, 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 - Saku Constituency set out on pages 1 to 54, which

Report of the Auditor-General on National Government Constituencies Development Fund - Saku 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 of statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Use of Goods and Services

1.1 Irregularities in Fuel Expenses

The statement of receipts and payments reflects Kshs.9,832,100 in respect to use of goods and services as disclosed in Note 5 to the financial statements. Included in this amount is a payment of Kshs.1,129,134 made for supply of fuel for the Fund's motor vehicles. However, the following anomalies were observed: -

- i. No procurement file detailing the procurement process (opening, evaluation and award of the contract) was provided for audit.
- ii. The total volume of fuel requisitioned through the detail orders totalled to 1,385 liters while the volume of fuel paid for was 9,684 liters leading to an unexplained variance of 8,299 liters.
- iii. The supporting work tickets provided for audit reflects 4,255 liters of fuel drawn against the 9,684 liters paid for, resulting to an unexplained variance of 5,429 liters.
- iv. Invoices supporting payments were dated between 09 October, 2020 to 19 June, 2021 but the payment was made on 08 March 2022. However, review of the prior year financial statements reflected nil pending bills.
- v. Motor vehicles other than those belonging to the Fund (GKB 531R and GKA 992X) drew fuel amounting to 4,384 litres worth Kshs.496,124.

In the circumstances, the accuracy completeness and propriety of the expenditure of Kshs.1,129,134 for fuel could not be confirmed.

1.2 Unsupported Routine Maintenance and Repairs of Motor Vehicles

The statement of receipts and payments reflects Kshs.9,832,100 in respect to use of goods and services which includes Kshs.617,550 for maintenance and repairs of vehicles as disclosed in Note 5 to the financial statements. However, the payment was not supported by relevant documents including pre and post mechanical inspection reports, identification of the service provider, local service order and work tickets detailing motor vehicle defects to justify the expenditure.

In the circumstances, occurrence, accuracy and completeness of the expenditure of Kshs.617,550 could not be confirmed.

2. Fixed Assets

2.1 Lack of Fixed Assets Register

Annex 4 to the financial statements on summary of fixed assets reflects Kshs.57,543,726 in respect of fixed assets as at 30 June, 2022. However, no fixed assets register was provided for review. Further, the balance for assets acquired during the year was reflected at Annex 4 as Kshs.32,090,346 while Note 8 to the financial statements on acquisition of assets reflects a balance was Kshs.32,696,416 resulting to a variance of Kshs.606,070.

2.2 Lack of Ownership Documents for a Motorcycle

The statement of receipts and payments reflects acquisition of assets amount of Kshs.32,696,416 which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.606,070 in respect of a motorcycle. However, no documentary evidence (log book) was provided for review to confirm ownership.

In the circumstances, the accuracy, ownership, valuation and completeness of the fixed assets balance of Kshs.57,543,726 could not be confirmed.

3. Other Grants and Transfers

3.1 Unexplained Variance

The statement of receipts and payments reflects other grants and transfers amount of Kshs.70,115,959 which includes Kshs.18,509,070 in respect of bursary to tertiary institutions. However, the ledgers and other supporting schedules for the bursary to tertiary institutions totalled to Kshs.19,446,070 resulting to an unexplained variance of Kshs.937,000.

In the circumstances, accuracy of other grants and transfers of Kshs.70,115,959 could not be confirmed.

3.2 Unacknowledged Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers of Kshs.70,115,959 which includes Kshs.30,770,289 for bursary to secondary schools and

Kshs.18,509,070 for bursary to tertiary institutions respectively. Included in the balances were disbursements to needy students amounting to Kshs.43,752,464. However, no acknowledgement receipts or letters by the beneficiary institutions were provided for review.

In the circumstances, it has not been possible to confirm whether the intended beneficiaries received the disbursements.

4. Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents of Kshs.64,297,367 as disclosed in Note 10 to the financial statements. However, the bank reconciliation statement for 30 June, 2022 reflected un-presented cheques totalling to Kshs.17,835,385 which further included eight (8) stale cheques totalling Kshs.3,448,629. The stale cheques had not been replaced or reversed in the cash book as at 30 June, 2022 thereby understating the cash and cash equivalents balance by the same amount.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.64,297,367 could not be confirmed.

5. Non-Provision of Staff Files and Unsupported Gratuity Payments

The statement of receipts and payments reflects Kshs.5,525,723 in respect of compensation of employees which includes gratuity payments of Kshs.1,975,553 as disclosed in Note 4 to the financial statements. However, personal files for the employees were not provided for review and therefore, existence and legality of engagement of the employees could not be confirmed.

Further, a total of Kshs.1,975,553 was during the year under review paid as gratuity to members of staff whose contracts had ended. However, the payment vouchers were not supported by payment advice, staff bank accounts and there was no evidence in the bank statements that indicated that the funds were paid into the recipients' bank accounts.

In the circumstances, the accuracy of the compensation of employees' balance of Kshs.5,525,723 could not be confirmed.

6. Account Payables

Note 17.1 to the financial statements reflects a pending bill amounting to Kshs.2,507,403 due to Marsabit Toyota Kenya which has remained outstanding for over two years. Despite the Fund having unspent funds as at the closure of each financial year, Management did not explain why the payment for this service has remained outstanding for long. Management did not also provide documents to confirm authenticity of the payable amount.

In the circumstances, the authenticity, accuracy and completeness of the payable amount of Kshs.2,507,403 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The Fund's summary statement of appropriation for the year ended 30 June, 2022 reflects budgeted payments of Kshs.236,709,894 and actual payments of Kshs.160,323,648 (67.7%) resulting to an under-expenditure of Kshs.76,386,246 or 32.3% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the report on financial statements, report on lawfulness and effectiveness in use of public resources, and report on effectiveness of internal control, risk management and governance. Although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the relevant Parliamentary Committee has not met to deliberate on the same.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Un-Surrendered PMC Bank Account Balances

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank accounts balance of Kshs.1,822,818 which was held by various PMCs bank accounts at the close of the year. This is contrary to Section 12(8) of the National Government

Constituency Development Fund Act, 2015 which require that the balances should be returned to the main constituency operations bank account at the close of the year and the same be receipted as other receipts in the cash book.

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

2. Irregular Procurement Process

The Fund through Goro Ruseka Project Management Committee (PMC) procured a contractor for the construction of dormitory and purchase of beds for Goro Ruseka secondary school by request for quotations method of procurement. However, the contract price awarded amounted to Kshs.5,980,740. Under this category the allowed threshold is Kshs.5,000,000. Therefore, use of request for quotations was irregular. No explanation was given to justify why the works were not procured using open tender.

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

3. Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects Kshs.42,153,450 in respect to transfer to other Government entities which includes Kshs.18,240,000 disbursed to various institutions for implementation of various projects. However, physical verification of the projects carried out revealed the following anomalies:

3.1 Construction of Two Classroom

A total of Kshs.5,000,000 was transferred to ACK St. Peter's Mixed Day Secondary School for construction of two classrooms and staircase. However, the soffits of suspended ceiling were not fixed despite being charged Kshs.151,200 in the Bills of Quantities and electrical socket outlets and power points costing Kshs.76,500 were not fitted. Further, the payment was not supported by an Engineers estimate for project cost estimation and works completion certificate, tender opening minutes, evaluation minutes, tender award letters and Inspection and Acceptance Committee certificate as required by Regulation 35(6) of the Public Procurement and Asset Disposal Regulations, 2020. Further, the Project handing over reports required under Regulation 15(f) of the National Government Constituency Development Fund Regulations, 2016 were not provided.

3.2 Construction of a Dormitory

A total of Kshs.5,000,000 was transferred to Saku High School for construction of a dormitory. However, the paving slabs around the building were not done despite being charged at Kshs.120,000 in the Bills of Quantities. Further, there was cracks on the floor an indication of poor workmanship. In addition, the payment was also not supported by an Engineers estimate for project cost estimation and works completion certificate, tender opening minutes, evaluation minutes, tender award letters and Inspection and Acceptance Committee certificate as required by Regulation 35(6) of the Public Procurement and Asset Disposal Regulations, 2020. Further, the Project handing over

reports required under Regulation 15(f) of the National Government Constituency Development Fund Regulations, 2016 were not provided.:

3.3 Construction of a Chief's Office Block

A total of Kshs.2,500,000 was transferred Drab Gombo Chiefs' Office for construction of an office block. However, physical verification revealed that there were cracks on the floor an indication of poor workmanship.

3.4 Various Construction and Supplies at Songa Mixed Secondary School

The Fund transferred a total of Kshs.4,200,000 to Songa Mixed Secondary School for various constructions and supplies which included construction of one classroom to completion at Kshs.1,500,000, purchase of 50 students' lockers and chairs at Kshs.400,000, purchase of two 10,000 liters plastic water tank at Kshs.240,000, construction of two tank bases at Kshs.80,000, installation of fascia boards and gutters at Kshs.80,000, construction of two (2) room staff quarters block to completion at Kshs.1,400,000 and construction of one 2-door pit latrine block with one door for persons with disability to completion at Kshs.500,000. However, the lockers were not supplied despite having been paid for, one of the tanks supplied was vandalized and one door for the pit latrine was not made accessible for persons with disability.

3.5 Construction of One Classroom

The Fund transferred a total of Kshs.1,540,000 to Songa Primary School for construction of one classroom and supply of 202 metal-frame pupil's desks. However, though the classroom was constructed, it had not been put to use.

In the circumstances, it was not possible to confirm whether value for money was obtained from the expenditure incurred on the projects.

4. Execution and Handover of Projects

Note 7 to the financial statements reflects Kshs.70,115,959 in respect to other grants and transfers which includes Kshs.20,836,600 in respect to construction of various projects as shown in the table below: -

Description	Kshs.
Security Projects	12,196,840
Sports Projects	1,496,000
Environment Projects	500,000
Emergency Projects	6,643,760
Total	20,836,600

However, handover reports, detailing procurement processes, work plans and corresponding list of approved/registered suppliers as provided for in Regulation 15(a) to (f) of the National Government Constituencies Development Fund Regulations, 2016 were not provided for review.

Further, no evidence was provided to support whether the expenditure of Kshs.6,643,760 on emergency projects was reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board in compliance with Regulation 20(2) of the National Government Constituency 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion

REPORT ON EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk Management and overall governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy

The Fund has not developed risk management strategies, which include fraud prevention mechanism, risk management system and internal control that builds robust business operations.

In the absence of a risk management policy, the Fund may be exposed to disruptions that may negatively affect the achievement of its goals and objectives.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 control, 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 control may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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

30 May, 2023

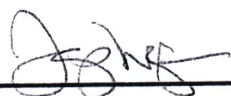
*Saku Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	170,088,879	165,567,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	5,000
Total Receipts		170,088,879	165,572,724
Payments			
Compensation Of Employees	4	5,525,723	4,493,423
Use Of Goods and Services	5	9,832,100	11,847,739
Transfers To Other Government Units	6	42,153,450	56,877,988
Other Grants and Transfers	7	70,115,959	49,296,856
Acquisition Of Assets	8	32,696,416	14,838,000
Other Payments	9	-	-
Total Payments		160,323,648	137,354,006
Surplus/(Deficit)		9,765,231	28,218,718

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 9/9 2022 and signed by:



Fund Account Manager
Name: Japhet Ngui



National Sub-County
Accountant
Name: Stephen Mwangi
ICPAK M/No: 16546



Chairman NG-CDF Committee
Name: Guyo Bonaya

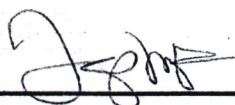
*Saku Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

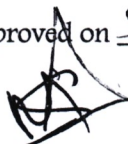
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	64,297,367	54,532,136
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		64,297,367	54,532,136
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		64,297,367	54,532,136
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		64,297,367	54,532,136
Represented By			
Fund Balance B/Fwd	13	54,532,136	24,021,896
Prior Year Adjustments	14	-	2,291,522
Surplus/Deficit for The Year		9,765,231	28,218,718
Net Financial Position		64,297,367	54,532,136

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 9/9/ 2022 and signed by:



Fund Account Manager
Name: Japhet Ngui



National Sub-County
Accountant
Name: Stephen Mwangi
ICPAK M/No: 16546



Chairman NG-CDF Committee
Name: Guyo Bonaya

Saku Constituency

National Government Constituencies Development Fund (NGCDF)

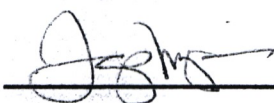
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	170,088,879	165,567,724
Other Receipts	3	-	5,000
Total Receipts		170,088,879	165,572,724
Payments			
Compensation Of Employees	4	5,525,723	4,493,423
Use Of Goods and Services	5	9,832,100	11,847,739
Transfers To Other Government Units	6	42,153,450	56,877,988
Other Grants and Transfers	7	70,115,959	49,296,856
Other Payments	9	-	-
Total Payments		127,627,232	122,516,006
Total Receipts Less Total Payments			
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	2,291,522
Net Adjustments		-	2,291,522
Net Cash Flow from Operating Activities		42,461,647	45,348,240
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(32,696,416)	(14,838,000)
Net Cash Flows from Investing Activities		(32,696,416)	(14,838,000)
Net Increase In Cash And Cash Equivalent		9,765,231	30,510,240
Cash & Cash Equivalent At Start Of The Year	10	54,532,136	24,021,896
Cash & Cash Equivalent At End Of The Year	10	64,297,367	54,532,136

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: Japhet Ngui



National Sub-County
Accountant
Name: Stephen Mwangi
ICPAK M/No: 16546



Chairman NG-CDF Committee
Name: Guyo Bonaya

Saku Constituency
National Government Constituencies Development Fund (NGCDF)
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XI. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis D	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	2021/2022	B	2021/2022				
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	54,532,136	45,088,879	224,621,015	12,088,879	94.9%		
Proceeds From Sale of Assets	-	-	-	-	-	-	-	
Other Receipts	-	-	-	-	-	-	-	
Totals	137,088,879	54,532,136	45,088,879	224,621,015	12,088,879	94.9%		
Payments								
Compensation Of Employees	5,013,480	1,338,925	480	5,525,723	827,162	87.0%		
Use Of Goods and Services	7,322,192	2,621,871	3,192	9,832,100	115,155	98.8%		
Transfers To Other Government Units	51,890,000	15,113,000	21,181,000	42,153,450	46,030,550	47.8%		
Other Grants and Transfers	59,337,207	2,775,000	17,444,207	70,115,959	9,440,455	88.1%		
Acquisition Of Assets	13,526,000	28,001,313	6,460,000	32,696,416	15,290,897	68.1%		
Other Payments-AIA Sh. 5,000	-	4,682,027	-	-	4,682,027	0.0%		
Funds Pending Approval**								
Totals	137,088,879	54,532,136	45,088,879	160,323,648	76,386,246	67.7%		

**Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.
 Explanatory Notes:-

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

- (a) The "Other payments" include an AIA of Sh. 5,000,
 (b) Included in the "Other payments" is Sh. 4,677,027 for ICT Hubs which was re-allocated Education bursary and expensed during the year,
 (c) The underutilization of Transfers To Other Government Units and Other Grants and Transfers was occasioned by delays by majority PMCs in opening bank accounts to facilitate disbursement of funds to their accounts. This was due to the high insecurity in the region curtailing human mobility in the last 2 years or so. However, most PMCs have opened the accounts and disbursements of funds ought to be done immediately after a new NGCDFC is inaugurated by October 2022,
 (d) Included in the "Acquisition Of Assets" item is an amount of Sh. 6,460,000 for purchase of NG-CDF Motor Vehicle which is yet to be received from the NGCDF Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	76,386,246
Less undisbursed funds receivable from the Board as at 30 th June 2022	12,088,879
	64,297,368
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	64,297,368

The Constituency financial statements were approved on 2/9 2022 and signed by:



**Fund Account Manager
Name: Japhet Ngui**



National Sub-County Accountant

**Name: Stephen Mwangi
ICPAK M/No: 16546**



Chairman NG-CDF Committee

Name: Guyo Bonaya

**Saku 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		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,013,480		1,289,296	480	6,303,256	5,525,723	777,533
1.2 Committee allowances	1,850,000		1,685,896		3,535,896	3,531,000	4,896
1.3 Use of goods and services	1,361,000		238,404	401,853	2,001,257	1,499,966	501,291
2.0 Monitoring and evaluation							
2.1 Capacity building	1,200,000		1,300,000		2,500,000	2,489,000	11,000
2.2 Committee allowances	1,273,592			600	1,274,192	1,183,000	91,192
2.3 Use of goods and services	1,637,600			740	1,638,340	1,129,134	509,206
3.0 Emergency	192,207		803,470		995,677	(72,757)	1,068,434
3.1 Primary Schools							
3.2 Secondary schools	4,000,000			114,207	4,114,207	3,948,680	165,527
3.3 Tertiary institutions							
3.4 Security projects	3,000,000				3,000,000	2,767,837	232,163
4.0 Bursary and Social Security							
4.1 Primary Schools							
4.2 Secondary Schools	21,600,000		6,317,027	2,914,000	30,831,027	30,770,289	60,738

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

4.3 Tertiary Institutions	18,300,000	1,200,000	19,500,000	18,509,070	990,930
4.4 Universities	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
5.0 Sports					
5.1 Sports activities	1,000,000		2,500,000	1,496,000	1,004,000
6.0 Environment					
6.1 Goro Rukesa Mixed Secondary School	400,000		400,000		400,000
6.2 Loruko Primary School	800,000	240,000	1,040,000		1,040,000
6.3 Marsabit Central Police Headquarters	500,000		500,000		500,000
6.4 Sasura Girls' Secondary School		800,000	800,000		800,000
6.5 Dakabaricha Chiefs' Office		240,000	240,000		240,000
6.6 Critical Infrastructure Police Unit (CIPU) Marsabit Central Sub-County		500,000	500,000	500,000	-
Kituruni Primary School		350,000	350,000		350,000
7.0 Primary Schools Projects					
7.1 Gar qarsa Primary school	800,000	700,000	1,500,000	1,500,000	-
7.2 Kubi Bagasa Primary school	800,000		800,000		800,000
7.3 Dirib Gombo Primiry school	1,000,000	1,165,000	2,165,000	1,165,000	1,000,000
7.4 Goro Rukesa Primary School	380,000		380,000		380,000
7.5 Mwangaza Primary School	2,100,000		2,100,000		2,100,000
7.6 St. Peters Primary School	1,000,000	700,000	1,700,000	700,000	1,000,000
7.7 Gachacha Primary School	1,200,000		1,200,000		1,200,000
7.8 Hekima Primary School	1,000,000		1,000,000		1,000,000
7.9 Al-hidaya Primary School	1,000,000		1,000,000		1,000,000
7.10 Comboni Primary School	700,000		700,000		700,000
7.11 St. John Primary School	700,000		700,000		700,000
7.12 St. Theresa Primary School	800,000		800,000		800,000

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7.13 SKM Primary School	1,440,000	200,000			1,640,000	198,800	1,441,200
7.14 Kiwanja Ndege Primary School	350,000				350,000	350,000	-
7.15 Ilpus Primary School	380,000	2,750,000	250,000		3,380,000	2,999,920	380,080
7.16 Karare Primary School	1,000,000		1,440,000		2,440,000	1,440,000	1,000,000
7.17 Songa Primary School	1,540,000				1,540,000	-	1,540,000
7.18 Parkishon Primary School	1,700,000				1,700,000	-	1,700,000
7.19 Kituruni Primary School	600,000				600,000	-	600,000
7.20 Dokatu Primary School					-	-	-
7.21 Saku Primary School			900,000		900,000	-	900,000
7.22 Kubi Qallo Primary School			1,440,000		1,440,000	1,440,000	-
7.23 Manyatta Jillo Primary school			900,000		900,000	900,000	-
7.24 Badasa primary school			750,000		750,000	-	750,000
					-	-	-
					-	-	-
8.0 Secondary Schools Projects							
8.1 St. Peters Mixed Secondary School	8,240,000	7,572,730	3,875,000		19,687,730	14,147,730	5,540,000
8.2 Songa Mixed Secondary School	4,200,000	300,000			4,500,000	300,000	4,200,000
8.3 Saku High School	3,180,000	5,000,000			8,180,000	6,000,000	2,180,000
8.4 Gadamoji High School	4,500,000	100,000	400,000		5,000,000	500,000	4,500,000
8.5 Goro Rukesa Secondary school	2,880,000		5,000,000		7,880,000	6,000,000	1,880,000
8.6 Dakabaricha Secondary school	2,700,000		400,000		3,100,000	2,700,000	400,000
8.6 Dakabaricha Secondary school			1,300,000		1,300,000	1,300,000	-
8.7 Dibayu High School	5,800,000				5,800,000		5,800,000
8.8 Sasura Girls Secondary school	1,900,000	-			1,900,000		1,900,000

**Saku Constituency
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8.9	Moi Girls secondary school				512,000	512,000				
8.10	Saku High school									
10.0 Security Projects										
10.1	County Criminal Investigation Office (CCIO)	3,000,000			1,800,000	4,800,000	-			4,800,000
10.2	Dakabaricha Chiefs' Office	815,000			2,500,000	3,315,000				815,000
10.3	Hula Hula Chiefs' Office	815,000			2,500,000	3,315,000				815,000
10.4	Qilta Chiefs' Office	815,000			2,500,000	3,315,000				3,315,000
10.5	Dirib Gombo Chiefs' Office	2,500,000				2,500,000				2,500,000
10.6	Officer Commanding Station (OCS) residence	1,600,000				1,600,000				
10.7	Songa Chiefs' Office				300,000	300,000				300,000
10.8	Leyai Police station		1,500,000			1,500,000				400
10.9	Jaldesa AP Line		1,000,000			1,000,000				1,000,000
10.10	Constituency Innovation Hub									
	Critical Infrastructure Police Unit (CIPU) Marsabit Central Sub-County				2,600,000	2,600,000				
	County Police Head Quarters Office				1,500,000	1,500,000				2,760
11.0 Acquisition of assets										
11.1	Motor Vehicles (including motorbikes)	170,000	533,313		6,460,000	7,163,313				6,557,243
11.2	Construction of CDF office	9,026,000	19,996,000			29,022,000				211,654
11.3	Purchase of furniture and equipment	2,770,000	510,000			3,280,000				
11.4	Purchase of computers	1,560,000	366,000			1,926,000				1,926,000
11.5	Purchase of land									
	Other Payments-AIA		5,000			5,000				5,000
	Funds pending approval**									

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Total	137,088,879	54,532,136	45,088,880	236,709,895	160,323,648	76,386,247
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(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash 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.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10th 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.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

	2021-2022	2020 - 2021
	Kshs	Kshs
AIE NO. B 096896		2,500,000.00
AIE NO. B 104910		1,700,000.00
AIE NO. B 124775		1,000,000.00
AIE NO. B 104948		64,367,724.10
AIE NO. B 119635		8,500,000.00
AIE NO. B 128025		12,000,000.00
AIE NO. B 128268		8,900,000.00
AIE NO. B 132028		10,000,000.00
AIA		5,000.00
AIE NO. B 132322		6,000,000.00
AIE NO. B 138991		12,000,000.00
AIE NO. B 126283		9,000,000.00
AIE NO. B 105078		12,600,000.00
AIE NO. B 105055		5,000,000.00
AIE NO. B 140722		12,000,000.00
AIE NO. B 105276	33,000,000	
AIE NO. B 105668	44,000,000	
AIE NO. B 105923	22,000,000	
AIE NO. B 128690	5,000,000	
AIE NO. B 163852	12,000,000	
AIE NO. B 154197	12,000,000	
AIE NO. B 154420	18,000,000	
AIE NO. B 154476	12,188,879	
AIE NO. B 895024	11,900,000	
	0	
	0	
	170,088,879	165,572,724

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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	-	-

Saku Constituency
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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,523,770	3,455,414
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	1,975,553	1,074,042
Employer Contributions Compulsory national social security schemes	26,400	49,200
Total	5,525,723	4,578,656

5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	9,450	9,450
Electricity	28,000	5,000
Water & sewerage charges	7,000	-
Office rent	450,000	540,000
Communication, supplies and services	-	0
Domestic travel and subsistence	409,000	0
Printing, advertising and information supplies & services	45,000	85,000
Rentals of produced assets	-	-
Training expenses	2,489,000	0
Hospitality supplies and services	-	0
Other committee expenses	37,000	188,000
Committee allowance	4,268,000	8,174,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	238,587	198,610
Fuel , oil & lubricants	1,129,134	673,569
Other operating expenses	-	0
Bank service commission and charges	104,379	0
Other Operating Expenses	-	-
Routine maintenance - vehicles and other transport equipment	617,550	1,974,110
Routine maintenance- other assets	-	0
TOTAL	9,832,100	11,847,739

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	10,693,720	28,407,005
Transfers To Secondary Schools (See Attached List)	31,459,730	26,470,983
Transfers To Tertiary Institutions (See Attached List)	-	2,000,000
Total	42,153,450	56,877,988

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,770,289	19,016,582
Bursary – tertiary institutions (see attached list)	18,509,070	21,125,800
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	12,196,840	5,373,478
Sports projects (see attached list)	1,496,000	-
Environment projects (see attached list)	500,000	1,379,065
Emergency projects (see attached list)	6,643,760	2,401,931
Total	70,115,959	49,296,856

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	28,810,346	14,700,000
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment	606,070	
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment	3,280,000	
Purchase of ICT Equipment, Software and Other ICT Assets		138,000
Purchase of Specialized Plant, Equipment and Machinery		
Acquisition of Land		
Total	32,696,416	14,838,000

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Notes To the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	64,297,367	54,532,136
<i>Kenya Commercial Bank, Marsabit Branch Account No. 1102647977</i>		
Total	64,297,367	54,532,136
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Total		-	-	-

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

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Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

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

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	54,532,136	24,021,896
Cash in hand	-	-
Imprest	-	-
Total	54,532,136	24,021,896

[Provide short appropriate explanations as necessary]

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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)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

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Notes to the Financial Statements (Continued)

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	2,507,403	2,507,403
Total	2,507,403	2,507,403

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff		988,809
Others (<i>specify</i>)		-
Total	-	988,809

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,909,534	2,238,925
Use of goods and services	894,054	1,720,936
Amounts due to other Government entities (see attached list)	43,340,000	39,002,699
Amounts due to other grants and other transfers (see attached list)	16,553,853	21,683,592
Acquisition of assets	1,594,926	28,001,313
Other Payments		4,677,027
Funds pending approval-AIA	5,000	5,000
Total	64,297,367	97,329,492

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	1,822,818	1,380
Total	1,822,818	1,380

Saku Constituency

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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	Outstanding Balance 2021	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						
10. Marsabit Toyota Kenya	2,507,403	0	0	2,507,403	2,507,403	The debt was incurred for major repairs and service of two NGCDF Motor vehicles
8.						

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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	Outstanding Balance	Comments
		2021/2022	2020/2021	
Compensation of employees				
Use of goods & services		1,909,534		
		894,054		
Amounts due to other Government entities				
Primary School Projects				
Kubi Bagasa Primary school				
Dirib Gombó Primary school		800,000		
Goro Rukesa Primary School		1,000,000		
Mwangaza Primary School		380,000		
St. Peters Primary School		2,100,000		
Gachacha Primary School		1,000,000		
Hekima Primary School		1,200,000		
Al-hidaya Primary School		1,000,000		
Comboni Primary School		1,000,000		
		700,000		

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St. John Primary School			700,000	
St. Theresa Primary School			800,000	
SKM Primary School			1,440,000	
Ilpus Primary School			380,000	
Karare Primary School			1,000,000	
Songa Primary School			1,540,000	
Parkishon Primary School			1,700,000	
Kituruni Primary School			600,000	
Sub-total			17,340,000	
Secondary School projects				
St. Peters Mixed Secondary School			5,540,000	
Songa Mixed Secondary School			4,200,000	
Saku High School			2,180,000	
Gadamoji High School			4,500,000	
Goro Rukesa Secondary school			1,880,000	
Dibayu High School			5,800,000	

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Sasura Girls Secondary school			1,900,000	
Sub-total			26,000,000	
Emergency Reserve			1,693,367	
Sub-total			1,693,367	
Constituency Sports Tournaments			1,004,000	
Sub-total			1,004,000	
Education Bursary				
Bursary Secondary Schools			306,486	
Bursary Tertiary Institutions			1,000,000	
Sub-total			1,306,486	
Environmental projects				
Loruko Primary School			240,000	
Sasura Girls' Secondary School			800,000	
Dakabaricha Chiefs' Office			240,000	
Kituruni Primary School			350,000	
Goro Rukesa Mixed Secondary School				

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Loruko Primary School	400,000		
Marsabit Central Police Headquarters	800,000		
Sub-total	500,000		
Security projects	3,330,000		
Jaldesa AP Line			
Songa Chiefs' Office	1,000,000		
County Criminal Investigation Office (CCIO)	275,000		
Dakabaricha Chiefs' Office	3,000,000		
Hula Hula Chiefs' Office	815,000		
Qilta Chiefs' Office	815,000		
Dirib Gombo Chiefs' Office	815,000		
Sub-total	2,500,000		
Acquisition of assets and CDF Office	9,220,000		
NG-CDF Office			
Sub-total	1,594,926		
Others- Funds pending approval - AIA	1,594,926		
	5,000		

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Sub-total					
GRANT TOTAL		5,000			
Compensation of employees					2,238,925
Use of goods & services		64,297,367			1,720,936
Amounts due to other Government entities					
7.0 Primary Schools Projects					
Ilpus Primary School					250,000
Ilpus Primary School					2,750,000
Dirib Gombo Primary school					1,168,000
Kubi Qallo Primary School					1,440,000
Dokatu Primary School					1,200,000
Dokatu Primary School					2,914,000
Loruko Primary School					550
St. Peters Primary School					700,000
Manyatta Jillo Primary school					900,000
Garqasa Primary school					700,000
Badasa primary school					750,000
Goro Rukesa Primary School					43,710
Goro Rukesa Primary School					1,950
Karare Primary School					1,440,000
Saku Primary School					900,000
Lagdima Primary School					150,000
Jaldesa Primary School					400
Marsabit Primary School					80
Marsabit Primary School					350

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Marsabit Primary School				330
Kubi Qallo Primary School				100
Kubi Qallo Primary School				200
Dirib Gombo Primary School				1,070
Dirib Gombo Primary School				6,000
Goro Rukesa Primary School				10
Boru Haro Primary School				30
Kituruni Primary School				170
Parkishon Primary School				1,310
Qachacha Primary School				370
Gar Qarsa Primary School				5
Karare Primary School				500
Mwangaza Primary School				580
Hula Hula Primary School				1,000
Saku Primary School				330
Badasa Primary School				500
Karare Primary School				610,000
SKM Primary School				137
Sub-total				15,931,682
8.0 Secondary Schools Projects				
St. Peters Mixed Secondary School				10,350,000
St. Peters Mixed Secondary School				560
Songa Mixed Secondary School				900
Songa Mixed Secondary School				300
Songa Mixed Secondary School				800
Songa Mixed Secondary School				600

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Saku High School			145
Saku High School			5,000,000
Moi Girls secondary school			600
Moi Girls secondary school			510
Moi Girls secondary school			512,000
Gadamoji High School			500,000
Goro Rukesa Sec school			100
Goro Rukesa Sec school			5,000,000
Dakabaricha Secondary school			850
Dakabaricha Secondary school			700
Dakabaricha Secondary school			1,700,000
Karare Mixed Secondary school			740
Karare Mixed Secondary school			112
Karare Mixed Secondary school			1,000
Badassa Mixed Secondary School			100
Marsabit Boys Secondary School			1,000
Total			23,071,017
Sub-Total			39,002,699
Amounts due to other grants and other transfers			
10.0 Security Projects			
Government of Kenya Prisons-Marsabit			2,040
Critical Infrastructure Police Unit (CIPU) Marsabit Central Sub-County			2,600,000
Dakabaricha Chiefs' Office			2,500,000
Hula Hula Chiefs' Office			2,500,000
Qilta Chiefs' Office			2,500,000

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Songa Chiefs' Office			300,000
County Criminal Investigation Office (CCIO)			1,800,000
County Police Head Quarters Office			1,500,000
Leyai Police station			1,500,000
Jaldesa AP Line			1,000,000
Sagante AP Line			200
Sagante AP Line			700
Sagante Chief's Office			760
Sub-County Education Office			1,820
Badasa Chief's Office			2
Badasa Chief's Office			1,000
Total			16,206,522
11.0 Acquisition of assets			
11.1 NGCDFC Motor Vehicles and Motor bike			6,993,313
11.2 Construction of CDF office			21,008,000
Total			28,001,313
12.0 Other projects			
Constituency Innovation Hub			4,677,027
Unapproved projects-AIA			5,000
Sub-Total			
Grand Total			97,329,492

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)	2020/2021			(Kshs)	2021/2022
Land						
Buildings and structures	14,700,000		28,810,346		43,510,346	
Transport equipment	10,388,580		0	0		
Office equipment, furniture and fittings	103,750			0	10,388,580.00	
ICT Equipment, Software and Other ICT Assets	259,750		3,280,000	0	3,383,750.00	
Other Machinery and Equipment	1,300		0	0	259,750.00	
	0		0	0	1,300.00	
Heritage and cultural assets	0		0	0	-	
Intangible assets	0		0	0	-	
Total	25,453,380		32,090,346	0	57,543,726	

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

PMC	Bank	Account number	Bank Balance 2021/2022	Bank Balance 2020/2021
ACK St. Peters Mixed Secondary School	KCB	128251394	304,598	
CIPU NGCDF Project Management Committee	Equity	1010281367941	22,232	
Dakabaricha Chiefs' Office	KCB	1287971997	246,070	
Dakabaricha Secondary school	KCB	1240119739	879,510	
Gadamoji High School	Equity	1010281255279	24,844	
Hekima Primary School	KCB	1297600703	349	
Kiwanja Ndege Primary School	KCB	12912838651	55	
Kubi Qallo Primary School	KCB	1290892393	139,849	
Kubi Bagasa Primary school	Equity	1010282507580	487	
Leyai CDF Project	KCB	1274957559	150,804	
Loruko Primary School	KCB	1257846566	710	
Mwangaza Primary School	Equity	1010282696829	1,000	
Goro Rukesa Sec school	Equity	1010281410975	50,915	
Saku High School	Equity	1010281191870	840	

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Sasura Girls Secondary school	Equity	1150536772	405
St. John Primary School	KCB	1297775856	150
Total			1,822,818

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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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Comparative balances	This has since been corrected	FAM	Resolved	
2.1	Construction of Karare Chiefs Office;- Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,998,900 paid out for construction of Karare Chief's office during the year under review, but whose contract	The issue of electrical and guttering of the office was taken up with the Sub-County Works Officer who supervised the works and issued a certificate of practical completion to see to it that the works are done. Electrical installation has since been done, while the gutters are being installed. On handing over of the office, this was done officially on 31 st May 2018 by the Member of Parliament Hon. Dido Rasso. Though the PMC was	FAM	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>had been awarded in the previous year 2016/2017. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that even though the Office was complete and in use, electrical Installation works amounting to Kshs 158,150 and roof gutters amounting to Kshs 63,600 all totaling to Kshs. 221,750 had not been done. Further, there were no handover report, bank statements and the project file that were availed for audit review. In the circumstances,</p>	<p>disbanded after completion of the project, the PMC secretary and Treasurer has been requested to provide the project/returns/file.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the accuracy and value for money for the Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.				
2.2	<p>Refurbishment of Gadamoji Division Headquarters office block and residence;-</p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,998,900 paid out for</p>	<p>The procurement for the works was actually done through floatation of tenders and only the summary top page was attached for the tenderer to give bid total</p> <p>The issue of putting the project into the intended use has also been taken up with the Member of Parliament and County Commissioner to ensure posting of Assistant County Commissioner. However, the buildings are occupied by Security personnel (APs)</p>	FAM/Member of Parliament/ County Commissioner	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>construction/ refurbishment of Gadamoji Assistance County Commissioners office and official residence; during the year under review. Records, but whose contract made available shows that the contract was awarded through quotation. However, it was noted that the procurement method for works of Ksh. 1,998,500 was above the set limit Ksh. 500,000 for class C entities for using quotations contrary to the first schedule threshold matrix annexed to the Public</p>				

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Procurement and Disposal (Amendment) regulations 2013. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that even though the Office was complete, it is yet to be utilized for the intended purposes as it is being used as an office , classroom, store and for residential purposes for Kubi qallo Primary School which is a neighbouring school. In addition, no handing over report has been availed for audit review.</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and value for money for the Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.				
2.3	Construction of Sagante Chief's Office;- Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh.	The procurement for the works was actually done through floatation of tenders and only the summary top page reading request to tender/quotation was attached for the tenderer to indicate her bid total, otherwise Bill of Quantities were attached/provided. The issue of works not done was taken up with the Sub-County Works Officer and the Contractor and the works have since been	FAM/MP	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>6,896,310 in respect to security which includes Kshs 1,999,510 paid out for construction /Sagante Chief's office during the year under review. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that the Office was in use. However, the bill of quantities</p>	<p>done. The handing over issue was taken up with Member of Parliament and promised to officially open the by December 2019.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>revealed that works totalling to Ksh.223,500 which were to be undertaken had not been done as at the time of the project verification despite certificate of completion having been issued by the Sub County Works officer in February 2018.</p> <p>Further, the works contract was procured through request for quotation method</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>which was however above the set limit of Ksh. 500,000 for class C entities for using quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013. In addition there was no handing over report of the project on completion.</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and value for money for the Kshs. 1,999,510 expenditure for the year ended 30 June 2018 could not be confirmed.				
2.4	Un-supported bursaries to Secondary and Tertiary institutions. Note 7 to the financial statements reflects other grants and other payments of Ksh. 30,562,558 which includes Ksh. 13,076,474 and Ksh. 7,278,000 for	As observed by your audit team, we have had a big challenge with institutions not acknowledging receipts of our bursary cheques despite our clear instruction to them through our letters dispatching the cheque to do so in writing. Despite the challenge, your Audit team confirmed all the bursary cheques sent to	FAM	Not resolved	September 2021

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	<p>bursaries to Secondary and Tertiary institutions respectively both totalling Ksh.20,354,474. However, no acknowledgements receipts from the institutions, names of the institutions and list of applicants were availed for audit review. In the circumstances, the accuracy and value for money for the Kshs. 20,354,474 expenditure for the year ended 30 June 2018 could not be confirmed.</p>	<p>the various Secondary institutions audited were actually received by them and entered in the school ledgers. However, we will not relent in pursuing the beneficiary institutions to acknowledge receipt of the bursary cheques. We are also negotiating with the Postal Corporation of Kenya to be delivering our bursary cheques to institutions and get the acknowledgements as from next year.</p>			
3.0	<p>Poor workmanship at Goro Rukesa Mixed Secondary School;-</p>	<p>The issue of poor workmanship was taken up with the County Works officer who said</p>	<p>CDFC/Sub county Works Officer</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Note 6 to the financial statements reflects transfers to other Government entities of Ksh. 28,446,090 which includes Ksh. 13,279,045 for transfer to Secondary Schools which further includes Ksh. 1,196,385 incurred for the construction of an Administration block at Goro Rukesa Secondary</p>	<p>that the small cracks were as a result of the building settling down. The project returns were provided. The retention was not provided for as per County Works office as the project had been completed two years down the line, but CDFC was mandated to take up the matter with the contractor to amend the anomaly.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>School during the year under review. The project commenced in the financial year 2016/2017 with an initial funding of Ksh. 3,000,000 which together with Ksh. 1,196,385 funding during the year under review, translated to a total funding of Ksh.4,196,385. However. The project returns, completion</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>certificates and evidence that the fund is holding 10% retention fee were not made available for audit review. In addition, although the project is said to be complete, physical inspection carried out in the month of January 2019 revealed that the block had cracks on the floor and on the walls which is an indication of poor</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	workmanship. In the circumstances, the accuracy and value for money for the Kshs. 4,196,385 expenditure for the year ended 30 June 2018 could not be confirmed.				

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JARET N. NZWI
Name

Fund Account Manager.



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