

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 22 NOV 2022

DAY:
Tuesday

TABLED
OF

LOM

CLERK-AT
THE-TABLE:

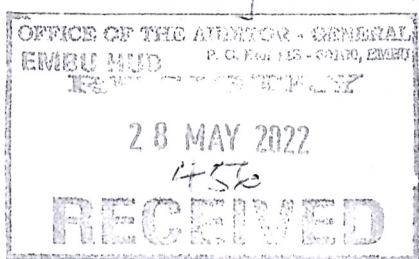
temuna

THE AUDITOR-GENERAL

ON

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

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



SAKU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

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

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

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. NG-CDFC CHAIRMAN’S REPORT	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES	8
1. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	9
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	11
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	14
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- SAKU CONSTITUENCY</i>	15
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDING 30 JUNE 2021.....	16
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021	17
IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDING 30 JUNE 2021	18
X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDING 30 JUNE 2021.....	19
XI. BUDGET EXECUTION BY PROGRAMS AND SUB PROGRAMS FOR THE YEAR ENDING 30 JUNE 2021....	21
XII SIGNIFICANT ACCOUNTING POLICIES.....	28
XIII NOTES TO THE FINANCIAL STATEMENTS	31
XIV PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	51

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

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

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

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Saku Constituency NGCDF . The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Saku Constituency NGCDF Headquarters

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

(f) Saku Constituency NGCDF Contacts

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

(g) Saku Constituency NGCDF Bankers

Kenya Commercial Bank
Marsabit Branch
Account No. 1102647977

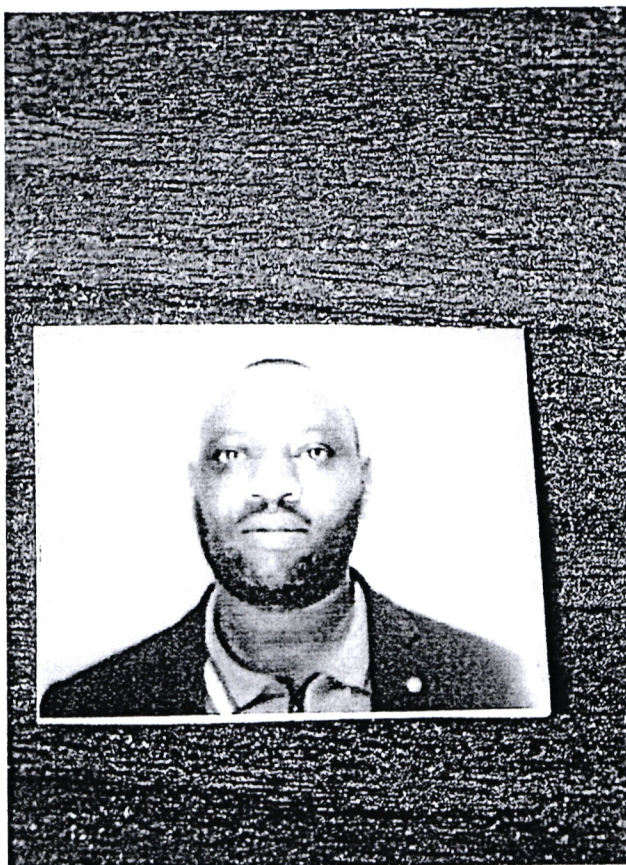
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT



MR. GUYO BONAYA- SAKU NGCDFC CHAIRMAN

Greetings fellow stakeholders of NG-CDFC Saku Constituency.

I wish to thank you all for the great support you have accorded to us during this financial year which has made us achieve a lot despite the many challenges complicated by the outbreak of COVID-19 pandemic.

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

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

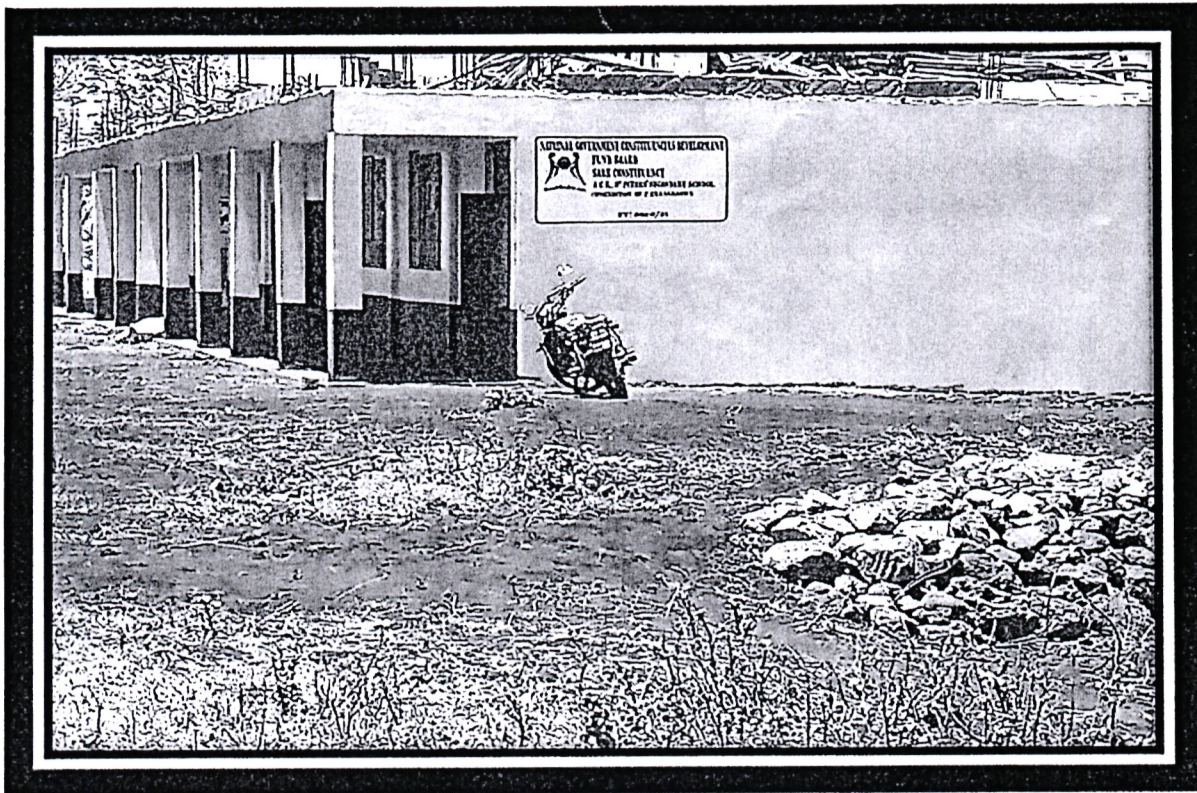
During the financial year, the Saku NG-CDF had been allocated Sh. 137,088,879, out of this, Ksh. 92,000,000 had been received by 30th June 2021 representing 67% of the total funds for the year. This unlike the previous years was a great stride by the NG-CDF Board and NASC since in the previous years we could even receive less than 50% of the financial years' allocation.

During the current financial year, the Saku NG-CDF received a total of Sh.165,567,724 out of which Kshs. 73,567,724 was however for previous financial years.

Saku constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary which was allocated a budget of Ksh. 34,000,000 translating to 25% of the total annual budget.

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

Saku NGCDF is also facilitating construction of the first technical institution in the constituency which will go a long way in developing middle level skills in youth. The CDFC has initiated major projects in schools and Security sector like construction modern Dormitory block at Saku High and Goro Rukesa Secondary Schools, a state of the art envisaged three storey block to house three Science Laboratories, four classrooms and library at ACK St Peters' Secondary School,. Among others many projects.



ACK St Peters' Secondary School Science Laboratory and classrooms block

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

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



NGCDF Office complex

One of the major challenges is poor infrastructural facilities in most educational institutions as majority were constructed many years back. However the NGCDFC has initiated programmes to construct new and also refurbish over 15 classroom.

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

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

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

Yours in service,

Guyo Bonaya
CHAIRMAN- NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

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

- To plan for medium and long-term projects,
- To provide a strategic and clear direction in policy priority, clarity of vision, value and objectives for the fund,
- To enhance teamwork and better understanding of project formulation and project prioritization in a more transparent and efficient manner and,
- To make project supervision, monitoring and evaluation an objective exercise **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 Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 2020/2021 -we increased the number of classrooms, staff houses, dormitories, administration blocks, laboratories, dining halls, toilets etc by 30 in the following schools/institutions;- Karac, Ilpus, Kubi Qallo, Dokatu, Boru Haro, Qachacha ,Dirib Gombo,, Goro Rukesa Primary Schools – among others; St Peters Mixed Sec, Saku High school, , Marsabit Boys, Goro Rukesa Mixed Secondary Schools among many others. - Bursary beneficiaries at all levels increased from 3,200 to over

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

				4,500 beneficiaries
Security	Increased security infrastructure and promote peaceful co-existence and cohesion among the communities	Improved public access to security personnel	Reduced crime rates	During the year, the CDFC has initiated construction a modern Police posts, and DCIO Office, construction of 3 Chiefs offices among other security projects
Staff	To develop staff capacity with focus on quality performance and service delivery	Increased degree of competency in provision of services to the public, low staff turnover and a motivated staff	Number of service related complaints by the Fund's stakeholders, number of staff training programmes, number of staff leaving service	During the year, the Fund carried 3 staff capacity building sessions, received 3 complaints on service delivery compared to 7 in the previous year and no staff left service
Environment	Investment in environmental conservation and management best practices	Increased access to clean water	Number of tanks installed	During the FY 2020/21 the constituency installed 10no. 10,000 ltr tanks and and construction of abolition blocks

1. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – SAKU Constituency 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 be sustainable, Saku NG-CDF projects are supposed to meet the objectives of NG-CDF which is poverty reduction and sustainable development in the grassroots as elaborated in the Strategic plan with main focus on the four pillars of socio-economic development. Our projects focus on quality, cost optimization, time and scope during the planning and implementation stage. To ensure this, during the planning stage, projects are identified through Ward forums and the technical officers give cost estimates and adequate budgetary provide henceforth made by the NG-CDFC to ensure timely completion of the projects. Through involvement of locals in project identification, it ensures ownership of the projects by beneficiaries.

2. Environmental performance

The NG-CDFC strategic agenda recognizes the NG-CDF Board strategic plan and NEMA guidelines which provide that institutions must ensure compliance with environmental sustainability policy guidelines throughout the phases of project life that is during planning, implementation and after completion. To ensure this, the NGCDFC cooperates with all stakeholders in all stages of project life cycle.

3. Employee welfare

The Occupational Health and Safety Act (OSHA) provide for safety, health and welfare of employees. Saku NG-CDFC adheres to this by ensuring that the offices are well guarded, the offices are well cleaned and the staff are well remunerated. The NGCDFC is in the process of constructing a state of art office block to enhance staff welfare.

4. Market place practices-

a) Responsible competition practice;-

In order to ensure responsible competitiveness, Saku NG-CDFC ensures that all projects and programmes are deliberated through consensus undertaken during their monthly meetings with the Fund Manager guidance. The NG-CDFC has also created a Whatsup forum where members exchange views. The NG-CDFC also operates an open-door office policy in addressing issues by all stakeholders. It also holds Wards forums for projects identification. The office of the Member of Parliament is also housed in the same compound with NG-CDFC offices to enhance communication.

b) Responsible Supply chain and supplier relations;-

Saku NG-CDFC ensures that all contract obligations are met and in time, and ensuring the supply chain management observe the Public Procurement and Asset Disposal Act 2015. All contractors and suppliers are regularly given clear guidelines during their contract periods.

c) Responsible marketing and advertisement;-

Saku NG-CDFC has established a notice board including those in Government offices to communicate with suppliers on contracts.

d) Product stewardship;-

The NG-CDFC also ensures that contractors are given clear instructions when securing project sites and during projects implementation in order to protect beneficiaries from injuries.

e) Community Engagements-

The NG-CDFC motor regularly assists in taking patients to distant hospitals from their remote villages and during emergencies occasioned by natural factors like drought, floods etc.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Saku NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

5. Sustainability strategy and profile -

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

- a. **Education and Training:** Saku NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

6. Environmental performance

- During the year the NCDFC has initiated distribution of sport jerseys and shoes to 21 football clubs in the constituency despite the COVID 19 challenge.
- Construction of pole stations and modern DCIO office to check on insecurity cause by drug abuse.

7. Employee welfare

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

8. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

- f) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- g) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- h) Responsible marketing and advertisement
- i) Product stewardship by safeguarding consumer rights and interests

9. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Saku Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Saku Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Saku Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

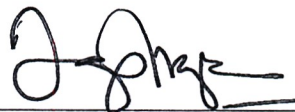
Approval of the financial statements

The NGCDF- Saku Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



Chairman NGCDF Committee

Name Guyo Bonaya:

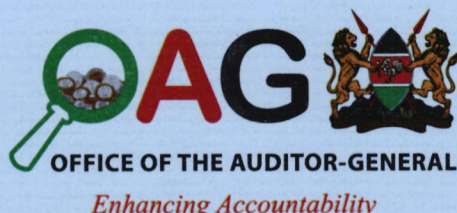


Fund Account Manager

Name: Japhet N. Ngui

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SAKU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Saku Constituency set out on pages 16 to 63, which

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Saku Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Undisclosed Retention Monies

The statement of assets and liabilities and as disclosed under Note 12A to the financial statements reflect Nil balance under retention money. However, the Fund paid an amount of Kshs.14,700,000 for construction of Constituency Development Fund office (CDF) in Saku and withheld Kshs.1,470,000 as retention money. The money remained unpaid as at the closure of the financial year. However, Management did not disclose the retention money of Kshs.1,470,000 in the financial statements.

In the circumstances, the accuracy and completeness of retention monies could not be confirmed.

2. Unreconciled Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed under Note 10 to the financial statements reflect cash and cash equivalents balance of Kshs.54,532,136. However, the bank reconciliation statement revealed unrepresented cheques totalling Kshs.5,724,640 which were stale and had not been reversed to the cash book. Further, the bank reconciliation showed total unrepresented cheques of Kshs.13,461,069, however, the support schedule reflects a total of Kshs.14,252,809 resulting to an unreconciled difference of Kshs.791,740.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.54,532,136 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 - Saku Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of Appropriation reflects final receipt budget and actual on comparable basis of Kshs.234,683,499 and Kshs.189,594,620 respectively resulting to an under-funding of Kshs.45,088,879 or 19% of the budget. Similarly, the Fund expended Kshs.137,354,006 against an approved budget of Kshs.234,683,499 resulting to an under-expenditure of Kshs.97,329,493 or 41% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unbudgeted Expenses

The summary statement of appropriation reflects a final budget of Kshs.13,568,675 under use of goods and services. The Fund incurred an expenditure totalling Kshs.11,847,739 under use of goods and services. Included in the expenditure is an amount of Ksh.1,974,110 incurred on routine maintenance of vehicles and other transport equipment. Annex 1 to the financial statements and as disclosed in Note 17.1 to the financial statements revealed pending accounts payables amounting to Kshs.2,50,403 relating to repairs and service of motor vehicle. This was an indication that the Fund did not have sufficient budgetary provision under repairs of Motor vehicles. This was contrary to Section 51(2) of the Public Finance Management (National Government) Regulations, 2015 which require expenditure commitment to be controlled based on allocations and allotments from approved budgets.

In the circumstances, the Fund was in breach of law

2. Unconfirmed Implementation of a Project

The statement of receipts and payments and as disclosed under Note 6 to the financial statements reflects Kshs.56,877,988 in respect to transfer to other Government entities. Included in this amount is Kshs.1,299,500 incurred on construction of a classroom at Karare Primary School. Physical verification revealed that although the building was in existence, the labelling was for the financial year 2018/2019 rendering it impossible to ascertain whether the project for the year 2019/2020 existed as alluded.

In the circumstances, value for money could not be confirmed.

3. Poor Workmanship on Construction of a Pit Latrine

The statement of receipts and payments and as disclosed under Note 6 to the financial statements reflects Kshs.56,877,988 under transfer to other Government entities. Included in this amount is Kshs.899,260 transferred to Karare Secondary School for construction of two (2) double door pit latrine to completion. Inspection of the project revealed that the pit latrine had collapsed, an indication that it was as a result of poor workmanship and lack of proper supervision.

In the circumstances, value for money on the project worth Kshs.899,260 could not be confirmed.

4. Non-Compliance with Law on Budget Allocation to Bursary

The statement of receipts and payments and as disclosed under Note 7 to the financial statements reflects Kshs.49,296,856 relating to other grants and other payments. The amount includes Kshs.19,016,582 and Kshs.21,125,800 relating to bursaries to secondary schools and bursaries to tertiary institution respectively all totalling Kshs.40,142,382. The bursaries accounted for 17 % of the total CDF approved budget of Kshs.234,683,499. This was contrary to Section 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall allocate not less than twenty five percent of the funds to a Constituency for bursaries.

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

5. Unconfirmed Application, Selection and Vetting Procedures

The statement of receipts and payments reflects an expenditure of Kshs.49,296,856 under other grants and transfers and as disclosed in Note 7 to the financial statements. The Fund disbursed Kshs.40,142,382 as bursaries to secondary and tertiary students, however, the disbursements were not supported by the selection and vetting records both by the Ward Committees and Constituency Development Committee (CDFC) contrary to Section 21(3) of National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all persons proposed to receive support in accordance with guidelines issued by the Board.

In the circumstances, the regularity of the bursary disbursements could not be ascertained.

6. Irregular Appointment of Staff

The statement of receipts and payments and as disclosed under Note 4 to the financial statements reflects Kshs.4,493,423 relating to compensation of employees. Examination of records revealed that contracts for six (6) members of staff were not supported with appointment letters contrary to Section 9(1) of the Employment Act, 2007, which provides that every contract of service shall be in writing.

In the circumstances, the terms and conditions of service including the expiry of the contracts could therefore not be confirmed.

7. Failure to Maintain Project Documentation

The statement of receipts and payments and as disclosed in Note 6 and 7 to the financial statements reflects Kshs.56,877,988 and Kshs.49,296,856 all totalling Kshs.106,174,844 relating to transfers to other Government entities and other grants and payments respectively. Included in these transfers are approved projects amounting to Kshs.5,448,000 whose files did not contain important information such as bills of quantities, work inspection certificates and contract agreements between the PMC and the suppliers of services and structural drawings of the projects. This was contrary to Section 15(1)(b) and (d) of the National Government Constituencies Development Fund (NGCDF) Regulations, 2016 which provides that the Project Management Committee for each project shall maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented and prepare returns and file them with a Constituency Committee on a timely basis.

In the circumstances, the completeness of the transferred amount totalling Kshs.106,174,844 could not be confirmed.

8. Slow Project Implementation

The statement of receipts and payments and as disclosed in Notes 6, 7 and 8 to the financial statements reflect Kshs.56,877,988, Kshs.49,296,856 and Kshs.14,838,000 relating to transfers to other Government entities, other grants and other payments and acquisition of assets respectively all totalling Kshs.121,012,844 which was earmarked for project implementation. The project implementation status report indicated that thirty-nine (39) projects worth Kshs.124,752,207 were budgeted to be implemented. However, twelve (12) projects worth Kshs.58,972,207 were completed, four (4) projects worth Kshs.28,746,000 were ongoing while twenty-three (23) projects worth Kshs.37,034,000 had not started due to delays in disbursement of funds.

In the circumstances, the effectiveness on implementing the projects could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Failure to Institute Internal Audit Arrangements

The Fund did not have an Internal Audit Section contrary to Section 73(1) (a) of the Public Finance Management (PFM) Act, 2012 which stipulates that every National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability 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 intentions to terminate the Fund or cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

Nairobi

09 September, 2022

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

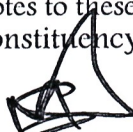
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDING 30 JUNE 2021

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	165,567,724	118,840,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	5,000	-
TOTAL RECEIPTS		165,572,724	118,840,876
PAYMENTS			
Compensation of employees	4	4,493,423	3,729,305
Use of goods and services	5	11,847,739	13,144,116
Transfers to Other Government Units	6	56,877,988	32,355,995
Other grants and transfers	7	49,296,856	49,553,520
Acquisition of Assets	8	14,838,000	136,000
Other Payments	9	-	-
TOTAL PAYMENTS		137,354,006	98,918,936
SURPLUS/(DEFICIT)		28,218,718	19,921,940

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



Fund Account Manager
Name: Japhet Ngui



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



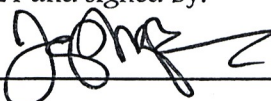
Chairman NG-CDF Committee
Name: Guyo Bonaya

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


VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

	Note	2020 – 2021	2019 - 2020
		Kshs	Ksh
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	54,532,136	24,021,890
Cash Balances (cash at hand)	10B	-	
Total Cash and Cash Equivalents		54,532,136	24,021,890
Accounts Receivable			
Outstanding Imprests	11	-	
TOTAL FINANCIAL ASSETS		54,532,136	24,021,890
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	
Gratuity	12B	-	
TOTAL FINANCIAL LIABILITES		54,532,136	24,021,890
NET FINANCIAL ASSETS		54,532,136	24,021,890
REPRESENTED BY			
Fund balance b/fwd		24,021,896	4,099,950
Prior year adjustments	14	2,291,522	
Surplus/Deficit for the year		28,218,718	19,921
NET FINANCIAL POSITION		54,532,136	24,021,890

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



Fund Account Manager
Name: Japhet Ngui



National Sub-County
Accountant

Name: Stephen Mwangi
ICPAK M/No: 16546



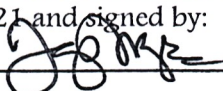
Chairman NG-CDF Committee

Name: Guyo Bonaya

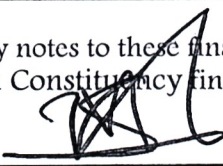
IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDING 30 JUNE 2021

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	165,567,724	118,840,876
Other Receipts	3	5,000	-
Total receipts		165,572,724	118,840,876
Payments for operating activities			
Compensation of Employees	4	4,493,423	3,729,305
Use of goods and services	5	11,847,739	13,144,116
Transfers to Other Government Units	6	56,877,988	32,355,995
Other grants and transfers	7	49,296,856	49,553,520
Other Payments	9	-	-
Total payments		122,516,006	98,782,936
Total Receipts Less Total Payments		43,056,718	20,057,940
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	2,291,522	-
Net cash flow from operating activities		45,348,240	20,057,940
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(14,838,000)	(136,000)
Net cash flows from Investing Activities		(14,838,000)	(136,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		30,510,240	19,921,940
Cash and cash equivalent at BEGINNING of the year	10	24,021,896	4,099,956
Cash and cash equivalent at END of the year		54,532,136	24,021,896


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



Fund Account Manager
Name: Japhet Ngui



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



Chairman NG-CDF Committee
Name: Guyo Bonaya

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

X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDING 30 JUNE 2021

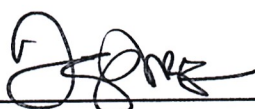
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% Util
		b					
	a						%
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
RECEIPTS	2020/2021						
	Kshs			Kshs	Kshs	Kshs	Kshs
Transfers from NGCDF Board	137,088,879	24,021,896	73,567,724	234,678,499	189,589,620	45,088,879	
Proceeds from Sale of Assets	0	0	0	0	0	0	
Other Receipts-AIA	0	5,000	0	5,000	5,000	0	
TOTALS	137,088,879	24,026,896	73,567,724	234,683,499	189,594,620	45,088,879	
PAYMENTS							
Compensation of Employees	5,013,480	234,868	1,484,000	6,732,348	4,493,423	2,238,925	
Use of goods and services	7,323,192	0	6,245,483	13,568,675	11,847,739	1,720,936	
Transfers to Other Government Units	41,324,000	4,110,000	47,046,687	92,480,687	56,877,988	35,602,699	
Other grants and transfers	61,122,207	4,677,027	13,258,241	79,057,475	49,296,856	29,760,619	
Acquisition of Assets	22,306,000	15,000,000	5,533,313	42,839,313	14,838,000	28,001,313	
Other Payments	0	0	0	0	0	0	
Funds pending approval-AIA	0	5,000.00	0	5,000	0	5,000	
TOTALS	137,088,879	24,026,895	73,567,724	234,683,499	137,354,006	97,329,493	

NB;- The underutilization of funds resulted from delay in receiving disbursements from the NGCDF Board since only Ksh. 92,000,000 for Fy 2020/21 had been received as at 30/6/2021 out the allocation of Sh.137,088,879.

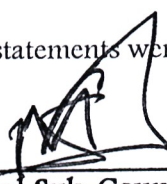
**Saku Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	97,329,493
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	52,240,613
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	2,291,522
Cash and Cash Equivalents at the end of the FY 2020/2021	54,532,135

The NGCDF-Saku Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager
Name: Japhet Ngui



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



Chairman NG-CDF Committee
Name: Guyo Bonaya

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
4.5 Social Security						
5.0 Sports						
5.1	1,500,000	-	-	1,500,000	-	1,500,000
5.2						
5.3						
6.0 Environment						
6.1 Loruko Primary School	240,000	-	-	240,000	-	240,000
6.2 Sasura Girls' Secondary School	800,000	-	-	800,000	-	800,000
6.3 Dakabaricha Chiefs' Office	240,000	-	-	240,000	-	240,000
6.4 Critical Infrastructure Police Unit (CIPU) Marsabit Central Sub-County	500,000	-	-	500,000	-	500,000
6.5 Kituruni Primary School	350,000	-	-	350,000	-	350,000
6.6 Kituruni Primary School		-	280,000	280,000	279,920	80
6.7 Karare Primary School -		-	540,000	540,000	539,895	105
6.8 St Peters' Secondary School		-	280,000	280,000	279,600	400
6.9 Sagante Chiefs' Office		-	140,000	140,000	139,800	200
6.10 Jaldesa Primary School		-	140,000	140,000	139,850	150
7.0 Primary Schools Projects (List all the Projects)						
Ilpus Primary School	250,000	-	-	250,000	-	250,000
Ilpus Primary School		1,750,000	1,000,000	2,750,000	-	2,750,000
Dirib Gombo Primiry school	1,168,000	-	-	1,168,000	-	1,168,000
Kubi Qallo Primary School	1,440,000	-	-	1,440,000	-	1,440,000
Dokatu Primary School		150,000	1,200,000	1,350,000	150,000	1,200,000

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Dokatu Primary School	2,914,000	-	-	2,914,000	-	2,914,000
Loruko Primary School	1,000,000	-	-	1,000,000	999,450	550
St. Peters Primary School	700,000	-	-	700,000	-	700,000
Manyatta Jillo Primary school	900,000	-	-	900,000	-	900,000
Gargasa Primary school	700,000	-	-	700,000	-	700,000
Badasa primary school	750,000	-	-	750,000	-	750,000
Goro Rukesa Primary School	500,000	-	-	500,000	456,290	43,710
Goro Rukesa Primary School	1,000,000	-	-	1,000,000	998,050	1,950
Karare Primary School	1,440,000	-	-	1,440,000	-	1,440,000
Saku Primary School	900,000	-	-	900,000	-	900,000
Lagdima Primary School		150,000	-	150,000	-	150,000
Jaldesa Primary School		-	420,000	420,000	420,000	-
Jaldesa Primary School		-	600,000	600,000	599,600	400
Marsabit Primary School		-	400,000	400,000	399,920	80
Marsabit Primary School		-	700,000	700,000	699,650	350
Marsabit Primary School		-	750,000	750,000	749,670	330
Kubi Qallo Primary School			1,200,000	1,200,000	1,199,900	100
Kubi Qallo Primary School			400,000	400,000	399,800	200
Dirib Gombo Primary School			1,000,000	1,000,000	1,000,000	-
Dirib Gombo Primary School			1,600,000	1,600,000	1,598,930	1,070
Dirib Gombo Primary School			800,000	800,000	794,000	6,000
Goro Rukesa Primary School			800,000	800,000	799,990	10
Goro Rukesa Primary School			1,500,000	1,500,000	1,500,000	-
Boru Haro Primary School			3,000,000	3,000,000	2,999,970	30
Kituruni Primary School			1,300,000	1,300,000	1,299,830	170

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kituruni Primary School			210,000	210,000	210,000	-
Parkishon Primary School			1,600,000	1,600,000	1,598,690	1,310
Qachacha Primary School			3,000,000	3,000,000	2,999,630	370
Gar Qarsa Primary School			700,000	700,000	699,995	5
Karare Primary School		1,300,000	-	1,300,000	1,299,500	500
Mwangaza Primary School			700,000	700,000	699,420	580
Manyatta Daba Primary School			280,000	280,000	280,000	-
Hula Hula Primary School			1,000,000	1,000,000	999,000	1,000
Saku Primary School			900,000	900,000	899,670	330
Badasa Primary School			500,000	500,000	500,000	-
Badasa Primary School			400,000	400,000	399,500	500
Karare Primary School			140,000	140,000	140,000	-
Karare Primary School		760,000	-	760,000	150,000	610,000
SKM Primary School			466,687	466,687	466,550	137
8.0 Secondary Schools Projects (List all the Projects)						
St. Peters Mixed Secondary School	10,350,000			10,350,000		10,350,000
St. Peters Mixed Secondary School			650,000	650,000	649,440	560
St. Peters Mixed Secondary School			4,450,000	4,450,000	4,450,000	-
Songa Mixed Secondary School			1,000,000	1,000,000	1,000,000	-
Songa Mixed Secondary School			800,000	800,000	799,100	900
Songa Mixed Secondary School			650,000	650,000	649,700	300
Songa Mixed Secondary School			600,000	600,000	599,200	800

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Songa Mixed Secondary School			400,000	400,000	400,000	-
Songa Mixed Secondary School	500,000		-	500,000	499,400	600
Saku High School	-		2,700,000	2,700,000	2,699,855	145
Saku High School	5,000,000			5,000,000	-	5,000,000
Moi Girls secondary school			4,000,000	4,000,000	4,000,000	-
Moi Girls secondary school	1,700,000		-	1,700,000	1,699,400	600
Moi Girls secondary school	2,400,000		-	2,400,000	2,399,490	510
Moi Girls secondary school	512,000		-	512,000		512,000
Gadamoji High School	500,000		-	500,000		500,000
Goro Rukesa Sec school			1,000,000	1,000,000	999,900	100
Goro Rukesa Sec school	5,000,000		-	5,000,000	-	5,000,000
Dakabaricha Secondary school			1,600,000	1,600,000	1,599,150	850
Dakabaricha Secondary school			430,000	430,000	429,300	700
Dakabaricha Secondary school	1,700,000			1,700,000	-	1,700,000
Karare Mixed Secondary school			900,000	900,000	899,260	740
Karare Mixed Secondary school			800,000	800,000	799,888	112
Karare Mixed Secondary school			700,000	700,000	699,000	1,000
Badassa Mixed Secondary School			800,000	800,000	799,900	100
Marsabit Boys Secondary School			400,000	400,000	399,000	1,000
9.0 Tertiary institutions Projects (List all the Projects)						
Saku Technical & Vocational college	-		2,000,000	2,000,000	2,000,000	-
10.0 Security Projects						

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Government of Kenya Prisons- Marsabit	767,940			767,940	765,900	2,040
Government of Kenya Prisons- Marsabit	850,500			850,500	850,500	-
Government of Kenya Prisons- Marsabit	681,560			681,560	681,560	-
Critical Infrastructure Police Unit (CIPU) Marsabit Central Sub-County	2,600,000			2,600,000		2,600,000
Dakabaricha Chiefs' Office	2,500,000			2,500,000		2,500,000
Hula Hula Chiefs' Office	2,500,000			2,500,000		2,500,000
Qilta Chiefs' Office	2,500,000			2,500,000		300,000
Songa Chiefs' Office	300,000			300,000		1,800,000
County Criminal Investigation Office (CCIO)	1,800,000			1,800,000		1,500,000
County Police Head Quarters Office	1,500,000			1,500,000		1,500,000
Leyai Police station			1,500,000	1,500,000	-	1,500,000
Jaldesa AP Line			1,000,000	1,000,000	-	1,000,000
Sagante AP Line			400,000	400,000	399,800	200
Sagante AP Line			200,000	200,000	199,300	700
Officer Commanding Police Division (OCPD) house			345,000	345,000	345,000	-
Officer Commanding Police Division (OCPD) house			135,000	135,000	135,000	-
Sagante Chiefs Office			400,000	400,000	399,240	760

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-County Education Office			1,000,000	1,000,000	998,180	1,820
Badasa Chief's Office			400,000	400,000	399,998	2
Badasa Chief's Office			200,000	200,000	199,000	1,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motor bike)	6,460,000		533,313	6,993,313	-	6,993,313
11.2 Construction of CDF office	15,846,000	15,000,000	5,000,000	35,846,000	14,838,000	21,008,000
12.0 Others						
Constituency Innovation Hub	-	4,677,027		4,677,027	-	4,677,027
Funds pending approval-AIA	5,000		5,000	-	5,000	5,000
Total	137,088,879	24,026,895	73,567,724	234,683,499	137,354,006	97,329,493

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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, hpire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

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

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending

fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

XIII NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B 096896	2,500,000.00	50,840,875.50
AIE NO	B 104910	1,700,000.00	4,000,000.00
AIE NO	B 124775	1,000,000.00	20,000,000.00
AIE NO	B 104948	64,367,724.10	6,000,000.00
AIE NO	B 119635	8,500,000.00	14,000,000.00
AIE NO	B 128025	12,000,000.00	24,000,000.00
AIE NO	B 128268	8,900,000.00	
AIE NO	B 132028	10,000,000.00	
AIE NO	B 132322	6,000,000.00	
AIE NO	B 138991	12,000,000.00	
AIE NO	B 126283	9,000,000.00	
AIE NO	105078	12,600,000.00	
AIE NO	B 105055	5,000,000.00	
AIE NO	B 140722	12,000,000.00	
TOTAL		165,567,724	118,840,876

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	0
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere -AIA	5,000	0
Total	5,000	0

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,455,414	2,799,928.00
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	988,809	883,127
Employer Contributions Compulsory national social security schemes	49,200	46,250
Total	4,493,423	3,729,305

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	9,450	9,450
Electricity	5,000	5,000
Water & sewerage charges	-	-
Office rent	540,000	585,000
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	85,000	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	188,000	433,800
Committee allowance	8,174,000	6,913,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	198,610	175,015
Fuel , oil & lubricants	673,569	3,727,310
Other operating expenses	-	72,200
Bank service commission and charges	-	4,080
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	1,974,110	1,219,261
Total	11,847,739	13,144,116

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	28,407,005	6,699,295
Transfers to secondary schools (see attached list)	26,470,983	23,157,660
Transfers to tertiary institutions (see attached list)	2,000,000	2,499,040
TOTAL	56,877,988	32,355,995

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,016,582	15,675,300
Bursary – tertiary institutions (see attached list)	21,125,800	17,248,400
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	5,373,478	13,044,200
Sports projects (see attached list)	-	1,735,680
Environment projects (see attached list)	1,379,065	-
Emergency projects (see attached list)	2,401,931	1,849,940
TOTAL	49,296,856	49,553,520

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	14,700,000.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	138,000	136,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	14,838,000	136,000

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Kenya Commercial Bank, Marsabit Branch- Account No..no.1102647977</i>	54,532,136	24,021,896
	-	-
	-	-
Total	54,532,136	24,021,896
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Total</i>				0

12A. RETENTION (See disclosure note 17.1)

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

[NB- The retention cheque had not been written back in the cash book as at 30/6/2021]

12B. GRATUITY (se disclosure note no.17.2)

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

NB- The retention cheque had not been written back in the cash book as at 30/6/2021

13. BALANCES BROUGHT FORWARD

	2020-2021 (1st July 2020)	2019-2020 (1st July 2019)
	Kshs	Kshs
Bank accounts	24,021,896	4,099,956
Cash in hand	-	-
Imprest	-	-
Total	24,021,896	4,099,956

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	24,021,896	2,291,522	24,021,896
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	24,021,896	2,291,522	24,021,896

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	8,062,000	6,913,000
Imprest surrendered during the Year (C)	8,062,000	6,913,000
closing accounts in account receivables D= A+B-C	-	-

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS		
	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	735,000
Deposit and Retentions paid during the Year (C)	-	735,000
closing account payables D= A+B-C	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	2,507,403	-
Total	2,507,403	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff- gratuity	988,809	-
Others (<i>specify</i>)		
Total	988,809	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,238,925	234,868
Use of goods and services	1,720,936	
Ilpus Primary School		1,750,000
Lagdima Primary School		150,000
Dokatu Primary School		150,000
Karare Primary School		760,000
Songa Mixed Secondary School		700,000
Saku Technical and Vocational College		600,000
Amounts due to other Government entities (see attached list)	39,002,699	
Amounts due to other grants and other transfers (see attached list)	21,683,592	
Acquisition of assets and CDF Office	28,001,313	15,000,000
Others (Constituency Innovation Hub)	4,677,027	4,677,027
Funds pending approval - AIA	5,000	
Total	97,329,492	24,021,895

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	1,380	3,000,380
Total	1,380	3,000,380

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
Construction of buildings					
1.	0	0	0	0	
2.	0	0	0	0	
3.	0	0	0	0	
Sub-Total	0	0	0	0	
Construction of civil works					
4.	0	0	0	0	
5.	0	0	0	0	
6.	0	0	0	0	
Sub-Total	0	0	0	0	
Supply of goods					
7.	0	0	0	0	
8.	0	0	0	0	
9.	0	0	0	0	
Sub-Total					
Supply of services					
10. Marsabit Toyota Kenya	2,507,403	0	02/08/2020	2,507,403	The debt was incurred for major repairs and service of two NGCDF Motor vehicles
Sub-Total	2,507,403	0		2,507,403	
Grand Total	2,507,403	0		2,507,403	

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
1. Bokayo Wario	Data Management officer	1.3.2013	130,572	
2. Shade Guleid	Watchman	1.3.2006	98,654	
3. Esther S. Elema	Tea girl	1.9.2016	91,233	
4. Abdikadir Abdirahman	Driver	1.9.2019	91,233	
5. Guyo Somo	Driver	1.3.2019	119,858	
6. Guyo Wako Galgalo	Clerical officer	1.9.2019	91,233	
7. William Barako	Field officer	1.9.2019	91,233	
8. Lokho Godana	Office assistant	1.9.2019	91,233	
9. Ibrahim Fayo	Clerk of works	1.9.2019	144,410	
10. Zamzam Lesamperia	Field officer	1.3.2021	22,808	
11. Abdub Guru Arero	Field officer	1.4.2021	16,340	
Sub-Total			988,807	

*Saku Constituency National Government's Constituencies Development Fund (NGCDF)
Reports and Financial Statements for the Year Ended June 30, 2021*

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		2,238,925		
Use of goods & services		1,720,936		
Amounts due to other Government entities				
7.0 Primary Schools Projects				
Ilpus Primary School		250,000		
Ilpus Primary School		2,750,000		
Dirib Gombo Primary school		1,168,000		
Kubi Qallo Primary School		1,440,000		
Dokatu Primary School		1,200,000		
Dokatu Primary School		2,914,000		
Loruko Primary School		550		
St. Peters Primary School		700,000		
Manyatta Jillo Primary school		900,000		
Gargasa Primary school		700,000		
Badasa primary school		750,000		
Goro Rukesa Primary School		43,710		
Goro Rukesa Primary School		1,950		
Karare Primary School		1,440,000		
Saku Primary School		900,000		
Lagdima Primary School		150,000		
Jaldesa Primary School		400		
Marsabit Primary School		80		
Marsabit Primary School		350		
Marsabit Primary School		330		
Kubi Qallo Primary School		100		
Kubi Qallo Primary School		200		
Dirib Gombo Primary School		1,070		

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

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Dirib Gombo Primary School		6,000		
Goro Rukesa Primary School		10		
Boru Haro Primary School		30		
Kituruni Primary School		170		
Parkishon Primary School		1,310		
Qachacha Primary School		370		
Gar Qarsa Primary School		5		
Karare Primary School		500		
Mwangaza Primary School		580		
Hula Hula Primary School		1,000		
Saku Primary School		330		
Badasa Primary School		500		
Karare Primary School		610,000		
SKM Primary School		137		
Sub-total		15,931,682		
8.0 Secondary Schools Projects				
St. Peters Mixed Secondary School		10,350,000		
St. Peters Mixed Secondary School		560		
Songa Mixed Secondary School		900		
Songa Mixed Secondary School		300		
Songa Mixed Secondary School		800		
Songa Mixed Secondary School		600		
Saku High School		145		
Saku High School		5,000,000		
Moi Girls secondary school		600		
Moi Girls secondary school		510		
Moi Girls secondary school		512,000		
Gadamoji High School		500,000		

*Saku Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for 1.1.2020 Year Ended June 30, 2021*

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Goro Rukesa Sec school		100		
Goro Rukesa Sec school		5,000,000		
Dakabaricha Secondary school		850		
Dakabaricha Secondary school		700		
Dakabaricha Secondary school		1,700,000		
Karare Mixed Secondary school		740		
Karare Mixed Secondary school		112		
Karare Mixed Secondary school		1,000		
Badassa Mixed Secondary School		100		
Marsabit Boys Secondary School		1,000		
Total		23,071,017		
Sub-Total		39,002,699		
Amounts due to other grants and other transfers				
10.0 Security Projects				
Government of Kenya Prisons-Marsabit		2,040		
Critical Infrastructure Police Unit (CIPU) Marsabit		2,600,000		
Central Sub-County				
Dakabaricha Chiefs' Office		2,500,000		
Hula Hula Chiefs' Office		2,500,000		
Qilta Chiefs' Office		2,500,000		
Songa Chiefs' Office		300,000		
County Criminal Investigation Office (CCIO)		1,800,000		
County Police Head Quarters Office		1,500,000		
Leyai Police station		1,500,000		
Jaldesa AP Line		1,000,000		
Sagante AP Line		200		
Sagante AP Line		700		
Sagante Chiefs Office		760		
Sub-County Education Office		1,820		

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

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Badasa Chief's Office		2		
Badasa Chief's Office		1,000		
Total		16,206,522		
11.0 Acquisition of assets				
11.1 NGCDFC Motor Vehicles and Motor bike		6,993,313		
11.2 Construction of CDF office		21,008,000		
Total		28,001,313		
12.0 Other projects				
Constituency Innovation Hub		4,677,027		
Unapproved projects-AIA		5,000		
1.0 Administration and Recurrent				
1.1 Compensation of employees			234,000	
Sub-Total			234,000	
Amounts due to other Government entities				
Primary Schools Projects	-			
Ilpus Primary School			1,750,000	
Dokatu Primary School			150,000	
Lagdima Primary School			150,000	
Karare Primary School			760,000	
Sub-Total			2,810,000	
8.0 Secondary Schools Projects				
Songa Mixed Secondary School			700,000	
Sub-Total			700,000	
Amounts due to other grants and other transfers				

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

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Saku Technical & Vocational college			600,000	
Sub-Total			600,000	
Acquisition of assets				
NGCDF Office			15,000,000	
Constituency Innovation Hub			4,677,027	
Sub total			19,677,027	
Grand Total		73,572,724	24,021,895	

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	-	14,700,000	-	14,700,000
Transport equipment	10,388,580	-	-	10,388,580
Office equipment, furniture and fittings	103,750	-	-	103,750
ICT Equipment, Software and Other ICT Assets	257,750	138,000	136,000	259,750
Other Machinery and Equipment	1,300	-	-	1,300
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	10,751,380	14,838,000	136,000	25,453,380

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

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Loruko Primary School			710	710
Leyai CDF Project (Songa Mixed Sec School)			670	2,999,670
Total			1,380	3,000,380

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

XIV PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Comparative balances	This has since been corrected	FAM	Resolved	
2.1	Construction of Karare Chiefs Office;- Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,998,900 paid out for construction of Karare Chief's office during the year under review, but whose contract	The issue of electrical installation and guttering of the office was taken up with the Sub-County Works Officer who supervised the works and issued a certificate of practical completion to see to it that the works are done. Electrical installation has since been done, while the gutters are being installed. On handing over of the office, this was done officially on 31st May 2018 by the Member of Parliament Hon. Dido Rasso. Though the PMC was disbanded after	FAM	Resolved	

*Saku Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for 1st Year Ended June 30, 2021*

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

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

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

Saku Constituency National Government Constituencies Development Fund (NGCDF) Reports and Financial Statements for the Year Ended June 30, 2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Assistance County Commissioners office and official residence; during the year under review. Records , but whose contract made available shows that the contract was awarded through quotation. However, it was noted that the procurement method for works of Ksh. 1,998,500 was above the set limit Ksh. 500,000 for class C entities for using quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013.</p>				

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

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

Saku Constituency National Government Constituencies Development Fund (NGCDF) Reports and Financial Statements for 1.1.2017 Year Ended June 30, 2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.				
2.3	<p>Construction of Sagante Chief's Office;-</p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,999,510</p>	<p>The procurement for the works was actually done through floatation of tenders and only the summary top page reading request to tender/quotation was attached for the tenderer to indicate her bid total, otherwise Bill of Quantities were attached/provided. The issue of works not done was taken up with the Sub-County Works Officer and the Contractor and the works have since been done. The handing over issue was taken up with Member of Parliament and promised to officially open the by</p>	FAM/MP	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>paid out for construction /Sagante Chief's office during the year under review. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that the Office was in use. However, the bill of quantities revealed that works totalling to Ksh.223,500 which were to be undertaken had</p>	<p>December 2019.</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>not been done as at the time of the project verification despite certificate of completion having been issued by the Sub County Works officer in February 2018.</p> <p>Further, the works contract was procured through request for quotation method which was however above the set limit of Ksh. 500,000 for class C entities for using</p>				

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013. In addition there was no handing over report of the project on completion.</p> <p>In the circumstances, the accuracy and value for money for the Kshs. 1,999,510</p>				

*Saku Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for 1st Year Ended June 30, 2021*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	expenditure for the year ended 30 June 2018 could not be confirmed.				
2.4	Un-supported bursaries to Secondary and Tertiary institutions. Note 7 to the financial statements reflects other grants and other payments of Ksh. 30,562,558 which includes Ksh. 13,076,474 and Ksh. 7,278,000 for bursaries to Secondary and Tertiary institutions respectively both totalling Ksh.20,354,474. However, no acknowledgements	As observed by your audit team, we have had a big challenge with institutions not acknowledging receipts of our bursary cheques despite our clear instruction to them through our letters dispatching the cheque to do so in writing. Despite the challenge, your Audit team confirmed all the bursary cheques sent to the various Secondary institutions audited were actually received by them and entered in the school ledgers. However, we will not relent in pursuing the beneficiary institutions to acknowledge receipt	FAM	Not resolved	September 2021

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	receipts from the institutions, names of the institutions and list of applicants were availed for audit review. In the circumstances, the accuracy and value for money for the Kshs. 20,354,474 expenditure for the year ended 30 June 2018 could not be confirmed.	of the bursary cheques. We are also negotiating with the Postal Corporation of Kenya to be delivering our bursary cheques to institutions and get the acknowledgements as from next year.			
3.0	Poor workmanship at Goro Rukesa Mixed Secondary School;- Note 6 to the financial statements reflects transfers to other Government entities of Ksh.	The issue of poor workmanship was taken up with the County Works officer who said that the small cracks were as a result of the building settling down. The project returns were provided. The retention was not provided for as per County Works office as the project had been completed two years down the line, but CDFC	CDFC/Sub county Works Officer	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	28,446,090 which includes Ksh. 13,279,045 for transfer to Secondary Schools which further includes Ksh. 1,196,385 incurred for the construction of an Administration block at Goro Rukesa Secondary School during the year under review. The project commenced in the financial year 2016/2017 with an initial funding	was mandated to take up the matter with the contractor to amend the anomaly.			



Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>of Ksh. 3,000,000 which together with Ksh. 1,196,385 funding during the year under review, translated to a total funding of Ksh.4,196,385. However. The project returns, completion certificates and evidence that the fund is holding 10% retention fee were not made available for audit review. In addition, although</p>				