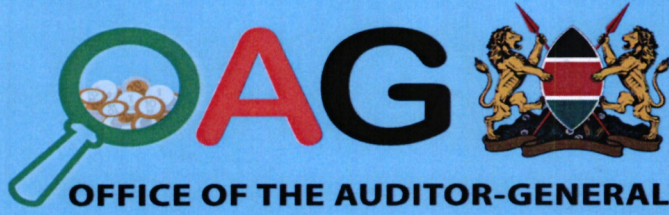


REPUBLIC OF KENYA



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THE NATIONAL ASSEMBLY	
REPORT	
DATE	27 JUL 2023
DAY	Thursday
TABLED BY:	Hon. Naomi Wazir, MP
OF	Deputy Majority Whip
CLERK OF THE TABLE:	Finlay Mureki

THE AUDITOR-GENERAL

ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
22 JUN 2023
RECEIVED



BORABU 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)

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

Table of Contents

Page

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	ii
II. NG-CDFC CHAIRMAN’S REPORT.....	v
III. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22.....	ix
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	xi
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	xiv
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- BORABU CONSTITUENCY.....	ii
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022.....	1
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 TH JUNE, 202.....	2
IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022.....	3
X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30 TH JUNE 2022.....	4
XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30 TH JUNE 2022.....	6
XI. SIGNIFICANT ACCOUNTING POLICIES.....	12
XII. NOTES TO THE FINANCIAL STATEMENTS.....	16

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable 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

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

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 Borabu Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Edwin Lecha
2.	Sub-County Accountant	Sylvester Murto
3.	Chairman NGCDFC	Duncan Ondari
4.	Member NGCDFC	Peterson O. Obuba

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1-40502
Menyenya Farmers Building
Nyansiongo Tea Factory Road
Nyansiongo, KENYA

(f) Borabu Constituency NGCDF Contacts

Telephone: (254) 714 836 279
E-mail: cdfborabu@ngcdf.go.ke
Website: www.go.ke

(g) Borabu Constituency NGCDF Bankers

Equity Bank
Keroka Branch
P.o Box 75104-00200

Nairobi

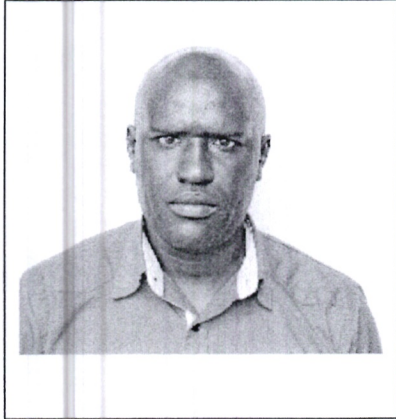
(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

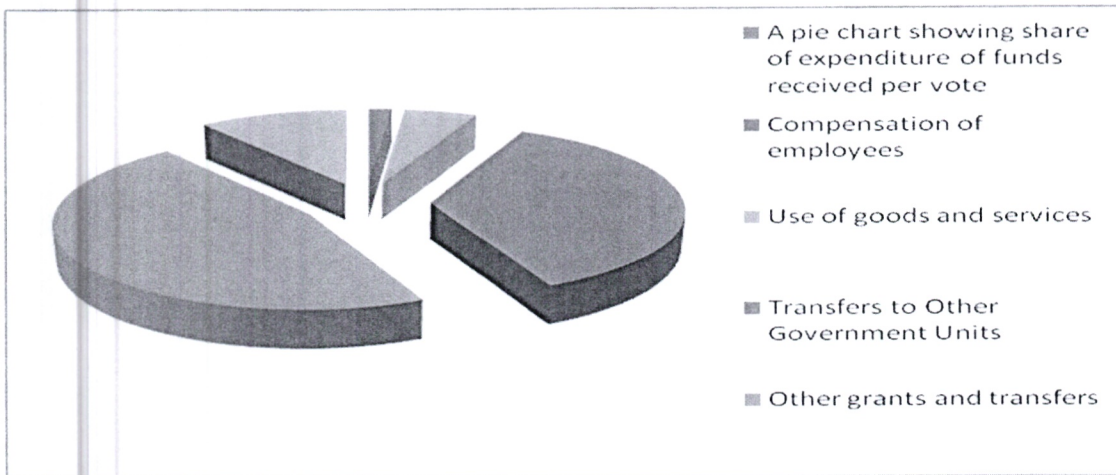
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC CHAIRMAN'S REPORT



Borabu NG-CDF received funding of Kshs 181,277,757 during financial year 2021/2022. An amount of Kshs 6,978,076 was the opening balance for the financial year bringing the total funds available to Kshs 188,255,833. The committee implemented projects to the tune of Kshs 175,456,168 representing 93% of available funds on projects under Primary schools, Secondary school projects, tertiary institution projects, Borabu NG-CDF office, bursary as detailed in the financial statements.

The chart below gives a glimpse of budget verses expenditure for the financial year under analysis.



We have sampled an assortment of pictures of some projects funded by Borabu NG-CDF in the financial year under review.

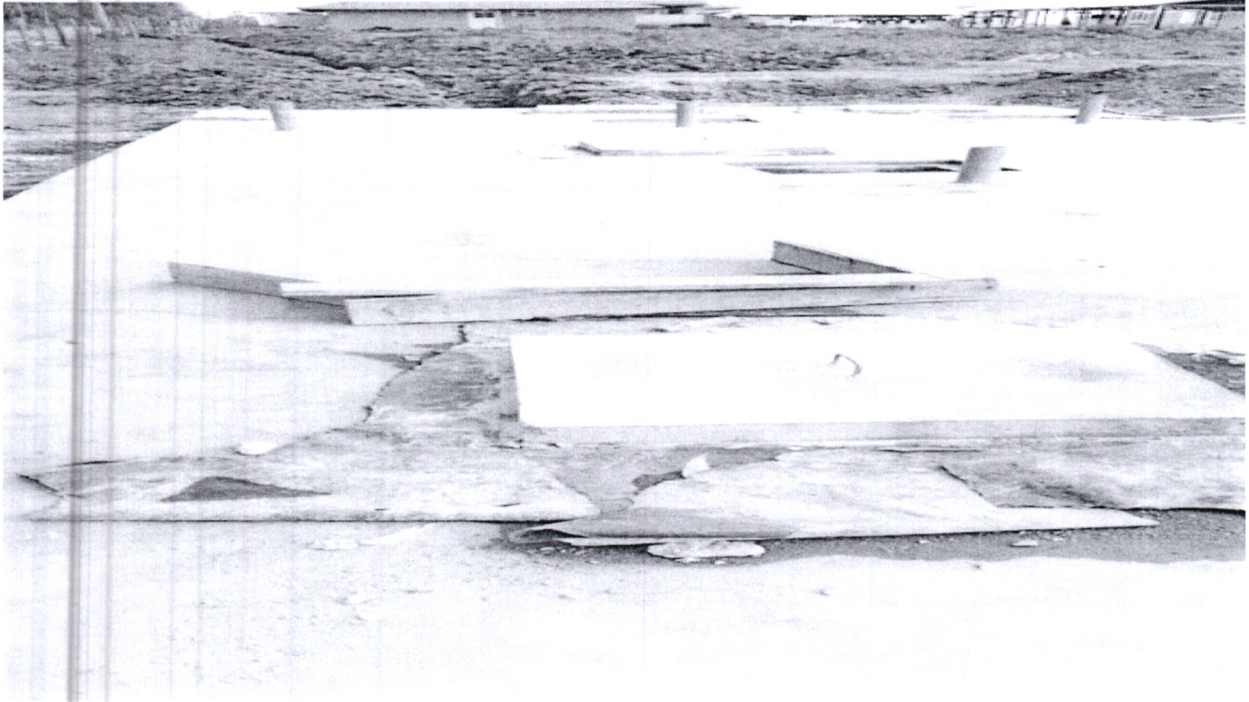


Construction of Borabu NG-CDF office with ground and 1st floor hall and offices at Kshs 42,000,000



Borabu NG-CDF Sports tournament at mekenene ward in Borabu Constituency.

Construction Of Phase 1 of Borabu TTC Tuition block



Construction of a septic tank at Borabu TTC with a capacity of 625m³ at a cost of Ksh 7,500,000.



Construction of two class rooms at Saiga Ngiya Primary school at a cost of Kshs 2,000,000.



Construction of three class rooms at Masige Primary school at a cost of Kshs 2,700,000.

The constituency experienced a number of challenges below in its efforts to implement projects during the financial year:-

- a) Increased emergency cases due to heavy rains especially in the area of collapse of pit latrines, wind blowing of roofs and dilapidation of feeder roads due to heavy rains. Some emergency funds were spent on rehabilitation of some feeder roads to security offices and schools to ease the situation.
- b) Inadequate technical officers especially in the area of building and construction which also leads to slow processing of documentation hence delayed implementation of projects. We have engaged a clerk of works who is helping in bridging the gap.
- c) The emergence of the novel corona virus which slowed down and affected implementation of projects in the constituency and in Kenya as a whole to some degree. However the effects of covid-19 were not as lethal in the current financial year compared to last financial year.


.....
Duncan O. Omenge
Chairman Borabu NG-CDFC

Date

25/05/2023

III. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22

Introduction

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

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

- a) Promotion of education by improvement of facilities, supporting needy cases and policy formulation
- b) Facilitate improvement of security within the constituency
- c) Promote environmental conservation, water and sanitation
- d) Improving welfare of the youth through sports
- e) Improvement of the transport network to facilitate access of the constituency
- f) Setting up structures of improvement of trade and industry
- g) Championing improvement of health care
- h) Enhancement of energy generation within the constituency

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 21/22 we increased number of classrooms by 20, renovated 40 class rooms - Students in University, colleges were fairly awarded bursary
Security	To have a secure community where people can live peacefully and trade	There has been an improvement in security in the constituency	Crime levels have fallen and people doing business safely	In FY 20/21 we constructed 8 chiefs/assistant chiefs offices and 5 police offices under construction

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

		due to a reduction in crime		
Environment	Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water	Cleanliness of the environment due to use of dustbins in the community. Reduced soil erosion due to planting of trees Ease to access water by students in institutions where water tanks have been installed	Reduced disease infections due to a clean environment Reduced soil erosion especially in institutions where trees were planted Ease of access to clean rain water by students	Built 7 sanitation facilities in the financial year Bough 6 water tanks one each in the following institutions:- Mogusii Primary School, Itumbe Secondary School, Omonono Secondary School, Emboye Primary School, Nyankongo and Kekinga Primary Schools. Installed 30 dust bins in assorted institutions in the financial year.
Sports	Bringing together the youth to tap their sporting talent for growth and assist them not to engage in drug and substance abuse	Reduction in drug and substance abuse by engaging the youth in sporting activities.	Youths engaging in sporting activities Tapping of talent from the otherwise idle youth	Organised one sporting event that helped tap and grow talent in the constituency that brought together 40 teams from the constituency and over 500 youth
Emergency	To handle unforeseen occurrences that happen within the constituency	Reduced health effects due to collapsed pit latrines Ability to retain more students in schools due to improved facilities and increased enrolment	Improved student health and reduced accidents due to construction of pit latrines Improved retaining and enrolment of students in schools due to addition of class rooms and renovation of class rooms	Rehabilitated 3 access roads by grading and patch murraming Constructed 6 four door pit latrines that had collapsed Renovated 10 class rooms that were dilapidated.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** Borabu NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

- Borabu NG-CDF supports students carry out environmental conservation activities once in a financial year by engaging them in tree planting activities and community cleaning programme.
- Sensitization of youth/ community on the impact of drugs by construction of police stations supported NG-CDF and educating the community during community sensitization forums.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

- NG-CDF staff have at least one day in the financial year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

Borabu 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 interests

5. Community Engagements-

Borabu 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.

Borabu Constituency

National Government Constituencies Development Fund (NGCDF)

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

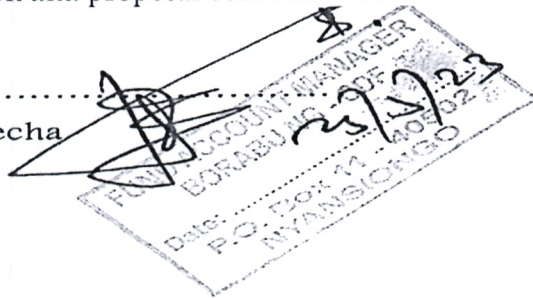
The NG CDFC during bursary vetting, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

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.

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

.....
Edwin Lecha
FAM



V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Borabu Constituency is responsible for the preparation and presentation of the constituency's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year 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.

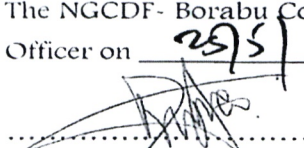
The Accounting Officer in charge of the NGCDF-Borabu Constituency accepts responsibility for the constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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 constituency's transactions during the financial year ended June 30, 2022, and of its's financial position as at that date. The Accounting Officer in charge of the NGCDF- Borabu Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the Funds financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Borabu 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 Fund'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- Borabu Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.

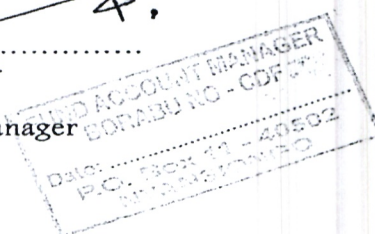
The NGCDF- Borabu Constituency financial statements were approved and signed by the Accounting Officer on 29/5/2023 2023.



Name: Duncan O. Ondari
Chairman – NGCDF Committee

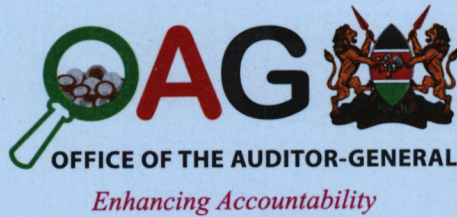


Name: Edwin Mutha
Finance Account Manager



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Borabu Constituency set out on pages 1 to 32, which

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

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

Basis for Qualified Opinion

1. Unsupported Expenditure

The statement of receipts and payments reflects use of goods and services amount of Kshs.9,108,297 as disclosed in Note 3 to the financial statement which includes payments amounting to Kshs.2,613,450 in respect of other committee expenses whose supporting payment vouchers were not provided for audit review.

In addition, the minutes authorizing the payments of expenditures totalling Kshs.406,000 and documents in support of fuel consumption of Kshs.200,000 were not provided for audit review.

In the circumstances, the accuracy, completeness and propriety of the use of goods and services expenditure of Kshs.3,219,450 in respect of other committee expenses for the year ended 30 June, 2022 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.79,878,997 which, as disclosed in Note 5 to the financial statements, includes bursary - tertiary institutions amount of Kshs.42,067,511, out of which, Kshs.30,185,394 is reflected in the ledger or expenditure returns as combined disbursements vide various payment vouchers to various universities.

However, the individual payment vouchers together with the related supporting documents were not provided for audit review.

In the circumstances, the accuracy, completeness and authenticity of the bursary - tertiary institutions amount of Kshs.30,185,394 for the year ended 30 June, 2022 could not be confirmed.

3. Unsupported Purchase of Land

The statement of receipts and payments reflects transfers to other Government units of Kshs.63,857,129 which includes transfers to primary schools of Kshs.30,260,662 as disclosed in Note 4 to the financial statements, and out of which an amount of Kshs.1,550,000 was disbursed towards the purchase of a parcel of land measuring approximately 1½ acres at a local primary school. Review of records revealed that the project was co-funded by the Fund and a Seventh Day Adventist church. However, the expenditure was not supported by certificate of official search, valuation report by a Government or registered valuer, executed sale/purchase agreement, and the title deed for the parcel of land.

In the circumstances, the validity, accuracy and completeness of the expenditure of Kshs.1,550,000 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Unresolved Prior Year Audit Matters

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

2. Budgetary Control and Performance

The summary statement of appropriation reflects budgeted expenditure and actual on comparable basis amounts of Kshs.188,255,833 and Kshs.175,456,168 respectively, resulting to under-expenditure of Kshs.12,799,665 (or 7%).

The under expenditure affected the planned activities and may have impacted negatively on service delivery to the Borabu Constituency residents.

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 the 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. Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other Government units balance of Kshs.63,857,129 as disclosed in Note 4 to the financial statements. However, audit of this expenditure revealed the following unsatisfactory matters:

1.1 Unconfirmed Procurement and Incomplete Construction of an Administration Block

The transfers to primary schools amount of Kshs.30,260,662 includes Kshs.1,000,000 paid to a local primary school for the construction of an administration block to completion. However, the project file including the Bill of Quantities and procurement records were not provided for audit review. This is contrary to Section 68 of the Public Procurement and Asset Disposals Act, 2015 which requires the Accounting Officer to keep records for each procurement for at least six years after the resulting contract has been completed. In addition, field inspection conducted in March, 2023 revealed that the project was not complete as the building had been done only up to roofing. Plastering had not been done and window panes and internal doors had not been fixed.

In the circumstances, Management was in breach of the law and value for money of the expenditure of Kshs.1,000,000 could not be confirmed.

1.2 Irregular Purchase and Delayed Delivery of School Buses

The transfers to other Government units amount of Kshs.63,857,129 includes transfers to secondary schools amount of Kshs.16,229,519 out of which, Kshs.5,500,000 was disbursed to three secondary schools for purchase of school buses. However, Management did not provide for audit review the procurement documents, including tender advertisement, tender opening and evaluation report. This is contrary to Section 80.(1) of the Public Procurement and Asset Disposals Act,2015 which requires the evaluation committee to evaluate and compare the responsive tenders.

In addition, two buses for had not been delivered at the time of audit exercise in March, 2023 since payments for them had not been completed.

In the circumstances, Management was in breach of the law and value for money of the expenditure of Kshs.5,500,000 for the year ended 30 June, 2022 could not be confirmed.

1.3 Irregular Drilling and Casing of a Bore Hole

The transfers to other Government units amount of Kshs.63,857,129 includes transfers to tertiary institutions amount of Kshs.17,366,948 out of which, Kshs.3,691,995 was spent on drilling of a borehole at a local Teachers Training College. The Fund's code list for the year ended 30 June, 2022 indicated that the project activities included: drilling and completion of installation of casing at a cost of Kshs.2,400,000; pump at a cost of Kshs.700,000; one 10,000-liter water tank of Kshs.100,000; and piping at a cost of Kshs.200,000. However, the following anomalies were noted:

The contractor started the project and received payment of Kshs.1,398,600 before obtaining letter of award for the contract. This was contrary to Section 146 of the Public Procurement and Asset Disposal Act, 2015 which stipulates that no works, goods or services contract shall be paid for before they are executed or delivered and accepted by the Accounting Officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement. Such an advance payment shall not be paid before the contract is signed.

In addition, the expenditure of Kshs.3,691,995 was incurred against Kshs.3,450,000 approved by the Board, resulting in Kshs.241,995 spent without the Board's approval.

Further, field inspection of the project revealed that only the drilling and casing of bore hole had been done, while the pump, 10,000-litre tank and piping had not been installed.

In the circumstances, value for money of the expenditure of Kshs.3,691,995 could not be confirmed. Also, Management was in breach of the law.

1.4 Irregularities in Construction of Septic Tank

The transfers to other government units balance of Kshs.63,857,129 includes transfers to tertiary institutions amount of Kshs.17,366,948 out of which, Kshs.7,255,033 was paid to a company for the construction of a 625M3 septic tank to completion at a local teachers training institute. However, field inspection in March, 2023 revealed that the project had not been completed and that there was water seepage that had filled the septic tank. In addition, it was noted that the payment of Kshs.7,255,033 was above the quoted price by Kshs.353,250.

In the circumstances, the regularity of the over expenditure of Kshs.353,250 could not be confirmed. Also, the benefits expected from the projects may not be realized in a timely manner.

2. Unauthorized Administration Expenses Under Sports Projects

The statement of receipts and payments reflects other grants and transfers amount of Kshs.79,878,997 which, as disclosed in Note 5 to the financial statements, includes expenditure on sports projects of Kshs.2,674,600 which further includes Kshs.312,000

spent on administration expenses (Committee sitting allowances). However, the latter amount is 11% of the total allocation for sports projects of Kshs.2,728,649 reflected in the budget execution by sectors and projects, which is more than the 5% allowed by Section 9 of the National Government Constituencies Development Fund Act, 2015, which states that the project management committee shall set aside a sum not exceeding five per centum of the total allocation for the project to cater for the administration expenses of the project.

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

3. Unconfirmed Construction of Buildings

The statement of receipts and payments reflects acquisition of assets amount of Kshs.19,716,814 which, as disclosed in Note 6 to the financial statements, includes construction of buildings amount of Kshs.18,316,814. However, includes in the latter amount is Kshs.3,711,629 spent on construction of septic tank, whose supporting Bill of Quantities (BQ) was not provided for audit review.

In the circumstances, the validity and value for money of the expenditure of Kshs.3,711,629 could not be confirmed.

4. Unpresented Cheques in the Bank Reconciliation Statement

Review of bank reconciliation statements revealed unpresented cheques totalling to Kshs.800,818 as at 30 June, 2022. Most of the unpresented cheques relate to bursary payments. However, bank statements and reconciliation statements for July, 2022 and subsequent months were not provided for audit review and it was not possible to confirm whether the unpresented cheques were finally cleared or not by the banks. In addition, it is not clear why the cheques remained unpresented despite the fact that the beneficiaries were in need of the bursaries. This is contrary Section 90.(1) Public Finance Management Regulations, 2015 which states that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, Management was in breach of the law and the cheques may have been replaced and the amount diverted to different activities.

5. Unimplemented Projects

Review of the approved code list (budget) and audit inspection of projects implemented during the year under review revealed that sixteen (16) projects with approved budget of Kshs.18,233,334, earmarked for implementation during the year under review, had not started by the time of audit verification in March, 2023.

In the circumstances, the expected services from the projects of Kshs.18,233,334 may not be realized by the residents of Borabu Constituency.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether processes and systems of internal controls, 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 controls, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to 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

05 July, 2023

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

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	181,277,757	162,267,724
TOTAL RECEIPTS		181,277,757	162,267,724
PAYMENTS			
Compensation of employees	2	2,894,931	3,947,348
Use of goods and services	3	9,108,297	9,460,548
Transfers to Other Government Units	4	63,857,129	73,479,001
Other grants and transfers	5	79,878,997	56,011,143
Acquisition of Assets	6	19,716,814	13,108,901
TOTAL PAYMENTS		175,456,168	156,006,941
SURPLUS/DEFICIT		5,821,589	6,260,783

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 25/5/2023 and signed by:

Fund Account Manager

Name: Edwin Lecha

National Sub-County Accountant

Name: Sylvester Korir
ICPAK M/No: 15537

Chairman NG-CDF Committee

Name: Duncan O. Omenge

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

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE, 202

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	12,799,665	6,978,076
Total Cash and Cash Equivalents		12,799,665	6,978,076
Accounts Receivable			
TOTAL FINANCIAL ASSETS		12,799,665	6,978,076
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Gratuity	8	-	613,264
NET FINANCIAL SSETS		12,799,665	6,364,812
REPRESENTED BY			
Fund balance b/fwd	9	6,364,812	104,029
Prior year adjustment	10	613,264	-
Surplus/Deficit for the year		5,821,589	6,260,783
NET FINANCIAL POSITION		12,799,665	6,364,812

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 23/5/2023 and signed by:

Fund Account Manager

Name:Edwin Lecha

National Sub-County Accountant

Name:Sylvester Korir
ICPAK M/No:15537

Chairman NG-CDF Committee

Name:Duncan O. Omenge

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

IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	181,277,757	162,267,724
		181,277,757	162,267,724
Payments for operating activities			
Compensation of Employees	4	2,894,931	3,947,348
Use of goods and services	5	9,108,297	9,460,548
Transfers to Other Government Units	6	63,857,129	73,479,001
Other grants and transfers	7	79,878,997	56,011,143
Other Payments	9	-	-
		155,739,354	142,898,040
Adjusted for:			
Increase/(Decrease) in Accounts Payable	16	-	613,264
Net Adjustments		-	613,264
Net cash flow from operating activities		25,538,403	19,982,948
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(19,716,814)	(13,108,901)
Net cash flows from Investing Activities		(19,716,814)	(13,108,901)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	6,978,076	104,029
Cash and cash equivalent at END of the year		12,799,665	6,978,076

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 23/5/2023 and signed by:

Fund Account Manager

Name: Edwin Lecha

National Sub-County Accountant

Name: Sylvester Korir
ICPAK M/No: 15537

Chairman NG-CDF Committee

Name: Duncan O. Omenge

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

X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,878	6,978,076	44,188,879	188,255,833	188,255,833	-	100%
TOTAL RECEIPTS	137,088,878	6,978,076	44,188,879	188,255,833	188,255,833	-	100%
PAYMENTS							
Compensation of employees	3,200,000	-	171,597	3,371,597	2,894,931	476,666	86%
Use of goods and services	9,137,998	-	-	9,137,998	9,108,297	29,701	100%
Transfers to other Government units	53,004,982	-	21,464,499	74,469,481	63,857,129	10,612,352	86%
Other grants and transfers	56,495,898	3,978,076	21,327,492	81,801,466	79,878,997	1,922,469	98%
Acquisition of assets	15,250,000	3,000,000	1,225,291	19,475,291	19,716,814	(241,523)	101%
TOTAL	137,088,878	6,978,076	44,188,879	188,255,833	175,456,168	12,799,665	93%

Notes

- i. Compensation of employees was at 86% due to a spill over of a balance from the previous financial year.
- ii. Transfer to other Government units was 86% because some funds were received close to the end of the financial year.
- iii. Acquisition of assets had an over expenditure of 1% due to an emergency that arose in project implementation.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs)
Budget utilisation difference totals	12,799,665
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	12,799,665
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	12,799,665

The Constituency financial statements were approved on _____ 2023 and signed by:

The Constituency financial statements were approved on 23/5/ 2023 and signed by:

Fund Account Manager

Name: Edwin Lecha

National Sub-County Accountant

Name: Sylvester Korir
ICPAK M/No: 15537

Chairman NG-CDF Committee

Name: Duncan O. Omenge

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30TH JUNE 2022

Programme/Sub-programme	Original Budget (a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,200,000	-	171,597	3,371,597	2,894,931	476,666	86
1.2 Committee allowances	2,525,332	-	-	2,525,332	2,525,332	-	100
1.3 Use of goods and services	2,500,000	-	-	2,500,000	2,500,000	-	100
Total	8,225,332	-	171,597	8,396,929	7,920,263	476,666	94
2.0 Monitoring and evaluation							
2.1 Capacity building	800,000	-	-	800,000	800,000	-	100
2.2 Committee allowances	1,812,666	-	-	1,812,666	1,812,666	-	100
2.3 Use of goods and services	1,500,000	-	-	1,500,000	1,470,299	29,701	98
Total	4,112,666	-	-	4,112,666	4,082,965	29,701	99
3.0 Emergency							
3.1 Primary Schools							
3.11 Jomvy K Services	650,000	-	-	650,000	650,000	-	100
3.12 Kimamika Multipurpose Supplies	1,400,000	-	-	1,400,000	1,400,000	-	100
3.13 Masco General Investments	1,000,000	-	-	1,000,000	1,000,000	-	100
3.14 Transfix Construction Ltd	496,807	-	-	496,807	496,807	-	100
3.15 Kimamika Multipurpose Supplies	936,120	-	-	936,120	936,120	-	100
3.16 Riensune Primary school	300,000	-	-	300,000	300,000	-	100
3.17 Kimamika Multipurpose Supplies	758,558	-	-	758,558	758,558	-	100
3.18 Masco General Investments	745,000	-	-	745,000	745,000	-	100
3.19 Masco General Investments	454,500	-	-	454,500	454,500	-	100
3.10 Danokem Ltd	22,572	-	-	22,572	22,572	-	100
3.11 Mogel International Ltd	5,600	-	-	5,600	5,600	-	100
3.12 Kebirigo Suppliers Ltd	5,600	-	-	5,600	5,600	-	100
3.13 Alvida Investments Ltd	96,840	-	-	96,840	96,840	-	100

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

Programme/Sub-programme	Original Budget (a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
3.2 Secondary schools				-			
3.3 Tertiary institutions							
3.31 Ocean bays Investments Ltd	124,177	-	-	124,177	124,177	-	100
3.32 Wotech Kenya Ltd	173,767	-	-	173,767	173,767	-	100
3.33 Brazen Alley Ltd	28,700	-	-	28,700	28,700	-	100
3.34 Wotech Kenya Ltd	-	-	82,438	82,438	82,438	-	100
3.4 Security projects				-			
3.5 Unutilised				-			
Total	7,198,241	-	82,438	7,280,679	7,280,679	-	100
4.0 Bursary and Social Security							
4.1 Secondary Schools	13,011,798		6,584,951	19,596,749	18,453,144	1,143,605	94
4.2 Tertiary Institutions	25,168,964	3,978,076	12,784,338	41,931,378	42,067,511	(136,133)	100
4.3 Social Security	-	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-	-
Total	38,180,762	3,978,076	19,369,289	61,528,127	60,520,655	1,007,472	98
5.0 Sports							
5.1 AVS Construction Ltd	1,800,600	-	-	1,800,600	1,800,600	-	100
5.2 FAM	180,000	-	-	180,000	180,000	-	100
5.3 FAM	192,000	-	-	192,000	192,000	-	100
5.4 FAM	119,000	-	-	119,000	119,000	-	100
5.5 FAM	192,000	-	-	192,000	192,000	-	100
5.6 FAM	191,000	-	-	191,000	191,000	-	100
5.7 Sport	42,295	-	11,754	54,049	-	54,049	-
Total	2,716,895	-	11,754	2,728,649	2,674,600	54,049	98
6.0 Environment							
6.1 Mogusii water spring	500,000	-	-	500,000	496,848	3,152	99

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

Programme/Sub-programme	Original Budget (a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
6.2 Masco General Investments	500,000	-	-	500,000	500,000	-	100
6.3 Mogel International Ltd	350,000	-	-	350,000	350,000	-	100
6.4 Kebirigo Suppliers Ltd	350,000	-	-	350,000	350,000	-	100
6.5 Omosocho Primary school	-	-	30,078	30,078	-	30,078	-
Total	1,700,000	-	30,078	1,730,078	1,696,848	33,230	98
7.0 Primary Schools Projects							
7.1 Masige Primary School	850,000	-	1,076,804	1,926,804	1,916,860	9,944	99
7.2 Gesibei Primary School	500,000	-	1,900,000	2,400,000	2,400,000	-	100
7.3 Saiga Ngiya Primary School	1,600,000	-	1,700,000	3,300,000	3,020,940	279,060	92
7.4 Nsicha Primary School	1,500,000	-	2,200,000	3,700,000	3,566,859	133,141	96
7.5 Riamanoti Primary School	300,000	-	702,580	1,002,580	1,002,580	-	100
7.6 Nyandoche II Primary school	300,000	-	-	300,000	300,000	-	100
7.7 Riensune Primary School	-	-	100,000	100,000	100,000	-	100
7.8 Mecheo Primary School	1,800,000	-	728,870	2,528,870	2,528,870	-	100
7.9 Emboye Primary School	-	-	1,000,000	1,000,000	1,000,000	-	100
7.10 Amakura Primary School road	1,500,000	-	-	1,500,000	1,500,000	-	100
7.11 Magombo DEB Primary School	-	-	500,000	500,000	500,000	-	100
7.12 Nyangoge Primary School	100,000	-	-	100,000	100,000	-	100
7.13 Nyandoche II Primary school	-	-	300,000	300,000	300,000	-	100
7.14 Ribaita Primary School	-	-	300,000	300,000	300,000	-	100
7.15 Memisi Primary school	550,000	-	-	550,000	515,783	34,217	94
7.16 Mogusii Primary School	500,000	-	-	500,000	500,000	-	100
7.17 Ensakia Primary School	450,000	-	-	450,000	450,000	-	100
7.18 Nyabikommu Primary school	400,000	-	-	400,000	350,000	50,000	88
7.19 Nyakongo Primary School	200,000	-	-	200,000	200,000	-	100
7.20 Ibara Boarding Primary School	700,000	-	-	700,000	700,000	-	100
7.21 Magombo DEB Primary School	300,000	-	-	300,000	300,000	-	100

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

Programme/Sub-programme	Original Budget (a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
7.22 Amakura Primary School	400,000	-	-	400,000	400,000	-	100
7.23 Mokomoni Primary school	800,000	-	-	800,000	800,000	-	100
7.23 Kineni ELCK Primary School	300,000	-	-	300,000	300,000	-	100
7.24 Ribaita Primary School	200,000	-	-	200,000	200,000	-	100
7.25 Biego Primary school	600,000	-	-	600,000	566,694	33,306	94
7.26 Amakura Primary School	300,000	-	-	300,000	5,031	294,969	2
7.27 Masige Primary School	350,000	-	-	350,000	350,000	-	100
7.28 Nyakwerema Primary school	550,000	-	-	550,000	542,980	7,020	99
7.29 Simbauti Primary School	550,000	-	-	550,000	550,000	-	100
7.30 Ensinyo Primary school	550,000	-	-	550,000	550,000	-	100
7.31 Nyagware Primary school	2,500,000	-	-	2,500,000	2,500,000	-	100
7.32 Nyansiongo DEB Primary school	247,217	-	-	247,217	247,217	-	100
7.33 Riakano water spring	500,000	-	-	500,000	496,848	3,152	99
7.34 Mogusii water spring	500,000	-	-	500,000	500,000	-	100
7.35 Endiba Primary school	350,000	-	-	350,000	350,000	-	100
7.36 Nyamori Primary school	350,000	-	-	350,000	350,000	-	100
7.37 Omonono Primary School	-	-	770,460	770,460	-	770,460	-
Total	20,597,217	-	11,278,714	31,875,931	30,260,662	1,615,269	95
8.0 Secondary Schools Projects							
8.1 Omonono Secondary School	-	-	9,650	9,650	-	9,650	-
8.2 Nsicha Secondary School	250,000	-	-	250,000	250,000	-	100
8.3 Mecheo Secondary School	-	-	400,000	400,000	400,000	-	100
8.4 Nyansiongo Boys High School	300,000	-	-	300,000	300,000	-	100
8.5 Kiabonyoru Girls Secondary school	1,104,470	-	7,200,000	8,304,470	4,000,000	4,304,470	48
8.6 Biego Secondary School	1,300,000	-	-	1,300,000	1,300,000	-	100
8.7 St Pauls Omonayo School	1,000,000	-	-	1,000,000	1,000,000	-	100
8.8 Kerema Secondary School	1,200,000	-	-	1,200,000	1,200,000	-	100

Borabu Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget (a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
8.9 Mwangori Secondary School	1,000,000	-	-	1,000,000	1,000,000	-	100
8.10 Nyansiongo Boys High School	1,104,470	-	-	1,104,470	1,104,470	-	100
8.11 Gonzaga Gonza Secondary School	8,304,470	-	-	8,304,470	4,500,000	3,804,470	54
8.12 Biego Secondary School	500,000	-	-	500,000	375,512	124,488	75
8.13 Endiba Secondary school	300,000	-	-	300,000	299,537	463	100
8.14 Egentubi Secondary School	500,000	-	-	500,000	500,000	-	100
Total	16,863,410	-	7,609,650	24,473,060	16,229,519	8,243,541	66
9.0 Tertiary institutions Projects				-		-	
9.1 Borabu TTC Pit latrine	250,000	-	1,734,140	1,984,140	1,984,140	-	100
9.3 Borabu TTC - Underground water tank	-	-	600,000	600,000	600,000	-	100
9.4 Borabu TTC - Borehole drilling	3,450,000	-	241,995	3,691,995	3,691,995	-	100
9.5 Borabu TTC Tuition block - Screeding	800,000	-	-	800,000	800,000	-	100
9.6 Borabu TTC Dormitories tilling	2,325,000	-	-	2,325,000	2,325,000	-	100
9.7 Borabu TTC Septic tank	7,500,000	-	-	7,500,000	6,758,223	741,777	90
9.8 Borabu TTC - Dormitory	539,251	-	-	539,251	532,590	6,661	99
9.8 Borabu TTC - Kitchen	680,104	-	-	680,104	675,000	5,104	99
Total	15,544,355	-	2,576,135	18,120,490	17,366,948	753,542	96
10.0 Security Projects				-		-	
10.1 Borabu Sub county HQ Pit latrine	300,000	-	-	300,000	300,000	-	100
10.2 Ensinyo Ap Post	-	-	357,417	357,417	357,417	-	100
10.3 Esise Chiefs Office	200,000	-	202,516	402,516	380,328	22,188	94
10.4 Tindereti Police Station	500,000	-	-	500,000	500,000	-	100
10.5 Riontonyi Police Station	500,000	-	-	500,000	500,000	-	100
10.6 Ensakia Chiefs Office	-	-	300,000	300,000	300,000	-	100
10.7 Mecheo Chiefs Office	-	-	200,000	200,000	200,000	-	100
10.8 Esise Division Head quarters	-	-	674,000	674,000	674,000	-	100

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

Programme/Sub-programme	Original Budget (a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
10.9 Borabu Sub county HQ Pit latrine	200,000	-	-	200,000	194,470	5,530	97
10.10 Nyangoge Assistant Chiefs office	200,000	-	-	200,000	200,000	-	100
10.11 Mokomoni Police Post	1,600,000	-	-	1,600,000	800,000	800,000	50
10.12 Menyanya Assistant Chiefs office	200,000	-	-	200,000	200,000	-	100
10.13 Matutu Assistant Chiefs office	200,000	-	-	200,000	200,000	-	100
10.14 Riontonyi Police Station	200,000	-	-	200,000	200,000	-	100
10.15 Borabu DCC Staff house	500,000	-	-	500,000	500,000	-	100
10.16 Nyansiongo Gesima Assistant Chiefs office	100,000	-	-	100,000	100,000	-	100
10.17 Riogeto Police Station	2,000,000	-	-	2,000,000	2,000,000	-	100
10.18 Nyansiongo Chiefs office	-	-	100,000	100,000	100,000	-	100
Total	6,700,000	-	1,833,933	8,533,933	7,706,215	827,718	90
11.0 Acquisition of assets				-			
11.1 Borabu NGCDF office construction	8,500,000	3,000,000	1,225,291	12,725,291	13,205,158	(479,867)	104
11.2 Borabu NGCDF - Purchase of furniture	1,400,000	-	-	1,400,000	1,400,000	-	100
11.3 Borabu NGCDF - Land scaping	1,400,000	-	-	1,400,000	1,400,027	(27)	100
11.4 Borabu NGCDF - Septic Tank	3,950,000	-	-	3,950,000	3,711,629	238,371	94
Total	15,250,000	3,000,000	1,225,291	19,475,291	19,716,814	(241,523)	101
	137,088,878	6,978,076	44,188,879	188,255,833	175,456,168	12,799,665	93

(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

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Significant Accounting Policies continued

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx 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.

Significant Accounting Policies continued

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B132457	6,000,000	
AIE NO. B105417	68,000,000	
AIE NO. B140848	34,775,861	
AIE NO. B154373	15,000,000	
AIE NO. B128771	14,000,000	
AIE NO. B155927	9,413,018	
AIE NO. B154269	31,038,878	
AIE NO. A888523	3,050,000	
AIE NO. B096938		18,000,000
AIE NO. B104587		26,000,000
AIE NO. B104795		18,167,724
AIE NO. B104875		5,200,000
AIE NO. B104996		9,000,000
AIE NO. B128357		7,000,000
AIE NO. B119756		13,000,000
AIE NO B119746		6,900,000
AIE NO. B124901		10,000,000
AIE NO. B138770		13,000,000
AIE NO. B138771		6,000,000
AIE NO. B138772		10,000,000
AIE NO. B 105174		2,000,000
TOTAL	181,277,757	162,267,724

2. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,661,926	2,009,538
Personal allowances paid as part of salary		
House Allowance	213,600	-
Leave allowance	40,000	-
Gratuity to contractual employees	881,293	1,683,928
Employer Contributions Compulsory national social security schemes	98,112	253,882
Total	2,894,931	3,947,348

3. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	-	1,490,765
Office rent	-	
Communication, supplies and services	441,002	443,675
Domestic travel and subsistence	-	408,112
Printing, advertising and information supplies & services	-	408,765
Training expenses	800,000	744,000
Hospitality supplies and services	-	456,325
Other committee expenses	2,788,666	1,800,876
Committee allowance	2,525,332	900,543
Office and general supplies and services	1,377,000	1,001,000
Fuel , oil & lubricants	525,790	772,345
Bank service commission and charges	53,297	46,488
Routine maintenance - vehicles and other transport equipment	597,210	987,654
Total	9,108,297	9,460,548

4. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	30,260,662	26,620,496
Transfers To Secondary Schools (See Attached List)	16,229,519	23,205,650
Transfers To Tertiary Institutions (See Attached List)	17,366,948	23,652,855
Total	63,857,129	73,479,001

5. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,453,144	8,654,000
Bursary – tertiary institutions (see attached list)	42,067,511	26,293,633
Security projects (see attached list)	7,706,215	6,526,000
Sports projects (see attached list)	2,674,600	3,492,000
Environment projects (see attached list)	1,696,848	3,567,700
Emergency projects (see attached list)	7,280,679	7,477,810
Total	79,878,997	56,011,143

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

6. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Construction of Buildings	18,316,814	13,108,901
Purchase of Specialized Plant, Equipment and Machinery	1,400,000	-
Total	19,716,814	13,108,901

7. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Keroka Branch . Borabu NG-CDF A/C no.1240261392623</i>	12,799,665	6,978,076
Total	12,799,665	6,978,076

8. Gratuity

	2021-2022	2020-2021
	Kshs	Kshs
Gratuity as at 1 st July (A)	613,264	-
Gratuity held during the year (B)	268,029	613,264
Gratuity paid during the Year (C)	881,293	-
Closing Gratuity as at 30 th June D= A+B-C	-	613,264

9. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	6,978,076	104,029
Total	6,978,076	104,029

10. 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
Gratuity	613,264	-613,264	-
Total	613,264	-613,264	-

11. Other Important Disclosures

11.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	458,121
Total	-	458,121

11.2: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	476,666	171,597
Use of goods and services	29,701	-
Amounts due to other Government entities (see attached list)	10,612,352	33,948,243
Amounts due to other grants and other transfers (see attached list)	785,904	13,605,448
Acquisition of assets	895,042	-
Funds pending approval	-	3,000,000
Total	12,799,665	50,553,692

11.3: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	5,085,782	10,221,812
Total	5,085,782	10,221,812

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

Annexes

Annexes:1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount		Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2022	2021	
	a		b	c	d=a-c		
Construction of civil works					-		
Getare Gets Joint Construction Ltd					-	458,121	
Total					-	458,121	

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

Annex 2 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
Compensation of employees	Staff salary and NHIF	476,666	171,597	
Use of goods & services	Goods and services	29,701	-	
Amounts due to other Government entities				
1.0 Masige Primary School	Construction of a class room	9,944	-	
2.0 Saiga Ngiya Primary School	Construction of a class room	279,060	-	
3.0 Nsicha Primary School	Construction of a class room	133,141	-	
4.0 Memisi Primary School	Construction of a class room	34,217	-	
5.0 Nyabikommu Primary School	Construction of a pit latrine	50,000	-	
6.0 Biego Primary School	Renovation of a class room	33,306	-	
7.0 Amakura Primary School	Equipping of a borehole	294,969	-	
8.0 Nyakwerema Primary School	Construction of a ramp	7,020	-	
9.0 Riakano Water Spring	Protection of a water spring	3,152	-	
10.0 Omonono Primary School	Construction of a class room	770,460	-	
11.0 Omonono Secondary School	Construction of a pit latrine	9,650	-	
12.0 Kiabonyoru Girls Secondary School	Purchase of a school bus	4,304,470	-	
13.0 Gonzaga Gonza Secondary School	Purchase of a school bus	3,804,470	-	
14.0 Biego Secondary School	Construction of a tuition block	124,488	-	
15.0 Endiba Secondary School	Equipping of a borehole	463	-	
16.0 Borabu TTC Septic Tank	Construction of a septic tank	741,777	-	
17.0 Borabu TTC Dormitory	Construction of a dormitory	6,661	-	
18.0 Borabu TTC Kitchen	Construction of a kitchen	5,104	-	
Sub-Total		10,612,352	33,948,243	
Amounts due to other grants and other transfers				
1.0 Secondary school bursary	Secondary school bursary	7,040	-	

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

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
2.0 Tertiary institution bursary	Tertiary Bursary	-	-	
3.0 Sports	Sports tournament	54,049	-	
4.0 Mogusii water spring	Protection of a water spring	3,152	-	
5.0 Omosocho Primary school	Construction of a class room	30,078	-	
6.0 Esise Chiefs Office	Construction of an office	22,188	-	
7.0 Borabu Sub county HQ Pit latrine	Construction of a pit latrine	5,530	-	
8.0 Mokomoni Police Post	Construction of a police post	663,867	-	
Sub-Total		785,904	13,605,448	
Acquisition of assets				
1.0 Borabu NGCDF office construction	Construction of an office	382,394	-	
2.0 Borabu NGCDF - Land scaping	NG CDF Office parking land scaping	274,277	-	
3.0 Borabu NGCDF - Septic Tank	Construction of a septic tank	238,371	-	
Others (specify)		-	-	
Sub-Total		895,042	-	
Funds pending approval		-	3,000,000	
Grand Total		12,799,665	50,553,692	

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)			(Kshs)
	2020/21			2021/22
Land				
Buildings and structures	22,881,932	17,196,352	-	40,078,284
Transport equipment	6,000,000	-	-	6,000,000
Office equipment, furniture and fittings	1,435,000	1,400,000	-	2,835,000
ICT Equipment, Software and Other ICT Assets	458,000	-	-	458,000
Intangible assets	25,000	-	-	25,000
Total	30,799,932	18,596,352	-	49,396,284

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/2022	2020/2021
Magombo DEB Primary School	Equity Bank	1240262379266	2,440	2,270
Kijauri Level 4 Hospital	Equity Bank	1240267244631	500,550	999,550
Kineni Mixed Secondary School	Equity Bank	1240269805491	8,958	8,958
Riang'ombe DOK Primary School	Equity Bank	1240280115715	5,685	5,685
Riensune DEB Primary School	Equity Bank	1240280115897	7,477	4,392
Ensakia DEB Primary School	Equity Bank	1240280118844	8,318	8,318
Kiang'eni Division Head Quarters	Equity Bank	1240280120242	2,677	2,677
Ekige DEB Primary School	Equity Bank	1240280132154	8,261	129,326
Kenyoro SDA Primary School	Equity Bank	1240280171449	2,360	2,360
Nyansiongo/Gesima Sub-Location Assistant Chiefs office	Equity Bank	1240280186387	5,558	1,001
Keginga DEB Primary School	Equity Bank	1240280782286	7,122	84,122
Nyansakia DEB Primary School	Equity Bank	1240280835626	3,127	5,127
Matatutu Sublocation Office	Equity Bank	1240280843349	991	499,550
Nyansiongo DOK Primary School	Equity Bank	1240280988776	4,510	59,630
Ensinyo Primary School	Equity Bank	1240280988776	1,060	1,000,000
Endemu DOK Primary School	Equity Bank	1240178944432	2,132	580
Menyenya Assistant Chiefs office	Equity Bank	1840280818579	3,975	2,975
Mekenene DEB Primary School	Equity Bank	1840280839421	6,477	6,657
Ekerubo Chiefs Office	Equity Bank	1840280851437	3,076	133,616
EGENTUBI SECONDARY SCHOOL	KCB-NYAMIRA	1110008791	15,259	7,090
NYANSIONGO HIGH SCHOOL	KCB- Keroka	1151744697	23,860	6,900,000
Rigoko Secondary School	KCB- Keroka	1154219461	4,889	19,139
Ribaita Secondary School	KCB- Keroka	1152855972	3,191	2,314
St Patricks Kahawa Secondary School	KCB- Keroka	1257762036	5,235	314,519

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/2022	2020/2021
St Thomas Moore Secondary School	KCB- Keroka	1200399684	1,090	21,960
St Gonzaga Gonza Secondary School	Equity Bank	1240279639614	44,105	-
Kekinga Secondary School	Equity Bank	1240280034673	499,550	-
Menyenya SDA Secondary School	Equity Bank	1240281257110	999,550	-
Mecheo Location Chiefs Office	Equity Bank	1240282216173	1,050	-
Ensinyo Administration Police Post	Equity Bank	1240282241764	3,413	-
Ensakia Chiefs Office	Equity Bank	1240282242901	5,293	-
Borabu DCC Staff House	Equity Bank	1240282432232	21,585	-
Riontonyi Police Station	Equity Bank	1240282512654	410,000	-
Riogetto Police Station	Equity Bank	1240282604136	1,998,975	-
Nyandoche Ibwere DOK Primary School	Equity Bank	1240282690505	462,000	-
Kineni Primary School	Equity Bank	1240269045314	1,799	-
Mokomoni Police Station	Equity Bank	1840280941376	189	-
Total			5,085,782	10,221,812

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Other Committee expenses and committee allowances Included in the use of goods and services amount of Kshs.9,460,548 and as indicated in Note 3 to the financial statements is other committee expenses and committee allowance all totaling to Kshs.2,701,419 which differs with Kshs.4,398,000 expenditure returns/ledger resulting unreconciled variance of Kshs.1,696,581. In the circumstance, the accuracy and completeness of the other committee expenses and committee allowance figure of Kshs.2,701,419 could not be confirmed.</p> <p>-</p>	<ul style="list-style-type: none"> - Total committee expenses as classified in the votes is Kshs 2,701,419.00 and as presented in the financial statements. - The figure also tallies with the amount in the expenditure return. 	Resolved	
2	<p>Un-surported project management committee (PMC) balances Annex 4 to the financial statements reflects Project Management Committees (PMC) bank balances of Kshs.10,221,812 which includes balances totaling Kshs.7,265,022, held in bank accounts at Kenya Commercial Bank, Keroka and Nyanira branches, which were not supported by the respective bank confirmation certificates and bank statements. In the circumstances, the accuracy, completeness and validity of the project management committee total figure of Kshs.10,221,812 could not be ascertained.</p> <p>-</p>	<ul style="list-style-type: none"> - We have obtained bank confirmation certificates and bank statements for the PMC accounts and are hereby attached. 	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p>Incomplete fixed asset register Annex 3 – Summary of Fixed Asset Register – reflects total cost of fixed assets as at 30 June 2021 of Kshs.30,674,932, while the assets register provided for audit review lists thirty-nine (39) fixed assets costing Kshs.8,150,103. The resultant variance of Kshs.22,524,829 between the two sets of records represents cumulative cost of a building under construction, which was omitted from the assets register. In the circumstance, the accuracy and completeness of assets register as at 30 June 2021 could not be confirmed.</p>	<ul style="list-style-type: none"> - The difference of Kshs 22,524,829.00 is a cumulative figure for construction of the NG-CDF office which is also treated as an asset for Borabu NG-CDF bringing the total to Kshs 30,674,932.00 as per the financial statements. 	Resolved	
	Other matters			
1	<p>Budgetary control performance The summary statement of appropriation for the year under review reflects total budgeted receipts of Kshs.206,560,632 and actual receipts of Kshs.162,371,753, resulting to a budget shortfall of Kshs.44,188,879 or 21% of the budget. Similarly, the Fund spent Kshs.156,006,941 against an approved budget of Kshs.Kshs.206,560,632, resulting in an under-expenditure of Kshs.50,553,691 or 24% of the budget. The underfunding and underperformance constrained execution of planned activities and delivery of services to the residents of Borabu Constituency.</p>	<ul style="list-style-type: none"> - Out of the budget shortfall of Kshs 44,188,879.00 had not been disbursed form the NG-CDF Board by close of the financial year. - Delay of receipt of the Kshs 44,188,879.00 led to delay in implementation of some projects. 	Resolved	
2	Un implemented projects	<ul style="list-style-type: none"> - The said projects had not been implemented because some 	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	During the year under review, the projects implementation status report provided for audit review indicates that, a total of twelve (12) projects under administration, primary schools, secondary schools, tertiary institutions, environment, sports and security sectors, with an approved total budget of Kshs.9,900,000 were not implemented during the year despite receiving the fund from the Board.	funds were implemented after closure of the financial year. - The projects have now been implemented and in use.		
3	<p>Key Ongoing projects</p> <p>The Project implementation status report shows that thirty-five (27) projects for the years 2013/2014 to 2019/2020 with total cost of Kshs.29,090,000 were still on-going as at 30 June, 2021, despite their completion dates having elapsed. The slow pace of projects implementation negatively affect goods and service delivery to the residents of Borabu Constituency and the intended purpose of the projects may not be actualized.</p>	<p>- An updated project implementation status on the flagged projects have been presented in appendix 1 and 95 % of the projects are now complete and in use.</p> <p>- Projects under health and water have been handed over to the county Government for completion.</p>	Resolved	
	Basis of conclusion			
1	<p>Borabu Teachers Training College</p> <p>The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects transfers to other Government units balance of Kshs.73,479,001 which includes transfers to tertiary institutions amount of Kshs.23,652,855 out of which an amount of Kshs.8,252,420 was disbursed for construction of a tuition block at Borabu Teachers Training College at a</p>	<p>- The project works are at 98% completion.</p> <p>- The initial design was to include roofing and ceiling but there was a change of design as per the attached minutes which allowed the works to reach slab level.</p> <p>- The only pending works are installation of paving slabs, 2</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>contract sum of Kshs.37,654,965, and which was later revised by Kshs.4,691,514 to Kshs.42,346,479. The contract period was fourteen months effective from the date of contract agreement of 24 May, 2017. As at 30 June, 2021, the contractor had been paid a total of Kshs.40,430,907 or 95.5% of the revised contract sum. However, physical verification in April 2022 revealed that the building was constructed up to the slab level without roofing and rainwater disposal and ceiling finishes which, according to bills of quantities, were to be done at a cost of Kshs.1,932,880 and Kshs.3,059,950 respectively, both totaling Kshs.4,992,830. Approval for these changes was not provided and the amount of Kshs.4,992,830 was not deducted from the contract sum of Kshs.42,346,479. Further, the outstanding works including paving slabs, installation of two (2) water tanks and installation of fire extinguishers were not done while the contractor was not on site. This was despite the contract period having expired in August, 2018.</p> <p>In the circumstances, the regularity and value for money of the expenditure of Kshs.40,430,907 on the project could not be confirmed.</p>	<p>water tanks and two fire extinguishers.</p>		
2.	<p>Renovation of ablation of the tuition block at Menyanya secondary school The transfers to other Government units balance of Kshs.73,479,001 also includes transfers to secondary schools amount of Kshs.23,205,650 out of which, an amount of Kshs.1,000,000 was disbursed to Menyanya Secondary School to finance renovation of ablations of a three-storey tuition block. However, audit inspection in the month of April 2022 revealed that the amount of</p>	<ul style="list-style-type: none"> - The Ksh 1,000,000 had not been utilized at the time of inspection of works. - See attached a bank statement showing availability of the amount in the school bank account. 	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.1,000,000 had not been utilized and the renovation had not started.</p> <p>In the circumstances, value for money of the expenditure of Kshs.1,000,000 could not be confirmed. Further, the students of the school had no access to adequate ablution services.</p>			
	Stalled projects			
3.2	<p>Eturungi Water Project</p> <p>Eturungi Water Project was approved in the financial year 2015/2016 at an estimated cost of Kshs.4,100,000. The project entailed drilling a borehole, installation of water tank and piping and was to be completed in September 2016. As at 30 June 2021, the Fund had spent a total of Kshs.1,700,000 on the project, equivalent to 41% of the estimated cost. However, audit inspection revealed that although the borehole had been drilled and the structure for holding water tank had been erected, the water tank and piping had not been installed.</p>	- Piping and installation of a water pump are currently ongoing at the project.	Resolved	
3.2	<p>Endiba Secondary School Water Project was approved in the financial year 2019/2020 at an estimated cost of Kshs.2,100,000. The project involved equipping of an existing borehole by purchasing a pump, tank and construction of water point and was to be completed in September 2020. As at 30 June 2021, the Fund had spent a total of Kshs.1,9400,000 on the project, equivalent to 92% of the estimated cost. Audit inspection revealed that two (2) water tanks and a kiosk for water</p>	- Piping and installation of a water pump are currently ongoing at the project.	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	point were in place. However, water pump and pumphouse had not be installed.			
3.3	<p>Completion of maternity wing at Isoge Health Centre</p> <p>The above project was approved in the financial year 2015/2016 at an estimated cost of Kshs.2,000,000 and was to be completed in September, 2016. As at 30 June 2021, a total of Kshs.1,600,000, or 80% of the estimated cost, had been spent on the project. However, audit inspection revealed that the project was not complete as floor plastering, ceiling finishes, painting, window panes, plumbing works and electrical wiring had not been done or completed.</p> <p>In the circumstances, value for money of the expenditure of Kshs.5,240,000 on the three (3) projects could not be confirmed. Further, the residents of Borabu Constituency were denied water and health services expected from the projects.</p>	<ul style="list-style-type: none"> - The project could not be completed due to change of the NG-CDF act to exclude health projects in 2016. - It was handed to the county Government and works are ongoing. 	Resolved	
4	<p>Failure to insure fixed and Movable assets</p> <p>Information available indicates that the Fund has only transport equipment (motor vehicles) valued at Kshs.6,000,000, but the rest of the fixed and movable assets costing Kshs.24,674,932 , reflected in Annex 3 to the financial statements were not insured, contrary to Section 36 (3) of the National Government Constituencies Development Fund Act, 2015, which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.</p>	<ul style="list-style-type: none"> - We acknowledge that fixed assets for Borabu NG-CDF were not insured in the year under review. - We had not identified a suitable insurer to insure the assets especially the furniture /fittings and office equipment and the office building. - We are making progress in the current financial year. - Our administration budget is also limiting and office 	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstance, the Management is in breach of the law.	operations could be considerably be affected if an amount of about Kshs 3,000,000.00 could go to insurance.		

.....
Edwin Lecha
FAM

