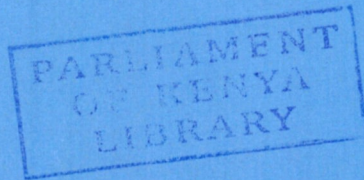


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

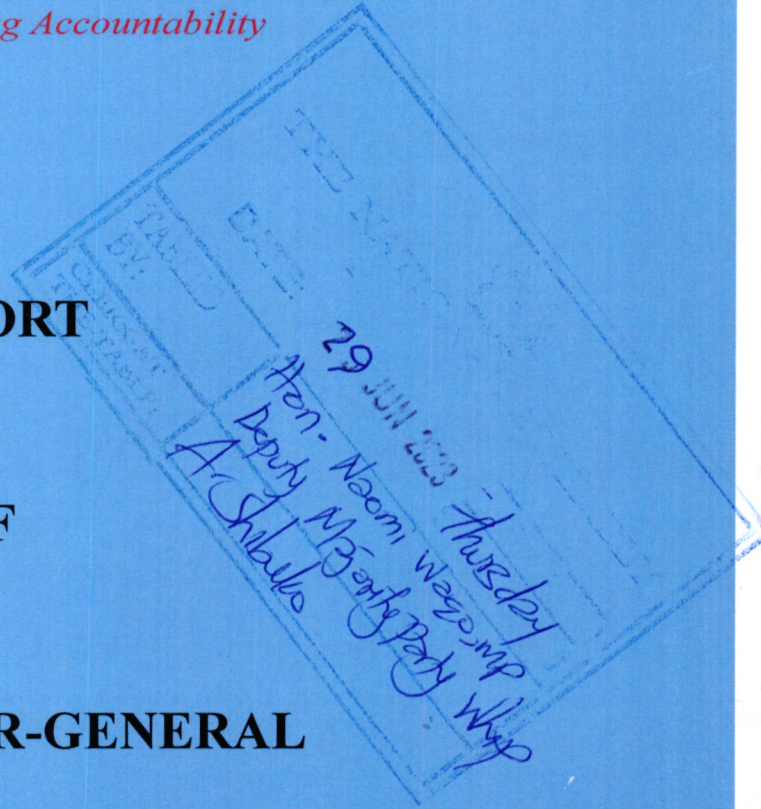
OF

THE AUDITOR-GENERAL

ON

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

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





SABOTI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

Leave it blank

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

Table of Contents

	Page
I. Key Constituency Information and Management	iii
II. NG-CDFC Chairman’s Report	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	xii
IV. Environmental and Sustainability Reporting	xiv
V. Statement Of Management Responsibilities	xviii
VI. Report Of the Independent Auditors On The NGCDF- Saboti Constituency.....	xx
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022	4
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022	7
XI. Significant Accounting Policies	15
XII. Notes To the Financial Statements.....	21

Saboti Constituency

National Government Constituencies Development Fund (NGCDF)

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

I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

Saboti Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Saboti 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)

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Mr. John Eric Gitonga.
2.	Sub-County Accountant	CPA Wycliffe Khamati Shifwoka.
3.	Chairman NGCDFC	Mr. Christopher Kweyu.
4.	Member NGCDFC	Mrs. Margaret Sessi.

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1330-30200
Saboti NG-CDF Complex
Kitale Town
Kitale, KENYA

(f) Saboti Constituency NGCDF Contacts

Telephone: (254) 721-210316
E-mail: cdsabaticonstituency@ngcdf.go.ke
Website: www.cdsabaticonstituency.go.ke

(g) Saboti Constituency NGCDF Bankers

Cooperative Bank Kenya Limited
Kitale Branch
A/C No.01141599096300
P O Box - 1330-30200
Kitale, Kenya.

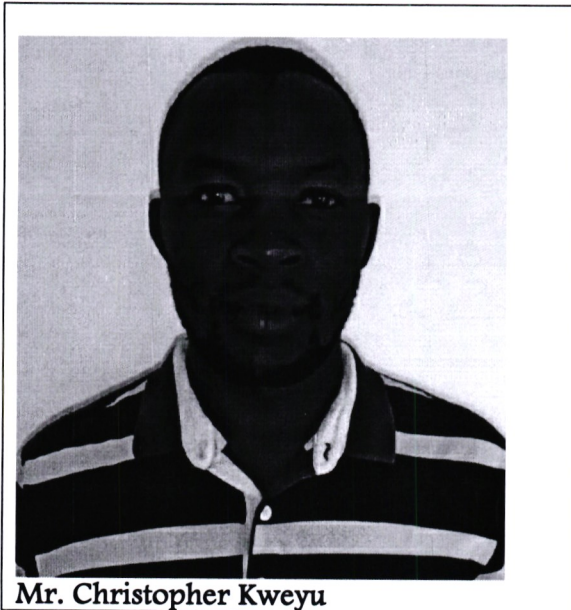
(h) Independent Auditors

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



On behalf of Saboti NG-CDF Committee and staff, I am profoundly glad in presenting the FY 2021/2022 annual report and financial statements for the fund.

Saboti NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of Saboti constituency and ensure that all approved projects meet the requirements of sec 24 of the NG-

CDF Act 2015, Capacity building of the project management committees (Pmc`s), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act 2015(as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (Pmc), projects monitoring and regular ngcdf committee meetings.

Saboti NG-CDF committee registered exemplary performance in the year under review as demonstrated by implementation of projects, programmes and activities in the sectors of Education, security, sports and environment which fall within the mandate of the Fund established by the NGCDF ACT 2015(as amended in 2016).

The fund augmented the national government's infrastructure development in education sector through construction, renovation and equipping of schools.

In detail, NG-CDF Saboti has been able to achieve the following during the financial year;

A total of 32classrooms, 4dormitories, 2laboratories, 3administration blocks 3 teacher houses, 2dining halls and 22toilet blocks were constructed and or renovated through the allocation to the fund.

The fund's contribution towards education infrastructure across the constituency supported the 100% government transition policy. Saboti NG-CDF committee also funded the construction of 3

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

security facilities amounting to ksh.2, 095,000 in the year which have enhanced security in the constituency.

In addition, the fund supported retention of students in secondary and tertiary institutions through allocation of bursary. During the financial year, a total of Kes.47, 981,108 was allocated as bursary to needy students in the constituency. NG-CDF Saboti committee has developed bursary award criteria to ensure only the needy students are awarded bursary.

A). Budget Performance

In the financial year 2021/2022 NG-CDF Saboti budget performance against actual amounts for current year based on economic classification and programmes, was very impressive due to timely disbursement of funds to the constituency by the NG-CDF BOARD,

In the financial year ended June 30th, 2022, NG-CDF Saboti had a cumulative approved budget of Kshs **199,968,613** and the entire budget was fully disbursed to the constituency by the NGCDF Board within the financial year.

NG-CDF Saboti disbursed the received funds as follows;

Kes 69,450,000 was disbursed to various schools and other government agencies for implementation of the approved projects,

Kes 94,365,352 was issued as bursaries to needy students in the constituency,

Kes 14,034,548 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses,

Kes 2,976,104 was used in payment of NG-CDFC staff salaries and gratuity,

Kes 2,095,000 was used to fund Security projects in the constituency during the financial year,

Kes 2,739,000 was used to fund Sports projects in the constituency during the financial year,

Kes 2,740,000 was used to fund Environment projects in the constituency during the financial year,

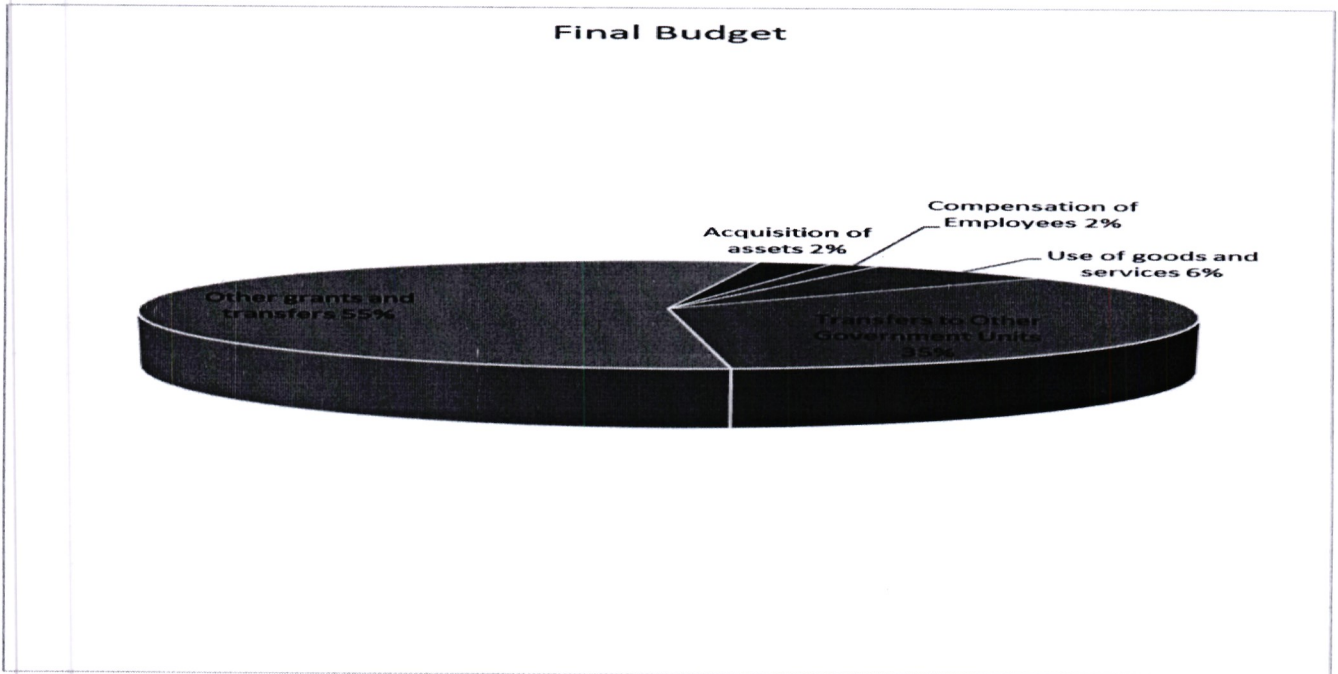
Kes 7,080,000 was used to fund emergency occurrences in the constituency,

Kes 3,548,386 was used to fund acquisition of NGCDFC Office Building to house office operations in the constituency,

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

The performance during the year is summarised as follows;

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	3,390,664	2,976,104	414,560	88%
Use of goods and services	12,638,548	14,034,548	(1,396,000)	111%
Transfers to Other Government Units	69,450,000	69,450,000	-	100%
Other grants and transfers	109,561,593	109,019,352	542,241	100%
Acquisition of assets	4,927,808	3,548,386	1,379,422	72%
Other Payments(Strategic Plan)	-	-	-	-
Funds Pending Approval	-	-	-	-
TOTAL	199,968,613	198,820,618	940,223	100%



Herein attached are pictorials to depict successful projects undertaken during the year.

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



Saboti NGCDF Office, F/Y 2019-2020, Construction of office
Impact: improved service delivery to the public



Caleb Amisi centre of excellence construction of 8 classrooms block, F/Y 2020-2021
Impact: to enhance transition from primary to secondary school.

B). Emerging issues related to NG-CDF in Saboti Constituency are;

- ❖ Education, Security, Sports, Environment, Water and Roads sectors almost entirely depend on NG-CDF on infrastructure development.
- ❖ Prioritization of projects to fund is becoming more difficult due to the numerous high impact and deserving projects being proposed by the residents.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructure to cater for the residents.
- ❖ There's a growing Need to compete with the county government in infrastructure development to justify the long existence of NG-CDF.

C). NG-CDF Implementation challenges in Saboti Constituency are;

- ❖ Overdependence on the fund by the public and National government functions on all development related needs.

(To overcome this, NG-CDF Saboti Committee employs public participation at the ward level in identification of priority projects for funding and bursary beneficiaries within the constituency).


- ❖ Funds disbursement from the board is untimely and unpredictable leading to delays in execution of budgets occasioning unnecessary budgetary adjustments and delays in the implementation of approved projects.

(NG-CDF Saboti committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC` s) as soon as it receives).

- ❖ Many projects are allocated funds (thinly spread projects)- leading to projects receiving insufficient funds

(To overcome this challenge, NG-CDF Saboti is focusing on allocating enough funds to complete the project within at most 2 years).

Moving forward NG-CDF Saboti Committee remains steadfast in delivering on our mandate of transforming lives (maendeleo kwa wote) thus creating a better society for all.

.....


**Mr. Christopher Kweyu
Chairman NG-CDF Committee**

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

Introduction

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

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

- a) Improve Education Standards.
- b) Improve Security.
- c) Conserve the environment.
- d) Nurture talent through sporting activities and art
- e) Increase youth, women and persons with disability participation in development objectives.

Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the Constitution.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiar	In FY 21/22 we increased number of classrooms, and toilets by approximately 22 new structures - Bursary beneficiaries at all levels were as per the attached schedules

Saboti Constituency

National Government Constituencies Development Fund (NGCDF)

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

			ies at all levels	
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for their lives and property.	-Decrease in the number of insecurity related incidents. -Improved security and a more secure business environment	-Numbers of usable physical infrastructure build in Police stations. Chief's offices, DCI and county Commissioners security facilities. -	In FY 21/22 We built two (2) Security facilities in Kinyoro police station and Trans Nzoia County Commissioners Office.
Environment	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.	In FY 21/22 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools approximately 4,000 in number
Sports	To Nurture sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.	In FY 21/22 -we organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Emergency	To be able to urgently address Unforeseen occurrences in the constituency.	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed.	In FY 21/22 -we constructed Pit latrine blocks and re-roofing of classrooms in various schools When the schools were facing immediate closure by the county department of health.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Saboti 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 operations 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.

Saboti Constituency

National Government Constituencies Development Fund (NGCDF)

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

- 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 a development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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

3. Employee welfare

We invest in providing the best working environment for our employees. Saboti 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 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. Saboti constituency invests in capacity building

programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Saboti NGCDF Constituency is committed to fair and ethical market practices.

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 gets value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Saboti 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.

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



.....
John Eric Gitonga
Fund Account Manager.

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 by the Public Sector Accounting Standards Board of Kenya from time to time.

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

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


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

covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

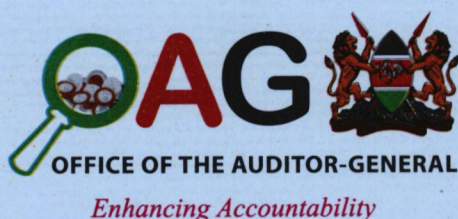
The NGCDF- Saboti Constituency financial statements were approved and signed by the Accounting Officer on 13/4/ 2023.


.....
Mr. Christopher Kweyu
Chairman – NGCDF Committee


.....
Mr. John Eric Gitonga
Fund Account Manager

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 - SABOTI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Saboti Constituency set out on Pages 1 to 45, which

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

comprise the statement of assets and liabilities as at 30 June, 2022, the statement of receipts and payments, statement of cash flows and 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 - Saboti Constituency for the year ended 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccurate Disclosure of Cash and Cash Equivalents

The statement of assets and liabilities reflects bank balance of Kshs.940,223 held in Co-operative Bank Limited as disclosed in Note 10A to the financial statements. The bank reconciliation statement for June 2022 reflects unrepresented cheques amounting to Kshs.7,106,268 and receipts in bank statement not recorded in cash book amount of Kshs.248,518.

However, the unrepresented cheques of Kshs.7,106,268 include stale cheques amounting to Kshs.1,161,615 which were not reversed and replaced as at 30 June 2022. Further, receipts in bank statement not recorded in cash book amount of Kshs.248,518 includes bank charges of Kshs.178,518 which ought to have been charged in statement of receipts and payments. The amount of Kshs.248,518 also includes an amount of Kshs.70,000 whose particulars were not disclosed.

In the circumstances, the accuracy and completeness of bank balance of Kshs.940,223 could not be confirmed.

2. Unsupported Project Management Committee Bank Balances

Note 17.4 reflects Project Management Committee (PMC) bank balances amounting to Kshs.2,584,258 held in twenty-seven (27) bank accounts in various commercial banks as disclosed in Annex 5 of the financial statements. However, cash books, bank reconciliation statements, certificates of bank balance and bank statements for the twenty-seven (27) bank accounts were not provided for audit.

In the circumstances, the existence, accuracy and completeness of project management committee bank balances of Kshs.2,584,258 could not be confirmed.

3. Summary of Fixed Assets

Annex 4 to the financial statements on summary of fixed assets register reflects cumulative historical asset cost amount of Kshs.9,871,901 which comprises of; building and structures - Kshs.8,698,426, office equipment, furniture and fittings - Kshs.99,300, and ICT equipment and software and other ICT assets Kshs.589,225 and other machinery and Equipment - Kshs.484,950.

However, land on which the Fund's building and structures are built has not been valued and included in fixed asset register and financial statements. Further, land ownership documents in form of land title deeds were not provided for audit.

In the circumstances, the ownership, completeness and accuracy of fixed assets balance of Kshs.9,871,901 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 - Saboti Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Project Implementation Status (PIS)

The project implementation status provided as at 30 June 2022 revealed that a total of eighty-four (84) projects received disbursements of Kshs.124,638,673 out of which eighty (80) projects with disbursements of Kshs.98,538,673 were completed and in use, while four (4) projects with disbursements of Kshs.26,100,000 were ongoing.

2. Project Verification

Twelve (12) projects with a total allocation and disbursements of Kshs.54,082,845 were verified in March 2023. The observations made, included non-completion of projects, delay in project completion and non-labeling of completed projects .

In the circumstances, the residents of Saboti Constituency may not have obtained value for funds on incomplete and on-going projects.

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 effect of the matter 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

Late Disbursements of Funds from the Board

The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board amount of Kshs.182,177,758 . However, the amount of Kshs.182,177,758 includes Kshs.45,088,879 or 25% of total receipts budgeted for in the 2020/2021 financial year contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the Constituency Fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year and Section 40(1) which stipulates that the Board shall ensure that the list of projects forwarded to it by each constituency is, upon approval, funded in accordance with the Act.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

The 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 overall governance.

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

The 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 overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls 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 controls 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 Fund's policies and procedures may deteriorate.


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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 June, 2023

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

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

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	182,177,758	161,868,757
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		182,177,758	161,868,757
Payments			
Compensation Of Employees	4	2,976,104	1,711,940
Use Of Goods and Services	5	14,034,548	10,999,702
Transfers To Other Government Units	6	69,450,000	108,317,447
Other Grants and Transfers	7	109,019,352	25,191,900
Acquisition Of Assets	8	3,548,386	5,150,040
Other Payments	9	-	-
		-	-
Total Payments		199,028,390	151,371,029
Surplus/ (Deficit)		(16,850,632)	10,497,728

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

The Constituency financial statements were approved on 13/4/ 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee

Name: Mr John Eric Gitonga.

Name: CPA Oringo Tonny
Griffins
ICPAK M/No:6191

Name: Mr Christopher Kweyu.

VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	940,223	17,790,855
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		940,223	17,790,855
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		940,223	17,790,855
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		940,223	17,790,855
Represented By			
Fund Balance B/Fwd.	13	17,790,855	6,804,883
Prior Year Adjustments	14	-	488,244
Surplus/Deficit for The Year		(16,850,632)	10,497,728
Net Financial Position		940,223	17,790,855

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

The Constituency financial statements were approved on 13/4/ 2023 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee

Name: Mr John Eric Gitonga.

Name: CPA Oringo Tonny
Griffins
ICPAK M/No:6191

Name: Mr Christopher Kweyu.

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

	Notes	2021 - 2022 Kshs	2020 - 2021 Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	182,177,758	161,868,757
Other Receipts	3	-	-
Total Receipts		182,177,758	161,868,757
Payments			
Compensation Of Employees	4	2,976,104	1,711,940
Use Of Goods and Services	5	14,034,548	10,999,702
Transfers To Other Government Units	6	69,450,000	108,317,447
Other Grants and Transfers	7	109,019,352	25,191,900
Other Payments	9	-	-
Total Payments		195,480,004	146,220,989
Total Receipts Less Total Payments		(13,302,246)	15,647,768
Adjusted For:			
Decrease/ (Increase) In Accounts Receivable	15	-	-
Increase/ (Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	488,244
Net Cash Flow from Operating Activities		(13,302,246)	16,136,012
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	3,548,386	5,150,040
Net Cash Flows from Investing Activities		(3,548,386)	(5,150,040)
Net Increase In Cash And Cash Equivalent		(16,850,632)	10,985,972
Cash & Cash Equivalent At Start Of The Year	10	17,790,855	6,804,883
Cash & Cash Equivalent At End Of The Year		940,223	17,790,855

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


The Constituency financial statements were approved on 13/4/ 2023 and signed by:



 Fund Account Manager



 National Sub-County
 Accountant



 Chairman NG-CDF
 Committee

Name: Mr John Eric Gitonga.

Name: CPA Oringo Tonny
 Griffins
 ICPAK M/No:6191

Name: Mr Christopher Kweyu.

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

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

Receipts/Payments	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference		% of Utilization
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	Kshs	30/06/2022	Kshs	-c+d	f-d/e%	
Receipts											
Transfers From NGCDF Board	137,088,879		17,790,855	45,088,879	199,968,613		199,968,613		-	100%	
Proceeds From Sale of Assets	-		-	-	-		-		-	-	
Other Receipts	-		-	-	-		-		-	-	
Totals	137,088,879		17,790,855	45,088,879	199,968,613		199,968,613		-	100%	
Payments											
Compensation Of Employees	3,390,664		-	-	3,390,664		2,976,104	414,560		88%	
Use Of Goods and Services	8,947,335		3,691,213	-	12,638,548		14,034,548	(1,396,000)		111%	
Transfers To Other Government Units	59,800,000		-	9,650,000	69,450,000		69,450,000	-		100%	
Other Grants and Transfers	61,056,870		13,065,844	35,438,879	109,561,593		109,019,352	542,241		100%	
Acquisition Of Assets	3,894,010		1,033,798	-	4,927,808		3,548,386	1,379,422		72%	
Other Payments	-		-	-	-		-	-		0%	
Funds Pending Approval**	-		-	-	-		-	-		0%	
Totals	137,088,879		17,790,855	45,088,879	199,968,613		199,028,390	940,223		100%	

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

Explanatory Notes.

a. Compensation of employees and acquisition of assets were underutilized since the funds were receive a little late.
Explanation on the changes between the original and final budget as per IPSAS 1.9.23.;


- ❖ Kes 17,790,855. Are the unutilized funds brought forward from FY 2020/2021 (refer to cashbook/bank closing balance as at 30th June 2021
- ❖ Kes 45,088,879. Is the unutilized funds for FY 2020/2021 which was disbursed to the constituency by the NGCDF BOARD in FY2021/2022

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	940,223
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	940,223
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	940,223

The Constituency financial statements were approved on 13/4/ 2023 and signed by:



 National Sub-County Accountant



 Chairman NG-CDF Committee

Name: Mr John Eric Gitonga.

Name: CPA Oringo Tonny Griffins

Name: Mr Christopher Kweyu.

ICPAK M/No:6191

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

Programme/Sub-programme	Original Budget		Adjustments		Final budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Kshs	Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,390,664		-	-	3,390,664	2,976,104	414,560
1.2 Committee allowances	3,134,669		2,105,669	-	5,240,338	5,239,822	516
1.3 Use of goods and services	1,700,000		(396,195)	-	1,303,805	1,799,050	(495,245)
Total	8,225,333		1,709,474	-	9,934,806	10,014,976	(80,170)
2.0 Monitoring and evaluation							
2.1 Capacity building	1,891,635		503,922	-	2,395,557	2,399,600	(4,043)
2.2 Committee allowances	1,600,000		1,306,787	-	2,906,787	3,307,486	(400,699)
2.3 Use of goods and services	621,031		171,030	-	792,062	1,288,590	(496,528)
Total	4,112,666		1,981,739	-	6,094,406	6,995,676	(901,270)
3.0 Emergency							
3.1 Primary Schools							
Kitale Union Primary School	100,000		-	-	100,000	100,000	-
Mungoma Primary School	80,000		-	-	80,000	80,000	-
Central Primary School	2,400,000		-	-	2,400,000	2,400,000	-
3.2 Secondary schools							
Bishop Crowley Sec School Lukesi	2,253,552		346,448	-	2,600,000	2,600,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/B) and VA	Previous Year's Outstanding Disbursements			
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
Chemichemi Police Post	1,900,000	-	-	1,900,000	1,900,000	-
3.5 Unutilised	458,655			458,655		458,655
Total	7,192,207	346,448		7,538,655	7,080,000	458,655
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	24,000,000	11,706,109	12,038,837	47,744,946	47,473,852	478,866
4.2 Tertiary Institutions	22,200,000	488,244	22,200,042	44,888,286	45,091,500	(203,214)
4.3 Social Security	1,781,108	-	-	1,781,108	1,800,000	(18,892)
4.4 Special Needs	-	-	-	-	-	-
Total	47,981,108	12,194,353	34,238,879	94,414,340	94,365,352	48,987
5.0 Sports				-		-
5.1 Constituency sports	2,741,778	29,265	-	2,771,043	2,739,000	32,043
Total	2,741,778	29,265		2,771,043	2,739,000	32,043
6.0 Environment						
Township Primary School	54,836	-	-	54,836	54,836	-
Gituamba Primary School	54,836	-	-	54,836	54,836	-
GK Prison Primary School	54,836	-	-	54,836	54,836	-
Lukhuna Primary School	54,836	-	-	54,836	54,836	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustment		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/B) and MA	Previous Year's Outstanding Disbursements			
Tuwan Primary School	54,836	-	-	54,836	54,836	-
Boma Boys Secondary School	54,836	-	-	54,836	54,836	-
Masinde Muliro Secondary School	54,836	-	-	54,836	54,836	-
Kitale School Secondary School	54,836	-	-	54,836	54,836	-
Matisi Friends Secondary School	54,836	-	-	54,836	54,836	-
Matisi Girls Secondary School	54,836	-	-	54,836	54,836	-
Soil Conservation Secondary School	54,836	-	-	54,836	54,836	-
Kitale Primary School	54,836	-	-	54,836	54,836	-
Mungoma Primary School	54,836	-	-	54,836	54,836	-
Grassland Primary School	54,836	-	-	54,836	54,836	-
Chetoto Primary School	54,836	-	-	54,836	54,836	-
Soil Conservation Primary School	54,836	-	-	54,836	54,836	-
Top Station Primary School	54,836	-	-	54,836	54,836	-
Senator Wamalwa Secondary School	54,836	-	-	54,836	54,836	-
Nakami Secondary School	54,836	-	-	54,836	54,836	-
Kinyoro Secondary School	54,836	-	-	54,836	54,836	-
Sikulu Primary School	54,836	-	-	54,836	54,836	-
Teldet Primary School	54,836	-	-	54,836	54,836	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and A/A	Previous Years' Outstanding Disbursements			
Makhele Primary School	54,836	-	-	54,836	54,836	-
Lungai Primary School	54,836	-	-	54,836	54,836	-
Panacol Primary School	54,836	-	-	54,836	54,836	-
Machewa Primary School	54,836	-	-	54,836	54,836	-
Lukosi Primary School	54,836	-	-	54,836	54,836	-
Mwitha Primary School	54,836	-	-	54,836	54,836	-
Wetangula Primary School	54,836	-	-	54,836	54,836	-
Bondeni Primary School	54,836	-	-	54,836	54,836	-
Lukhome Primary School	54,836	-	-	54,836	54,836	-
St.Peters Mwitha Sec School	54,836	-	-	54,836	54,836	-
Muroki Primary School	54,836	-	-	54,836	54,836	-
Legemet Primary School	54,836	-	-	54,836	54,836	-
Kipsagam Primary School	54,836	-	-	54,836	54,836	-
Sikinwa Primary School	54,836	-	-	54,836	54,836	-
Muroki Friends Secondary School	54,836	-	-	54,836	54,836	-
St.John Sikinwa Secondary School	54,836	-	-	54,836	54,836	-
St.Andrews Sukwo Secondary School	54,836	-	-	54,836	54,836	-
St.Veronicah Chebukaka	54,836	-	-	54,836	54,836	-
St.Lucia Girls Kapretwa	54,836	-	-	54,836	54,836	-

Programme/Sub-programme	Original Budget 2021/2022		Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	Opening Balance (C/B) and MA	2021/2022	Opening Balance (C/B) and MA	Previous Years' Outstanding Disbursements			
Kakunga AP Camp	-	54,836	-	-	54,836	54,836	-
Kinyoro AP Camp	-	54,836	-	-	54,836	54,836	-
Rengecha AP Camp	-	54,836	-	-	54,836	54,836	-
Saboti Police Post	-	54,836	-	-	54,836	54,836	-
Machewa Chiefs Office	-	54,836	-	-	54,836	54,836	-
Grassland Chiefs Office	-	54,836	-	-	54,836	54,836	-
Chemichemi AP Camp	-	54,836	-	-	54,836	54,836	-
Grassland AP Camp	-	54,836	-	-	54,836	54,836	-
ACC Office	778	54,836	778	-	55,614	53,058	2,556
Total	778	2,741,778	778	-	2,742,556	2,740,000	2,556
7.0 Primary Schools Projects							
Caleb Amisi Centre Of Excellence	-	8,600,000	-	-	8,600,000	8,600,000	-
Chebukaka Primary School	-	2,000,000	-	-	2,000,000	2,000,000	-
GK Prison Primary School	-	3,000,000	-	-	3,000,000	3,000,000	-
Lukhome Primary school	-	2,200,000	-	-	2,200,000	2,200,000	-
Lukhuna Primary school	-	8,300,000	-	-	8,300,000	8,300,000	-
Maeni Primary School	-	800,000	-	-	800,000	800,000	-
Matisi Primary School	-	8,300,000	-	-	8,300,000	8,300,000	-
Mengo Primary School	-	2,000,000	-	-	2,000,000	2,000,000	-
Milembe Primary School	-	1,600,000	-	-	1,600,000	1,600,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and MA	Previous Year's Outstanding Disbursements			
Saboti Primary School	600,000	-	-	600,000	600,000	-
Sango Primary School	2,500,000	-	-	2,500,000	2,500,000	-
Soil Conservation Primary school	600,000	-	-	600,000	600,000	-
St Joseph's Primary School	600,000	-	-	600,000	600,000	-
Teldet Primary school	600,000	-	-	600,000	600,000	-
Tuwan Primary school	8,300,000	-	-	8,300,000	8,300,000	-
Trans Nzoia Primary School	-	-	2,800,000	2,800,000	2,800,000	-
Total	50,000,000	-	2,800,000	52,800,000	52,800,000	-
8.0 Secondary Schools Projects						-
Lukosi Secondary school	2,400,000	-	-	2,400,000	2,400,000	-
St Andrews Sukwo secondary school	1,200,000	-	-	1,200,000	1,200,000	-
Teldet Secondary school	1,600,000	-	-	1,600,000	1,600,000	-
Luanda secondary school	600,000	-	-	600,000	600,000	-
Matisi Friends secondary school	4,000,000	-	-	4,000,000	4,000,000	-
St Michael Top Station Sec School	-	-	6,850,000	6,850,000	6,850,000	-
Total	9,800,000	-	6,850,000	16,650,000	16,650,000	-
9.0 Tertiary institutions Projects						-
						-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/B) and A/A	Previous Years' Outstanding Disbursements			
Total	-	-	-	-	-	-
10.0 Security Projects						
Trans Nzoia County Commissioner's Office	100,000	-	-	100,000	100,000	-
Kinyoro Police station	300,000	-	-	300,000	300,000	-
Rafiki Chiefs Office	-	-	-	-	-	-
Mbitiko Administration Police Post	-	495,000	1,200,000	1,695,000	1,695,000	-
Total	400,000	495,000	1,200,000	2,095,000	2,095,000	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	3,894,010	849,960	-	4,743,970	3,548,386	1,195,584
11.3 Purchase of furniture and equipment	-	183,838	-	183,838	-	183,838
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Total	3,894,010	1,033,798	-	4,927,808	3,548,386	1,379,422
12.0 Other payments						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.3 Roads	-	-	-	-	-	-
Total		-	-	-	-	-
13.0 unallocated fund						
Unapproved projects						-
AIA						-
PMC savings						
Total			-	-	-	-
Grand Total	137,088,879	17,790,855	45,088,879	199,968,613	199,028,390	940,223

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

a) receivables that include Imprests and salary advances and
b) payables that include deposits (gratuity and retentions).

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B105275	33,000,000	
AIE NO.B105554	44,000,000	
AIE NO.B105922	24,000,000	
AIE NO.B128689	5,000,000	
AIE NO.B154196	15,000,000	
AIE NO.B129000	12,000,000	
AIE NO.B154419	37,088,879	
AIE NO.B089088	12,088,879	
AIE NO.B104656		15,000,000
AIE NO.B104656		19,000,000
AIE NO.A823699		35,367,724
AIE NO.B104905		9,000,000
AIE NO.B124633		501,033
AIE NO.B119602		8,500,000
AIE NO.B119992		12,000,000
AIE NO.B128233		6,900,000
AIE NO.B129195		6,000,000
AIE NO.B132289		6,000,000
AIE NO.B138958		12,000,000
AIE NO.B126250		7,000,000
AIE NO.B105045		12,600,000
AIE NO.B140688		12,000,000
TOTAL	182,177,758	161,868,757

2. Proceeds from Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs

Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,010,372	1,644,080
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	880,952	-
Employer Contributions Compulsory national social security schemes	84,780	67,860
Total	2,976,104	1,711,940

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	8,547,308	4,883,000
Utilities, supplies and services	1,388,590	1,416,145
Communication, supplies and services	9,450	9,450
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	364,000	200,000
Rentals of produced assets	-	-
Training expenses	2,399,600	1,580,000
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	-	-
Insurance costs	-	-
Specialized materials and services	557,600	774,852
Office and general supplies and services	500,000	1,051,225
Other operating expenses	268,000	1,085,030
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-

Total	14,034,548	10,999,702
--------------	-------------------	-------------------

Notes to The Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	52,800,000	70,629,000
Transfers To Secondary Schools (See Attached List)	16,650,000	37,688,447
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	69,450,000	108,317,447

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	47,473,852	1,060,000
Bursary – tertiary institutions (see attached list)	45,091,500	-
Bursary – special schools (see attached list)	1,800,000	5,100,000
Mock & CAT (see attached list)	-	-
Social Security programs (NHIF)	-	-
Security projects (see attached list)	2,095,000	3,100,000
Sports projects (see attached list)	2,739,000	5,960,900
Environment projects (see attached list)	2,740,000	2,741,000
Emergency projects (see attached list)	7,080,000	7,230,000
Total	109,019,352	25,191,900

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	3,548,386	5,150,040
Refurbishment of Buildings	-	-
Purchase 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	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-

Total	3,548,386	5,150,040
--------------	------------------	------------------

Notes to the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>CO-OPERATIVE BANK KITALE;01141599096300</i>	940,223	17,790,855
Total		
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	940,223	17,790,855
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer		-	-	-
Name of Officer		-	-	-
Total		-	-	-

Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	17,790,855	6,804,883
Cash in hand	-	-
Imprest	-	-
Total	17,790,855	6,804,883

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022

Disposition of the asset	KShs	KShs	KShs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	128,800
Others (<i>specify</i>)	-	-
Total	-	128,800

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	414,560	3,560,787
Use of goods and services	(1,396,000)	(61,860)
Amounts due to other Government entities (see attached list)	-	10,337,286
Amounts due to other grants and other transfers (see attached list)	542,241	47,521,479
Acquisition of assets	1,379,422	1,033,798
Funds pending approval*	-	488,244
Total	940,223	62,879,734

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	2,584,257.75	9,480,975
Total	2,584,257.75	9,480,975

Saboti Constituency

National Government Constituencies Development Fund (NGCDF)

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

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

Annex 3 – Unutilized Fund

Name	Year/Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		414,560	3,560,787	
Use of goods & services		(1,396,000)	(61,860)	
Amounts due to other Government entities		-	10,337,286	
Sub-Total		(981,440)	13,836,213	
Amounts due to other grants and other transfers				
Emergency				
3.5 Unutilised		458,655		
Bursary				
Secondary Schools		48,987		
Sports		32,043		
Environment		2,556		
Sub-Total		542,241	48,009,723	
Acquisition of assets			1,033,798	
11.2 Construction of CDF office		1,195,584		
11.3 Purchase of furniture and equipment		183,838		
Sub-Total		1,379,422	1,033,798	
Funds pending approval				
Grand Total		940,223	62,879,734	

Annex 4 – Summary of Fixed Asset Register

ASSETS	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	5,150,040	3,548,386	-	8,698,426
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	99,300	-	-	99,300
ICT Equipment, Software and Other ICT Assets	589,225	-	-	589,225
Other Machinery and Equipment	484,950	-	-	484,950
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	6,323,515	3,548,386	-	9,871,901

Annex 5 –PMC Bank Balances as at 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Soil Conservation Primary	SIDIAN	01026030002465	04.08.2021	767.00
Sango Primary School	SIDIAN	01026030002473	21.12.2021	50,870.00
St.Joseph Primary School	SIDIAN	01026030006118	25.03.2022	1,647.00
Berur Primary School	SIDIAN	01026150026690	28.03.2022	447.00
Lukhome Primary School	SIDIAN	01026030002635	31.03.2022	877.00
Saboti Primary School	SIDIAN	01026030007301	31.03.2022	31,267.00
Teldet Primary School	SIDIAN	01026030001655	31.03.2022	75,187.00
Maeni Primary School	SIDIAN	01026150028697	31.03.2022	2,667.00
Milembe Primary School	SIDIAN	01026030004247	31.03.2022	3,792.00
Luanda Sec School	SIDIAN	01026030007651	31.03.2022	197.00
Matisi Friends Sec School	SIDIAN	01026030000772	31.03.2022	632,833.00
Caleb Amisi Centre of Excellence	SIDIAN	01026030011611	31.03.2022	72,443.00
ChemiChemi Police Post	SIDIAN	01026030012338	31.03.2022	680.00
Matisi Primary School	SIDIAN	01026030004239	27.04.2022	122,570.00
GK Remand Prison Primary School	SIDIAN	01026030012228	27.04.2022	1,020.00
Lukosi Sec School	SIDIAN	01026030012268	27.04.2022	895.00
Kinyoro Police Post	SIDIAN	01026030011801	27.04.2022	380.00
Trans-Nzoia County Commissioners Office	SIDIAN	01026030011761	09.05.2022	13,855.00
Teldet Sec School	COOP	01139694833800	09.05.2022	760,937.00

SAC		Bank	Account number	Bank Balance	Bank Balance	
				2021/22	2020/21	
St.Andrew's Sukwo Sec. School		COOP	01139694805900	09.05.2022	418,432.00	
Lukhuna Priamry School		COOP	01139694821300	17.06.2022	6,062.50	
Saboti CDF Environment Projects		COOP	01141599175700	17.06.2022	14,278.00	
Saboti CDF Security Projects		COOP	01141599175900	17.06.2022	153,014.00	
Tuwan Primary		COOP	01139694825800	04.08.2021	215,268.50	
Central Primary School		COOP	01139694840300	21.12.2021	1,432.50	
Bishop crowley Sec school		COOP	01139268942803	25.03.2022	1,499.50	
Mung'oma Primary School		COOP	01139599134400	28.03.2022	939.75	
Sikulu primary School		Sidian	1026030007781			198,115.00
Kapretwa Primary School		Sidian	1026030001302			33,978.00
Chemi Chemi Primary school		Sidian	1026030007481			4,020.00
Lukhome Primary school		Sidian	1026030002635			21,477.00
Mwitha primary school		Sidian	1026030002619			2,640.00
Lukosi primary school		Sidian	1026030002759			100,075.00
Sikinwa Primary school		Sidian	1026030005987			698,155.00
Central Primary School		Sidian	1139694840300			64,433.00
St James Bondeni Primary School		Sidian	1026030010381			8,375.00
Lungai Primary School		Sidian	1026030002945			203,751.00

PMC	Bank	Account number	Bank Balance	Bank Balance
			2023/22	2020/21
Maeni Primary School	Sidian	1026030007311		600,087.00
Trans-Nzoia Primary school	Sidian	1026030007641		240.00
Grassland Primary school	Sidian	1026030002996		3,992.00
Masinde Muliro Primary school	Sidian	1026030007311		5,287.00
Kaloleni Annex Primary school	Sidian	1139694832200		71,223.00
Kitale Union Primary school	Sidian	1026030003321		32,907.00
Chetoto Primary School	Sidian	1026030005383		31,542.00
Kisawai Primary school	Sidian	1026030001140		15,195.00
Mung'oma Primary school	Sidian	1139599134400		1,060.00
Panacol Primary school	Sidian	1026030010161		16,680.00
Lukhuna Primary school	Sidian	1139694821300		20,563.00
Pango Primary school	Sidian	1026030004271		16,700.00
Makhele primary school	Sidian	1026030008391		10,504.00
Tuwan primary school	Sidian	1139694825800		5,269.00
Township primary school	Sidian	1026030002600		20,215.00
Machewa Primary School	Sidian	1026030007311		62,502.00
Lukosi primary school	Sidian	1026030002759		100,075.00

PMC	Bank	Accounts number	Bank Balance	Bank Balance
			2021/22	2020/21
Matisi Primary School	Sidian	1026030004239		870.00
ST Columbus Primary School	Sidian	1139694832700		4,513.00
Teldet Primary School	Sidian	1026030001655		487.00
Lukhuna Primary School	Sidian	1139694821300		20,563.00
Gituamba Primary School	Sidian	1139694065200		438.00
Rafiki Primary School	Sidian	1026030002198		1,264.00
Mengo Primary School	Sidian	1026030002678		1,307.00
Kipsagam Primary School	Sidian	10260300049		-
Cheptumbelio Primary School	Sidian	1026030004190		335.00
Panacol Nakami Primary School	Sidian	1026030010161		16,680.00
Sukwo Primary School	Sidian	1026030002880		3,515.00
St Columbans Primary School	Sidian	1139594832700		-
Tuuyokony Primary School	Sidian	1026030004166		151.00
Koykoy Primary School	Sidian	1026030003119		16,847.00
Kinyoro Primary School	Sidian	1026030004344		545.00
Wetangula Primary School	Sidian	1026020003374		187.00
Sango Secondary school	Sidian	1139694810400		16,813.00

AMC	Bank	Account number	Bank Balance	Bank Balance
			2021/22	2020/21
Farm Prison Secondary school	Sidian	1139694831700		34,333.00
Sikulu Secondary school	Sidian	1026150026400		324,247.00
St Andrews Sukwo secondary school	Sidian	1139694805900		1,408,433.00
St Athanas Kisawai secondary school	Sidian	1026030011851		373,255.00
St Columbans secondary school	Sidian	1026030004816		44,431.00
St Benedict ChemiChemi sec school	Sidian	1139268924702		7,703.00
St Phillip Tuuyokony Sec School	Sidian	1026030011871		998,875.00
Rafiki Secondary School	Sidian	1026030005154		1,008,447.00
St Michael Top Station Sec School	Sidian	1026030004255		1,322.00
St Lucia Secondary School	Sidian	1139695263800		14,643.00
Lukosi Secondary School	Sidian	1141840335400		20,695.00
Caleb Amisi Centre Of Excellence	Sidian	1026030011611		2,592,863.00
Muroki Friends Secondary School	Sidian	1026030000942		27,390.00
Masinde Muliro Secondary School	Sidian	1026030004131		4,344.00
Nakami Secondary School	Sidian	1126030001744		4,387.00
Senator Wamalwa Secondary School	Sidian	1026030003690		12,083.00
Matisi Friends High School	Sidian	1026030000772		12,954.00

PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/22	2020/21
St Thomas Aquinas Secondary School	Sidian	1026030001620		150.00
Kakunga AP Camp	Sidian	1026030011711		18,305.00
County Commissioner AP Camp	Sidian	1026030011761		13,850.00
Kinyoro AP Camp	Sidian	1026030011801		380.00
Saboti Police station	Sidian	1026030011831		90,290.00
Kipsagam AP Post	Sidian	1026030011771		11,340.00
Machewa chief's office	Sidian	1026030011721		22,680.00
Total			2,584,257.7	9,480,975
			5	

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
4.1	<p>The budget performance table at page (vii) of the reports and financial statements reflects a final budget for other grants and transfers of Kshs.73,201,623 which varies with the summary statement of appropriation figure of Kshs.72,713,379 by Kshs.488,244; which subsequently results in the utilization difference of Kshs.48,009,723 also varying with the difference in the summary statement of appropriation figure of Kshs.47,521,479 by Kshs.488,244.</p> <p>Risk The financial statements do not reflect fair and correct position of the Fund as at 30 June 2021</p> <p>Recommendation The management to amend the financial statements.</p>	<p>The explanation on the changes between the original and final budgets as per IPSAS 1.9.23 of Kshs 488,244 (other receipts) of stale Bursary and VAT cheques were reversed back to cashbook within the financial year, replacements/ re use was done from 1st July 2021 as captured in financial statement under summary statement of appropriation. We have corrected our financial statement and its now reflects fair and correct financial position as</p>	Resolved	30.06.2022

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeline (Put a date when you expect the issue to be resolved)
4.2	<p>The statement of receipts and payments and note 5 to the financial statements reflect Kshs. 10,999,702 in respect to use of goods and services for the year ended 30 June, 2021. Included in this amount is Kshs. 1,580,000 expenditure relating to training expenses. However, review of the approved code list, payment vouchers and other documents availed for audit revealed that allocations amounting to Kshs. 1,891,635 to undertake training of the PMCs/CDFCs and staff on NG-CDF Related issues were reallocated to use of goods and services.</p> <p>There was neither approval from the Board provided for audit review nor explanation from the management regarding the re-allocations.</p> <p>Risk The expenditure of Kshs. 1,891,635 on use of goods and services was irregular.</p> <p>Recommendation</p>	<p>at 30th June 2021.</p> <p>The expenditure balance of Kshs. 311,635 was also used in purchase of goods and services that are related to the training of PMCs and NG-CDF Committee</p> <p>Find a copy of code list Extract, payment schedule, receipts and Training Reports Attached in Annex 5</p>	Resolved	30.06.2022

Reference No. on the external audit Report	Issue / Observations from Audit	Management Comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)																
	<p>The Saboti NG-CDFC should seek for authorization for any re-allocations to be done.</p>																			
4.3	<p>Included in the statement of receipts and payments under note 8 to the financial statement is Kshs. 5,150,040 being costs for construction of buildings under acquisition of assets. The contract was awarded to M/s Four smart Investment Limited. During financial year under review the following payments were made as analysed in the table below:</p> <table border="1" data-bbox="790 1220 1189 1803"> <thead> <tr> <th>Payee</th> <th>Date</th> <th>P.V No</th> <th>Amount (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Foursmart Investment Limited</td> <td>23.12.2020</td> <td>49</td> <td>3,201,902</td> </tr> <tr> <td>Foursmart Investment Limited</td> <td>10.02.2021</td> <td>61</td> <td>1,948,138</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>5,150,040</td> </tr> </tbody> </table> <p>Further examination of supporting documentation revealed that the</p>	Payee	Date	P.V No	Amount (Kshs)	Foursmart Investment Limited	23.12.2020	49	3,201,902	Foursmart Investment Limited	10.02.2021	61	1,948,138	Total			5,150,040	<p>1. The contractor requested more time, due to the effect of COVID 19 pandemic which slowed down the work, now the project is now complete.</p> <p>Find the attached copy of the extension letter in annex 3.</p> <p>2. The cracked wall has been corrected and plumbing</p>	Resolved	30.06.2022
Payee	Date	P.V No	Amount (Kshs)																	
Foursmart Investment Limited	23.12.2020	49	3,201,902																	
Foursmart Investment Limited	10.02.2021	61	1,948,138																	
Total			5,150,040																	

Reference No. on the external audit report	Kshs / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeline (Put a date when you expect the issue to be resolved)
	<p>construction for the NG CDF offices building was budgeted at Kshs.6Million and the award notification was communicated on 2nd July 2020 and signed on 7th September 2020.The following anomalies were noted:</p> <ul style="list-style-type: none"> - The project was expected to be completed within 8 months from the signing of the agreement. As at the time of audit in May 2022, the project had not been completed more than one year past the contracted period. - The delay in completion of the construction has led to Saboti NG-CDF incurring rental costs that may otherwise have been avoided. - Physical verification revealed that there were cracks on the walls an indication of poor workmanship. The plumbing works was also poorly done with pipes hanging precariously on the building - There was no explanation from the management on how they intended to ensure completion of the remaining works. 	<p>works done to completion. Find the attached completion report and Photos in annex 3.</p> <p>3. Also note that an additional financing of 900,000 for completion works came in late. (see the attached letter of reallocation from the board) Find the attached evidences of approved Reallocation in Annex 3.</p>		


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeline (Put a date when you expect the issue to be resolved)
	<p>Risk Delay in provision of services to the constituents and stakeholders and cost escalation on the remaining works.</p> <p>Recommendation The management of Saboti NG-CDF to ensure that the project is implemented as per the agreement.</p>			

.....
Mr. John Eric Gitonga.
Fund Account Manager.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)																
	<p>The Saboti NG-CDFC should seek for authorization for any re-allocations to be done.</p>																			
4.3	<p>Included in the statement of receipts and payments under note 8 to the financial statement is Kshs. 5,150,040 being costs for construction of buildings under acquisition of assets. The contract was awarded to M/s Four smart Investment Limited. During financial year under review the following payments were made as analysed in the table below:</p> <table border="1" data-bbox="879 1104 1283 1655"> <thead> <tr> <th>Payee</th> <th>Date</th> <th>P.V No</th> <th>Amount (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Foursmart Investment Limited</td> <td>23.12.2020</td> <td>49</td> <td>3,201,902</td> </tr> <tr> <td>Foursmart Investment Limited</td> <td>10.02.2021</td> <td>61</td> <td>1,948,138</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>5,150,040</td> </tr> </tbody> </table> <p>Further examination of supporting documentation revealed that the</p>	Payee	Date	P.V No	Amount (Kshs)	Foursmart Investment Limited	23.12.2020	49	3,201,902	Foursmart Investment Limited	10.02.2021	61	1,948,138	Total			5,150,040	<p>1. The contractor requested more time, due to the effect of COVID 19 pandemic which slowed down the work, now the project is now complete.</p> <p>Find the attached copy of the extension letter in annex 3.</p> <p>2. The cracked wall has been corrected and plumbing</p>	Resolved	30.06.2022
Payee	Date	P.V No	Amount (Kshs)																	
Foursmart Investment Limited	23.12.2020	49	3,201,902																	
Foursmart Investment Limited	10.02.2021	61	1,948,138																	
Total			5,150,040																	

Reference No. on the external main Report	Issue/ Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeline: (If a date when you expect the issue to be resolved)
	<p>construction for the NG CDF offices building was budgeted at Kshs.6Million and the award notification was communicated on 2nd July 2020 and signed on 7th September 2020.The following anomalies were noted:</p> <ul style="list-style-type: none"> - The project was expected to be completed within 8 months from the signing of the agreement. As at the time of audit in May 2022, the project had not been completed more than one year past the contracted period. - The delay in completion of the construction has led to Saboti NG-CDF incurring rental costs that may otherwise have been avoided. - Physical verification revealed that there were cracks on the walls an indication of poor workmanship. The plumbing works was also poorly done with pipes hanging precariously on the building - There was no explanation from the management on how they intended to ensure completion of the remaining works. 	<p>works done to completion. Find the attached completion report and Photos in annex 3.</p> <p>3. Also note that an additional financing of 900,000 for completion works came in late. (see the attached letter of reallocation from the board)</p> <p>Find the attached evidences of approved Reallocation in Annex 3.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Risk Delay in provision of services to the constituents and stakeholders and cost escalation on the remaining works.</p> <p>Recommendation The management of Saboti NG-CDF to ensure that the project is implemented as per the agreement.</p>			

.....

Mr. John Eric Gitonga.
Fund Account Manager.