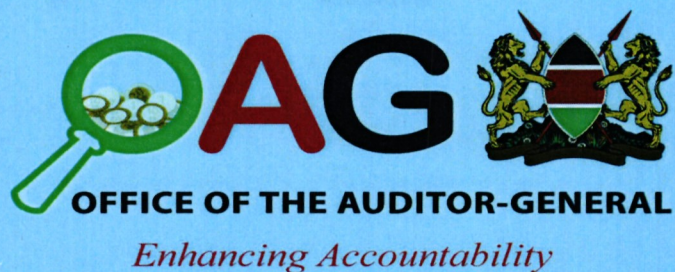


REPUBLIC OF KENYA



REPORT

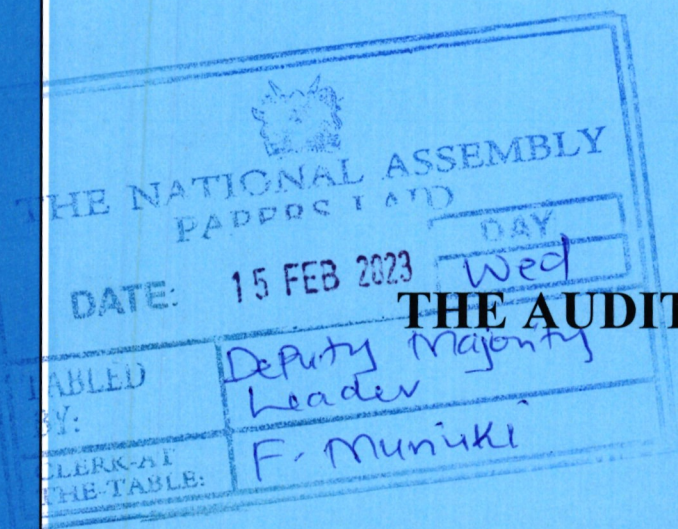
OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND BOARD**

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





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

20 APR 2022

RECEIVED

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

National Government Constituency Development Fund Board
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NGCDF) is established under the NG-CDF (Amendment) Act, 2015. The NG-CDF is under the National Treasury and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development agenda at the constituency level.

The Fund's overall management is the responsibility of the NGCDF Board while the supervision and coordination is done by the National Treasury and Planning.

The Board has aligned the operations of the Fund with the new Act and the Constitution. The Board launched its new strategic plan on 16th August 2016 for the planning period 2016/2017 to 2020/2021. The Board also attained ISO 9001:2015 certification during the period under review.

(b) Principal Activities

As outlined in the NGCDF Act 2015, the Board's core mandate and responsibilities include:

- Ensuring timely and efficient disbursements of funds to every constituency
- Ensuring efficient management of the Fund
- Receiving and discussing annual reports and returns from the constituencies
- Ensuring the compilation of proper records, returns and reports from the constituencies
- Receiving and addressing complaints and disputes, and taking appropriate action
- Considering project proposals submitted from various constituencies in accordance with the Act, approving for funding for those projects proposals that are consistent with the Act and disbursing funds to respective Constituency Fund accounts of the approved projects.

The Board aims to provide strategic direction in the management, use and accountability of monies drawn from the Fund. The Board therefore aspires to the following Vision, Mission and Core Values in meeting its mandate:

VISION

Equitable socio-economic development countrywide

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MISSION

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

CORE VALUES

1. Transparency and accountability
2. Professionalism and integrity
3. Commitment and teamwork
4. Neutrality and objectivity
5. Timeliness and excellence
6. Advocacy for citizen participation

KEY STRATEGIC OBJECTIVES

1. To improve operational efficiency and effectiveness in service delivery
2. To strengthen institutional capacity (skills, numbers and work environment)
3. To ensure efficient and effective project management
4. Enhance good governance
5. Promote effective communication and appropriate partnership

STRATEGIC GOALS

- a) Continue Automation of Board's operations
- b) Improve performance management
- c) Implement quality management systems
- d) Improve accounting system
- e) Strengthen research capacity to support evidence based decision making
- f) Strengthening Audit and risk management
- g) Strengthen disaster responsiveness and management
- h) streamline the organizational structure
- i) develop capacity of staff
- j) Develop and implement a talent management and succession planning strategy
- k) improve on the work environment
- l) Promote public participation in project identification and implementation
- m) Promote timely submission and approval of project proposals
- n) Promote prioritization of on-going projects in allocation of Funds
- o) Improve collaboration with technical officers from relevant government agencies
- p) Improve management of transition of NG-CDFC's in relation to resources and projects
- q) widen projects scope and strengthen collaboration with MDAs

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- r) Promote openness and accountability in management of the Fund
- s) Promote compliance with applicable laws, regulations and standards.
- t) Adopt Transformative Leadership
- u) Mainstream Cross cutting issues and public participation
- v) Enhance engagement with internal & external stakeholders
- w) Enhance Media Relations
- x) Enhance relations with other Government agencies
- y) Enhance Media monitoring

STRATEGIC PROGRAMMES

- a) Design, Develop & Rollout Management information systems
- b) Further installation of appropriate ICT network infrastructure and improve their security
- c) Develop and implement annual performance contract for the board, cascade to constituencies
- d) Operationalize M&E Unit and review M&E framework
- e) Develop constituencies factsheets and conduct monitoring & evaluation of Boards' operations
- f) Continuously carry out QMS audits to maintain certification and carry out recertification audit for organization
- g) Develop and disseminate accounting manual for constituencies and establish constituencies accounting unit at Headquarters
- h) Train staff and key stakeholders on public finance management and reporting
- i) Prepare/review annual financial statements and implement audit recommendations
- j) Receive and review financial returns and update the assets register
- k) Establish and operationalize a research and policy Unit and establish and operationalize a resource centre
- l) Establish a Risk management Unit, conduct risk assessment and carryout Risk Response planning
- m) Develop a disaster preparedness and management manual and train constituencies on Disaster Risk Reduction and Response Mechanism
- n) Develop & issue guidelines on community managed disaster risk reduction (CMDRR)
- o) Review and implement an organizational structure, conduct work load analysis to establish optimal staffing levels and recruit more staff
- p) Conduct Training Needs Assessment and develop and implement an annual training plan
- q) Conduct work environment survey and employee satisfaction survey and implement feasible recommendations

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- r) Develop and issue guidelines on public participation & identification of projects; submission of project proposals; Projects and release of funds; Project funds absorption; Management of incomplete & on-going projects during NG-CDFCs transitions and Residual Projects
- s) Develop collaboration framework for the NG-CDFCs and government technical officers
- t) Establish a liaison office to enhance operations of the Board, Ministries and National Assembly
- u) Train NG- CDFCs
- v) Develop and implement policy on documentation and dissemination of constituency best practices
- w) Evaluate constituencies' performance, publicize top performers and showcase the best practices in implementation of project
- x) Implement Mwongozo code of governance and ensure compliance with all tendering and procurement requirements
- y) Facilitate access to information and publish constituency financial and project reports on a timely basis
- z) Convene regular stakeholder forums/awareness campaigns, open days and road shows and participate in Corporate Social Responsibility activities
- aa) Update the Boards website and social media presence and participate in relevant television and radio programmes to enhance the profile of the NG-CDF
- bb) Review and implement service charter and Corporate Identity Manual
- cc) Participate in relevant exhibitions and conferences and organize media events (press conferences, media tours, workshops, breakfast meetings) to clarify and explain issues to the media on newsworthy events
- dd) Carryout customer satisfaction survey and implement feasible recommendations

KEY STRATEGIC PRIORITIES

- Improve the implementation, Monitoring and Evaluation projects
- Come up with strategies to develop and turnaround for under-performing Constituencies
- Ensure timely availability and disbursement of Funds to Constituencies
- Develop and implement guidelines for project implementation that are in line with existing procurement laws and regulations
- Develop sound financial controls in line with Finance management Act of 2012 and in compliance with Office of the Auditor General Requirements

KEY STRATEGIC PRIORITIES

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- Develop and implement guidelines for project implementation that are in line with existing procurement laws and regulations
- Develop sound financial controls in line with Finance Management Act of 2012 and in compliance with the office of the Auditor General requirements

(c) Key Management

The entity's day to day management is under the following key organs

- Board of Directors
- Chief Executive Officer

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were as follows:

S/No.	Name	Title
1.	Yusuf Mbuno	Chief Executive Officer
2.	Polly Maingi	Manager, Field Services
3.	Anne Thumbi	Manager, Human Resource
4.	Kennedy Nyabiera	Senior Procurement Officer

(e) Fiduciary Oversight Arrangements

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- i. Audit Committee of the Board
- ii. Finance, Human Resource and administration committee of the Board
- iii. Parliamentary special funds accounts committee (SFAC)

(f) NGCDF Headquarters

NGCDF headquarters
Harambee Plaza Building, 5th Floor
Telephone No. 2230015/19/27
HailleSellasie/Uhuru Highway Junction.
P.O. Box 46682 – 00100 NAIROBI

(g) Contacts

Telephone : (020) 2230015/9, 2230027
E-mail : info@ngcdf.go.ke
Website: www.ngcdf.go.ke

(h) NGCDF Bankers

1. Co-operative Bank of Kenya
Parliament Road
P.O Box....
Nairobi

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. THE BOARD OF DIRECTORS



Mr. Robert Nyariki Momanyi Masese

Chairman of the Board

Born on 19th May, 1956, Mr. Robert is the chairman of NG-CDF Board of directors. He was appointed to this position on 29th March, 2019. He has served in the same board as the Alternate Director to the Principal Secretary Ministry of Education a position he held since 26 February, 2016. He has also served as a Director in Kenya Literature Bureau (KLB) and in School Equipment Production Unit

Mr. Robert has a Master of Education, Management & Planning and Bachelor of Science Education.

Mr. Kennedy Ogendi Ondieki

Alternate Director to the principle Secretary, the National Treasury

Mr. Kennedy Ogendi Ondieki is an Alternate Director representing The National Treasury in the Board of NGCDF. He is a member of the Finance, Human Resource and Administration; and the Audit Committees of the Board. His substantive appointment in The National Treasury is Director of Investments, in charge of Government Investments and Public Enterprises Department. He is responsible for developing strategic objectives and policies relating to the fiscal/financial oversight and management of state corporations; appraisal of state corporations' strategic/corporate plans, projects, other investments and annual budgets; spearheading approvals with respect to policy issues, financing agreements relating to state corporations' borrowings, direct Gov't loans and on-lent loans; reforms and restructuring of state corporations including financial (balance sheet cleaning, debt restructuring, write-offs, rescheduling and refinancing), legal and, organizational restructuring.

Mr. Ondieki was born in 1967, has Master of Business Administration, Strategic Management from Jomo Kenyatta University of Agriculture & Technology and Bachelor of Arts (Hons), Economics from the University of Nairobi. Mr. Ondieki is a qualified Certified Public Accountant and a member of ICPAK of good standing and a qualified Certified Public Secretary.

Mr. Ondieki has long cherished career in the public service spanning over twenty five (25) years, of which, for over fifteen (15) years he has been working at The National Treasury in senior management positions. He has



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served as a member in several Taskforces within The National Treasury or representing The National Treasury to provide strategic public policy guidance. Mr. Ondieki has also served in Boards as Alternate Director, representing The National Treasury including Kenya Maritime Authority; South Nyanza Sugar Company Limited; Kenya Reinsurance Corporation Limited; State Corporations Advisory Committee and; Insurance Regulatory Authority among others. Mr. Ondieki had also undertaken a short term mission assignment with the International Monetary Fund (IMF) to the Government of Liberia to prepare financial reporting framework and provide terms of reference and structure for a Unit in the Ministry of Finance, Liberia to co-ordinate financial reporting and enhance public financial management reporting for State Owned Enterprises. The framework and structure for financial management reporting for State Owned Enterprises in the Government of Liberia was established and is operational upon the recommendations of the Mission. Mr. Ondieki has attended several work improvement skills development trainings, workshops and seminars including Program on Investment Appraisal & Risk Analysis offered at Queens University, John Deutsch International Executive Programme, Canada; Corporate Governance Training Course by Centre for Corporate Governance and Commonwealth Association of Corporate Governance; Public Policy Analysis (Making, Implementing and Evaluating Public Policy), Strathmore Business School (SBS), Strathmore University, Executive Education; and Strategic Leadership Development Programme.	
	Mr. Joseph Njihia Mukui Alternate Director to the Principal Secretary , State Department for Planning Born in June 1958, Mr. Mukui has served in the board for more than ten years and his last reappointed was on 7th January 2016. He is a member of the Programmes, Performance & Risk Management Committee of the Board. He is also a board member in Vision 2030 and in The African Institute for Economic Development and Planning (IDEP) which is a subsidiary body of the United Nations Economic Commission for Africa (UNECA). Previously, he served in Community Development Trust Fund (<i>CDTF</i>) and Tana and Athi Rivers Development Authority (TARDA) boards. Mr. Joseph holds a Master of Arts and Bachelor of Science. He has specialized in statistics, project management, economic development and he is also professionally trained in business

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	management impact assessment, monitoring and evaluation. He is a member of Economist Society of Kenya (ESK) and Institute of Internal Auditors (IIA)	
Ms. Joseph Mukui Alternate Director to the Attorney General Born on 19th March 1980, Ms. Karen was appointed to the Board on 11th September, 2018. She is a member of the Finance, Human Resource & Administration Committee of the Board. She is a member of the Law Society of Kenya (LSK) and an advocate of the High Court. She holds a Masters in Law (LLM), Bachelor of Laws (LLB), PGD (KSL), Strategic Leadership Development Program (SLDP), Senior Management Course (SMC) KSG.		
	Mr. Paul Kibet Alternate Director to the Principal Secretary , State Department of Early Learning and Basic Education, Ministry of Education. Born on 6th June 1964, Mr. Kibet was appointed to the Board on 5th February, 2019. He is a member of Audit and Governance, Complaints and Publicity Committees of the Board. Mr. Paul holds a Master of science in physics, post graduate diploma in Education and Bachelor of Science	
Ms. Maria Lekoloto Director Born on 23rd may 1974, Ms. Maria was appointed to the NG-CDF Board on 26th March 2019. She is as an independent director of the Board and Chair of the Programmes, Performance and Risk Management Committee of the Board. She represents people with disability which is a legal requirement in constituting the Board. She is also a chair person of pastoralist heritage concern board. Ms. Maria has a Master of Business Administration-Human Resource Management, Bachelor of Business Administration-Human Resource and Diploma in Community Based Development. She has specilized in Human Resource Management, and she is a member of Institute of Human Resource Management.		

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	Mr. Abdiaziz Bulle Yarrow Director Born on 15th February 1982, Mr. Abdiaziz was appointed to the NG-CDF Board on 26th March, 2019. He is as an independent director of the Board, a member of Governance, Complaints and Finance, Human Resource & Administration Committees of the Board. He has previously served as the managing director of top ten agencies and Safaricom dealer for seven years. Mr. Abdiaziz holds a Master of Arts degree in Diplomacy and International Studies and Bachelor of Political Science, Public Administration and Sociology. He specialized in Public administration and management.
Dr. Isabel Nyambura Waiyaki Director Born on 19th September 1982, Dr Waiyaki is a lecturer at the University of Nairobi. She is a board member at Kikuyu Boys Secondary and Father Kelvin Kerry Secondary Schools. She is as an independent director at the Board, chair of the Finance, Human Resource & Administration Committee and a member of the Governance, Complaints and Publicity Committee. Previously, she served in Kikuyu NG-CDF committee as the chairman for 6 years, since 2013. She has also served as a County Executive Committee (CEC) Member in charge of Trade, Industry, Tourism, Cooperatives and Enterprise Development in the County Government of Kiambu. Further, she has extensive experience working with the World Bank. Dr. Waiyaki holds a Doctor of Philosophy (PhD) in Economics, Master of Arts in Economics, Master of Arts in Leadership & Governance, Bachelor's degree in Economics and CPA part I. She is a member of the Institute of Economic Affairs, Africa Finance & Economic Association, and African Economic & Research Consortium (AERC). She was appointed to the NG-CDF Board on 26th March 2019.	

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Hon. Peter Edick O. Anyanga

Director

Born on 23rd August, 1966, Hon. Peter was appointed to the NG-CDF Board on 26th March, 2019. He is as an independent director of the Board, chair of the Audit Committee and a member of Programmes, Performance & Risk Management Committee. He previously served in the Board of Agricultural Finance Corporation (AFC) and as a Member of Parliament for Nyatike Constituency for two terms (10 years) during which time he was a member of the Public Accounts Committee, Transport, Energy and foreign relations Committees.

Hon. Peter has a Master of Business Administration (global) specialization and Bachelor of Business Administration. He has specialized in financial Administration and he is a member of Chartered Management Institute (CMI).

Ms. Irene Masit

Director

Born on 29th March 1967, Ms. Irene was appointed to the NG-CDF Board on 26th March 2019. She is as an independent director of the Board and a member of the Audit and Programmes, Performance & Risk Management Committees. She is also currently serving for the third term at the Board of Koptega Girls Secondary- Keiyo South. Previously served at the Board of Mokwo (St. Agatta) Girls Secondary Board, Athnas Kandie Boys Secondary Board, and Elgeyo Marakwet Boards of National Land Commission. She has also worked as a commissioner. Interim Boundaries Commission and deputy secretary. Constitution review Commission, Programmes Operation Manager at NGO's Coordination Board.

Ms. Irene holds a Master of Science degree and Bachelors degree in Arts and in Law. She is a member of the International Society of Substance Use Professional (ISSUP) and an Internationally Certified Addiction Professional-ICAP 1 (Global Centre for Credentialing and Certification).



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Mr. George Kasatua Ole Meshuko

Director

Born on 26th December 1972, Mr. George was appointed to the NG-CDF Board on 26th March, 2019. He is as an independent director and a member of the Governance, Complaints and Publicity Committee. Previously, he has served in Olasiti Secondary School board. He has also worked in Owing Immigration (interior) for 10years, County Executive Committee (CEC) Member - Narok County for 3 years and in Canon NGO's as for 3 years.

Mr. George holds a Bachelor of Art education and is currently doing a Master of Arts in Education Economic Planning at the University of Nairobi. He has specialized in Economic Planning & Administration.

Mr. Yusuf Mbuno

Chief Executive Officer

Born on 27th April 1966, Mr. Yusuf is the Chief Executive Officer, National Government Constituencies Development Fund Board

Mr. Mbuno holds a Master of Arts degree in Economics, Bachelor of Arts in Economics and Certificate in Project Planning and Management.



Simon Ndweka

Secretary to the Board

Born on 24th December 1974, Mr. Ndweka is the Corporation Secretary of the NG-CDF Board

Mr. Ndweka holds a Master in Business Administration degree (Strategic Management), Post Graduate Diploma in Law and Bachelors of Law degree, certified public Accountant and Certified Public Secretaries.

Mr. Ndweka is a member of Institute of Certified Public Secretaries.

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III. MANAGEMENT TEAM

 Mr. Yusuf Mbuno Chief Executive Officer	Yusuf Mbuno holds Master of Arts degree in Economics, Bachelor of Arts in Economics and Certificate in Project Planning and Management Responsibilities: Providing direction for the day to day management of the affairs and staff of the Board.
Simon Ndweka has over 15 years experience in Legal, Board Management and Corporate Governance. He holds Masters in Business Administration degree (Strategic Management) and Bachelor of Laws. He is a Certified Secretary and a Certified Public Accountant and a member of the Institutes of Certified Secretaries (ICS), Certified Public Accountants, Kenya (ICPAK) and Law Society of Kenya (LSK), in good standing. Responsibilities: providing professional advice to the National Government Constituencies Development Fund Committees (NGCDFCs) on Legal, Governance and Providing technical guidance and support to Constituencies on legal and governance matters.	 Simon Ndweka Secretary to the Board
 Polly Maingi Manager, Financial Services	Polly Maingi holds Masters in Business Administration degree (Finance) and Bachelor of Commerce. She is a Certified Public Accountant and a member of the Institute of Certified Public Accountants, Kenya (ICPAK) in good standing. Responsibilities: providing professional advice to the National Government Constituencies Development Fund Committees (NGCDFCs) and fund account managers on financial management and Providing technical guidance and support to Constituencies in Preparation of Constituencies financial statements.

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	Raphael Nduati holds Masters and Bachelor's degrees in Economics. Responsibilities: coordinating the policy preparation and review in strategic planning, performance management, research and statistics.
Raphael Nduati, Ag. Chief Manager Corporate Planning and Strategy	Alice Wachira-Mbatia holds an executive MBA degree on Strategic Management. She is a Certified Public Accountant (CPA K) and Certified Public Secretary (CPS K). Alice is a member of Institute of Certified Public Accountants (ICPAK, Kenya), Institute of Certified Public Secretaries (ICPS) and Kenya Institute of Internal Auditors (IIA) Kenya Chapter. Responsibilities: Providing assurance on effectiveness of Risk Management, Internal controls, and governance processes within the organization to the National Government Constituencies Development Fund Board (NGCDFB).
	Alice Wachira Chief Internal Auditor
	Anne Thumbi holds Masters of Science in Human Resource Management, Bachelor of Science in Communication and Public Relations, Higher Diploma in Human Resource and Diploma in Personnel Management. She is a member of the Institute of Human Resource Management (IHRM) in good standing. Responsibilities: providing professional advice to the National Government Constituencies Development Fund Board and staff on Human Resource matters and providing technical guidance and support to Constituencies in management of human capital.
Anne Thumbi Senior Manager Human Resource	

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Elizabeth Kitundu holds a Master in Education degree in (Economics of Education) and Diploma in Project Management.

She has also undertaken Advanced Strategic Leadership Programme Course from Kenya Institute of Management and Strategic Leadership Development Programme Course in Kenya School of Government.

Responsibilities: Coordination Project planning, implementation and continuous monitoring of implementation of projects by the National Government Constituencies Development Fund and Project Management Committees.



Elizabeth Kitundu
Ag. Chief Manager Programme
and Field Services Coordination



Jack Odhoch
Chief ICT Officer

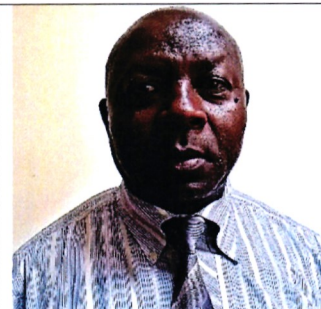
Jack Odhoch holds Master in Information Systems and Bachelor of Science (Statistics & Computer).

Responsibilities: Provide an interface between the Board's needs, user requirements, and the information and communication technology (ICT) used at the Board to achieve its goals of streamlining internal operations and improve customer experience. By setting and implementing suitable ICT objectives & strategies.

Kennedy Nyabiera holds Master in procurement and Logistics, Bachelor of Arts in Economics and Graduate Diploma – Purchasing & Supply (CIPS)

He is a member of Chartered Institute of Purchase and supplies and Kenya Institute of Supply management.

Responsibilities: Provide professional advice to NGCDF Board on procurement of goods, supplies and Services and works



Kennedy Nyabiera
Senior Procurement Officer

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 Brenda Onyino Senior Manager ommunication	Onyino Ruth Brenda holds Masters in corporate Communication and Bachelors in Communication and PR She is a honourable member of the public Relations Society of Kenya (PRSK). Responsibilities: create and maintain a favourable public image for the NGCDF Board by communication programs and achievements; advising the Board and the constituencies on corporate branding and media relations.
James Chebii holds Masters in Business Administration degree (Finance) and Bachelor of Education. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants, Kenya (ICPAK) in good standing. Responsibilities: providing professional advice to the National Government Constituencies Development Fund Board and staff on financial management and providing technical guidance and support to Constituencies in Preparation of Constituencies financial statements.	 James Chebii Senior Accountant
Robert Maina holds Masters of Science degree in Risk Management and Bachelors of commerce finance option. He is a member of Institute of Certified Public Accountant of Kenya (CPA(K) Responsibilities: Co-ordinate and monitor the implementation of risk management framework at the Board secretariat and the constituencies	 CPA Robert Maina, Ag. Manager Risk & Compliance Division

IV. REPORT OF THE BOARD CHAIRMAN



On behalf of the Board, I take this opportunity to present the Annual Report and Financial Statements for 2020/2021 FY. This report highlights the key achievements, learning points and challenges experienced during the reporting period. We share the activities that have been implemented to address poverty at grassroots levels. This has continually ensured there is reduction of poverty levels and enhanced regional equity.

During the period of review, the Board continued to implement its strategic plan 2016/17-2020/21 and is guided by the NG-CDF Act 2015(amended 2016) alongside other applicable laws and regulations. Specifically, the Board continued to implement National government functions in the areas of Education, security, sports and environment.

The Board focused on several key strategic areas including improving operational efficiency and effectiveness, strengthening institutional capacity, ensuring efficient and effective project management enhancing good governance and developing appropriate partnerships.

The Board continued to implement post Covid-19 strategies in order to ensure continued service delivery while following the Ministry of Health protocols. The Board continued utilizing automated services for example the NG-CDFMIS to receive and review project proposals. The post Covid-19 strategies will remain a key focus going forward.

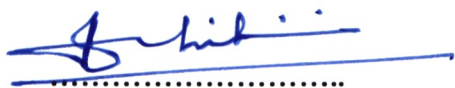
During the year under review, the Fund was allocated Ksh.41,714,800,000 same as last financial year 2019/2020. The total allocation of Ksh.41,714,800,000 was released to the Board who in turn disbursed to constituencies for implementation of projects. A total of 39,755,775,000.00 was allocated to constituencies with each receiving Ksh.137,088,879 while the balance was utilized in meeting the Board expenses. Most of the funds channeled to constituencies were utilized in the education sector through bursaries and infrastructure development. The contribution of the Fund in the education sector has seen an increase in the enrolment and retention rates in education institutions. Additionally, there has been enhanced security as a result of security projects implemented by the Fund. Currently, out of the amount allocated to projects at the constituency level, 84% is dedicated towards the education sector and 10% to the security sector.

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We appreciate the support by The National Treasury and Planning for disbursing Kshs.41,714,800,000 the amount allocated to the Fund for implementation of various projects and programmes. Secondly, we recognize The National Treasury and Planning for providing policy direction in management of the Fund.

The Board is committed to ensure timely and efficient disbursement of funds as well as ensuring prudent management of the Fund. This is achieved through Board Committees; Programmes, Performance and Risk Management Committees, Audit Committee, Finance and Human Resource Committee and Governance, complaints & publicity committee.

I wish to take this opportunity to thank my fellow Board members and the management for the support accorded to me.



Mr. Joseph Mukui
For Chairman, NG-CDF Board

Date: 19/4/2022

V. REPORT OF THE CHIEF EXECUTIVE OFFICER



The National Government Constituencies Development Fund (NGCDF) is a body corporate established under the NG-CDF Act, 2015 as amended in 2016 and its domiciled within The National Treasury and Planning. The main purpose of the Fund is to enhance infrastructural and socio-economic development at the grass root level in order to reduce poverty by dedicating a minimum of two and half per cent (2.5%) of all National Government's share of annual revenue towards projects identified at constituency level by the community.

The Fund is managed by the NG-CDF Board at the National level which is in charge of the day to day running while at the constituency, its ran NG-CDF committees. The Board operations are guided by five (5) years strategic plans which are implemented yearly through performance contracts and work plans supported by annual budgets. Section (1) of the NG-CDF Act 2015 provides that the Fund consist of monies of an amount of not less than 2.5% of the National Government Share of revenue and any other monies accruing to or received by the Board from any other source.

During the year under review (2020/2021), the Fund received support only from the National Treasury through an allocation of Kshs. 41,714,800,000.00, an amount equivalent to previous year's allocation. Out of this amount, a total of Kshs. 39,755,775,000.00 was allocated to constituencies while the balance equivalent to 4.69 per cent of the Fund was set aside for Board's expenses. The year's total allocation was received by the Board and brought the Fund's cumulative receipts for the last 18 years (2003/2004 to 2020/2021FY), to Kshs. 373.6356 billion. Its worth noting that the Board received an additional Kshs. 13.7 billion during the year being a balance in regard to projects approved during for 2019/2020 FY. However, a balance of Kshs. 4,975,950,000.00 in regard to financial years 2011/12, 2013/14, 2014/15 is yet to be settled.

The funds receive in during the financial supported the Board's operations and implemented projects and programmes at the constituency level aimed at improving socio-economic wellbeing of communities at grassroots level. Each constituency was allocated kshs. 137,088,879.00 which formed basis for project proposals.

The Board received, considered project proposals submitted from the 290 constituencies in accordance with the Act, approved for funding those projects proposals that are consistent with the Act and also disbursed funds to constituencies the whole 2020/2021 allocation. Further, the balance allocation for 2019/2020 FY was also disbursed to constituencies.

During the financial year, out of the amount allocated to projects at the constituency level, about 84% was dedicated towards education sector, 10% to security while sports and environment receive an average of 2% each as well as 2% towards support other projects. These interventions supported the government's efforts in realizing Vision 2030 and other development agendas.

Education being the dominant sectors utilized the allocations to supplement government initiatives through issuance of bursary as well as construction, renovation, completion and equipping physical facilities in various learning facilities across the country. Issuance of bursary

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funds enables orphans and other needy students to access education and training in various institutions without interruption of their studies and drastically reducing the financial burden on the community through annual allocations to bursary scheme. As at 31st March 2021, the 290 constituencies had set aside a total of Ksh. 8,205,774,364.72 towards Bursaries where students from Secondary schools and tertiary institutions received Ksh. 4,405,329,067.00 and 3,674,454,181 respectively benefitting 770,070 students.

Primary and secondary schools benefited from infrastructural development through renovation and construction of Classrooms, Administration Blocks, laboratories, Toilets and dormitories. Purchase of Land and School Buses as also supported as well as construction of Kenya Medical Training College campuses. Fund also financed construction of National Government Administration offices especially for chiefs and assistant chiefs and security installations mainly police posts.

Through the guidance of the Board's strategic plan, the Board developed a work plan as well as signed a performance contract with the National Treasury and Planning. These were implemented throughout the financial year as supported by the budget and progress reports prepared periodically. The performance management was cascaded to the constituencies where all 290 constituencies signed where all the 290 constituencies signed performance contracts with the Board.

The board implemented most of the workplan and performance contract targets despite the challenges posed by the novel Covid-19. The Board continues with the automation through NG-CDFMIS where the project propels were processed online which drastically reduced the turn-around time and digitized registry. The Board meetings were conducted through the online e-Board platform. In an effort to improve ease of doing things, the Board implemented quality management systems under the ISO 9000:2015 requirements. The accounting systems were improved through preparation of 292 financial statements, 290 for constituencies and one each for the secretariat and the Fund. Audit was also done in 115 constituencies aimed at giving the Board assurance on fund's utilization.

We are proud of being a successful entity impacting in the improvement of the lives and livelihoods of our citizens at the grass roots and in general the contributions we make to wider society. However, we need to examine what has worked and what has not to draw some lessons and well as address the emerging issues.

Some challenges were encountered during the period which includes phased disbursement of funds which affected the pace of implementation of Board programmes. Corona virus pandemic which impacted negatively on Board programmes through its effects on revenue collection and restrictions on movement around the country. Delay by some constituencies in submission of project proposals also affected the operations.

Looking ahead to our priorities for 2021/2022 FY, we will continue our progress towards equitable socio-economic development countrywide by providing leadership and policy direction for effective and efficient management of the Fund. We intend to deepen automation of Board's operations at the headquarters and constituency level. This will be guided by our longstanding commitment to our core values of: Commitment & teamwork, Transparency & Accountability, Professionalism & Integrity, Neutrality & Objectivity, Timeliness & Excellence and Advocacy for citizen participation.

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The Board will utilize opportunities provided by the Board's structure and presence in all constituencies. Further the Board will ride on available information and technology infrastructure as well as adopting emerging best practices. A working framework with other government agencies will offer support to the Fund's operations and fill some of the technical gaps that could be affecting implementation of its interventions. Mechanism will be put in place to deal with the Covid-19 pandemic effects.

In this report, you'll read more about what NG-CDF is doing to help create a better normal for the people of Kenya guided by our Vision, Mission, Core Values and our CSR activities that have helped us overcome challenges over our 18-year history and emerge stronger.

Finally, I would like to thank Mr. Joseph Mukui, our Chairman, Board of Directors and the entire Board for their relentless support. I also appreciate the Board secretariat for the skills and dedication.



Mr. Yusuf Mbuno

Chief Executive Officer, NG-CDF Board

Date: 19/4/2022

VI. REVIEW OF NGCDF'S PERFORMANCE FOR FY 2020/2021

The Board developed and launched the second Strategic Plan (2016/2017 – 2020/2021) in August 2016 which built on progress of the first Strategic Plan (2010-2014). It is aligned to the Vision 2030, Second Medium-Term Plan, NG-CDF Act 2015, the Constitution, Sustainable Development Goals, Code of Governance for State Corporations (*Mwongozo*) and other relevant development plans. The Board identified five strategic objectives to be pursued during the Plan period which include:

1. To improve the operational efficiency and effectiveness
2. To strengthen institutional capacity (skills, numbers and work environment)
3. To ensure efficient and effective project management
4. To enhance good governance
5. Promote effective communication and appropriate partnerships

Operational Efficiency

The Board targeted to improve the operational efficiency and effectiveness. A total of seven (7) strategies were identified with potential of spurring the operational efficiency. These strategies include:

Continued Automation of Board's operations

During the period, automation of Board operations continued to be an important aspect in ensuring efficient and effective Board operations. The ICT standard and procedures policy was reviewed and approved by the Board. In order to automate the operations, Finance, Registry, projects and assets management information were developed and rolled out. Three mobile application electronic services were developed to ease on access of Board services, they included USSD, CRM and E-Board. The USSD and CRM services provides detailed queried by customers such as disbursement and allocation status while the e-board is a paperless platform being used by Board members in conducting Board meetings and other businesses. The internet connection was provided for all the computers at the head office and constituencies to support online communication.

Improvement of performance management

The Board adopted performance management system to improve on its service delivery and achievement of its targets. Performance contracting was adopted and implemented alongside the annual workplans as well as cascaded to constituencies. Strategic planning concept was cascaded to constituencies through development of constituencies' strategic plans. The monitoring and

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evaluation unit was operationalized and Board operations monitored periodically while staff members were facilitated for capacity building.

Implementation of quality management systems

The Boards got the ISO 2008 certification in 2016 and continued to implement the procedures as approved. Regular quality management system audits were carried out to ensure compliance. However, the ISO 2008 expired in 2018 and the Board embarked on the recertification process to ISO 2015 which was successfully attained in 2019. The recertification was done SGS quality assurance.

Improvement of accounting system

The Board has ensured prudent management of funds by establishing a constituencies accounting unit at Headquarters. The unit, referred to as accounts field services in fully operational where it's headed by a senior accountant supported by technical officers. Through the unit, a constituencies accounting framework has been developed. The financial returns and annual financial statements for Board and 290 constituencies have been reviewed every year including the 2018/2019 one which was done by September, 2019.

Strengthen planning and research capacity

Periodic and *ad hoc* reports on operations of the Fund have been prepared over the period. These include quarterly and annual reports on the Board work plan, performance contract and strategic plan. In an effort to enhance evidence based decision making, the Board established and operationalized research unit and also a documentation and information centre. Periodic research on topical issues has been carried out. Data management has improved with establishment of disaggregated project data for several years. Specifically the project data for 2016/2017, 2017/2018 and 2018/2019 FYs was analysed to the lowest unit possible. Example of the data includes the number of classrooms renovated, constructed and completed. The data is also classified as per institution. The resource centre provides a repository for work done by different stakeholders on the Fund such as internal reports and academia. Review of policies has been done, including development of new ones that provide leadership and coordination in the review, formulation and development of policies.

Strengthening Audit and risk management

Assurance was provided through audit where books of account for headquarters and 29 constituencies were audited during the 2019/2020 FY. A risk management unit was established at the Board to facilitate an effective management of the fund and processes. The unit conducted risk assessment and in headquarters and all the 290 constituencies and corresponding risk registers generated and updated during the period under review. The risk management has also been integrated into the management of Board operations.

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Institutional capacity

Efficient, motivated and healthy human resource base is fundamental for enhanced productivity, service delivery and competitiveness and economic growth and development. A number of accomplishments have been outlined below.

Establishment of the organisational structure

During the 2019/2020 FY, the Board reviewed structure which was approved by SRC and SCAC to enable a more efficient and professional work arrangement.

Development of Staff and Talent Management and Succession Planning Strategy

The Board recognizes the need for strong institutional development and continuity and towards this a skills audit was undertaken. The findings of the audit informed development and implementation of a talent management and succession planning strategy.

Improved work environment

Additional working space was acquired at Ukulima Building in addition to Harambee SACCO building, the headquarters of the Board to provide a more conducive working environment. Work environment and employees satisfaction surveys were conducted and feasible recommendations progressively implemented.

Project management

Efficient and effective project management is cardinal in achievement of the Fund's objective of poverty reduction while ensuring equitable development across the country. The Board has an important role in promoting effective and efficient project management. Most of the activities under the objective have been implemented, they include:

Promotion of public participation in project identification and implementation

Guidelines on public participation were developed and issued to constituencies to ensure project ownership and sustainability.

Promotion of timely submission and approval of project proposals

Approved within 21 days, project proposal that are in consistent with this Act. The proposals are submitted from various constituencies in accordance with the Act. During the period a total of 289 project proposals were approved with the last one being approved in July 2020 after the Constituency complied with the requirements of the NGCDF Act.

Governance

Good governance promoted openness and accountability in management of the Fund by ensuring the overall direction, effectiveness, supervision and accountability of the Board. This involved compliance with law and regulation geared towards efficient running of the Fund. The Board came up with four strategies to ensure good governance which include: Promotion of openness and accountability in management of the Fund; Promotion of compliance with applicable laws,

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regulations and standards; Adoption of transformative leadership; and Mainstream cross cutting issues and public participation. The Board operations have been greatly guided by the government's *mwongozo* code of conduct. Numerous achievements have been achieved which include.

Promotion of openness and accountability in management of the Fund

The Board has facilitated access to information resulting to reduction in complaints and audit queries. The corruption prevention and complaints strategies were reviewed. Further, all disputes received were resolved in a timely manner and field visits were conducted where necessary.

Promoted compliance with applicable laws, regulations and standards.

Mwongozo code of conduct for state corporations was implemented guiding the operations the Board. During the period, there was one hundred per cent compliance with the statutory requirements on procurement, financial management, project management among others.

Adopted Transformative Leadership

The Board noted the need to be creative through positive change in executing its mandate. These are critical components in promoting culture of compliance and improving the image of the Fund while providing practical guidance. The Board was to achieve this through: development and dissemination of best practices policy; evaluation and publicizing of constituency best performers; and showcasing the best practices. The Board showcased best practices through the various corporate social responsibility projects across the country. Promotion of public participation in NG-CDF programmes is annual by providing clear guidelines in involving the public during call for project proposals.

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VII. CORPORATE GOVERNANCE STATEMENT

1. Board meetings

The Board transacts its businesses majorly through meetings. Section 2 (1) of the Second Schedule to the NGCDF Act, 2015, provides that the Board shall not meet less than six and not more than eighteen times in any financial year and not more than two months shall elapse between the date of one meeting and the date of the next meeting. During the financial year under review, there were Seven (7) meetings of the Board held.

The Attendance by the members was as follows:

	Name	Meeting Number										% Attendance
		135	136	137	138	139A	139B	140				
1.	Mr. Joseph Mukui-	√	√	√	√	√	√	√	√	√	√	100%
2.	Mr. Kennedy Ondieki	X	√	√	√	χ	χ	χ	√	√		70%
3.	Dr. Isabel Waiyaki	√	√	√	√	√	√	√	√	√	√	100%
4.	Mr. Joseph Mukui	√	√	√	√	√	√	√	√	√	√	100%
5.	Mr. Paul Kibet	χ	√	√	√	√	√	√	√	χ		80%
6.	Hon. Peter Anyanga	√	√	√	√	√	√	√	√	√	√	100%
7.	Ms. Maria Lekoloto	√	√	√	√	√	√	√	√	√	√	100%
8.	Mr. Abdiaziz Bulle Yarrow	√	√	√	√	√	√	√	χ	χ		80%
9.	Ms. Irene Masit	√	√	√	√	√	√	√	√	√	√	100%
10	Mr. George Kasatua Ole Meshuko	√	√	√	√	√	√	√	√	χ		90%
11	Joseph Mukui	√	√	√	√	√	√	√	√	√	√	100%
12	Mr. Yusuf Mbuno -CEO	√	√	√	√	√	√	√	√	√	√	100%

2. Board Composition and Committees

The following table represents the Board composition and its committees. There are four committees of the Board. The table below shows the chairs and members of each committee of the Board.

No	Members	Full Board	Finance, Human Resource and Administration Committee-	Audit Committee	Programs, Performance & Risk Management Committee	Governance, Complaints and Publicity Committee
1.	Mr. Joseph Mukui	√*				
2.	Mr. George Ole Meshuko	√				√*
3.	Mr. Abdiaziz Yarrow	√	√			√
4.	Ms. Maria Lekoloto	√			√*	

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5.	Ms. Irene Masit	√		√	√	
6.	Hon. Peter Anyanga	√		√*	√	
7.	Dr. Isabel Waiyaki	√	√*			√
8.	Mr. Joseph Mukui	√			√	
9.	Mr. Kennedy Ondieki	√	√	√		
10.	Ms. Joseph Mukui	√	√			
11.	Mr. Paul Kibet	√		√		√
12.	Mr. Yusuf Mbuno	√	√		√	√

*Chairman of the Board/Committee

3. Board Attendance

The best practice requires that every Board member attends a minimum of 75% of all Board meetings. Below is an extract from the attendance register for the Board meetings held in the period from 1st July 2020 to 30th June 2021:

No	Members	Number of eligible meetings during the year, including adjourned meetings	Number of meetings attended
1.	Mr. Joseph Mukui	10	10
2.	Mr. George Ole Meshuko	10	9
3.	Mr. Abdiaziz Yarrow	10	8
4.	Ms. Maria Lekoloto	10	10
5.	Ms. Irene Masit	10	10
6.	Hon. Peter Anyanga	10	10
7.	Dr. Isabel Waiyaki	10	10
8.	Mr. Joseph Mukui	10	10
9.	Mr. Kennedy Ondieki	10	7
10.	Ms. Joseph Mukui	10	10
11.	Mr. Paul Kibet	10	8
12.	Mr. Yusuf Mbuno (CEO)	10	10

4. Committee Attendances

Below is a summary of the general functions and members' attendance of each of the committee of the Board:

(k) Fiduciary Oversight Arrangements

- I.-: This Committee deals with Legal Services, Corporate Communication; and Information Communication Technology (ICT) related matters

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No.	Members	Number of eligible meetings during the year (2020-2021)	Number of meetings Attended
1.	Hon Peter Anyanga	6	2
2.	Ms. Maria Lekoloto	6	2
3.	Ms. Irene Masit	6	2
4.	Ms. Joseph Mukui	6	2
5.	Mr. Abdiaziz Bulle Yarrow	6	6
6.	Dr. Isabel Waiyaki	6	5
7.	Mr. George Kasatua Ole Meshuko	6	5
8.	Mr. Paul Kibet	6	4
9.	Mr. Yusuf Mbuno-Chief Executive Officer	6	1

Date of the Meeting	27/07/20	27/10/20 Handover Meeting	18/11/20	27/01/21	20/04/21	16/06/21
Goerge Ole Meshuko*	Not a member	✓	✓	✓	✓	✓
Dr. Isabel Waiyaki	Not a member	✓	✓	✓	✓	✓
Paul Kibet	Not a member	✓	✓	✓	✓	✓
Abdi Aziz Yarrow	✓	✓	✓	✓	✓	✓
Maria Lekoloto	✓	✓	Not a member	Not a member	Not a member	Not a member
Hon Anyanga*	✓	✓	Not a member	Not a member	Not a member	Not a member
Joseph Mukui	✓	✓	Not a member	Not a member	Not a member	Not a member
Irene Masit	✓	✓	Not a member	Not a member	Not a member	Not a member
Yusuf Mbuno	✓	✓	✓	✓	✓	✓

*Chairperson to the committee

(I) Fiduciary Oversight Arrangements

- II.: This Committee deliberates and recommend to the Board of Directors approval of the annual budget plans and cash flow forecasts for the forthcoming financial year in accordance with the guidelines by the National Treasury.

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Dates	Name of the Director							
	Ms Irene Masit - Chairperson*	Ms Maria Lekoloto -	Hon. E.O Anyanga	Mr. Kennedy Ondieki	Mr. Joseph Mukui -	Dr. Isabel Waiyaki *	Ms. Joseph Mukui	Mr. Abdiazi Yarrow
16/7/2020	√	√	√	√	√	Not a member	Not a member	Not a member
6/8/2020	√	√	√	√	√	Not a member	Not a member	Not a member
8/9/2020	√	√	√	√	√	Not a member	Not a member	Not a member
18/9/2020	√	√	√	√	√	Not a member	Not a member	Not a member
24/9/2020	√	√	√	χ	√	Not a member	Not a member	Not a member
5/11/2020 Handover Meeting	√	√	√	χ	χ	√	√	√
13/11/2020	Not a member	Not a member	Not a member	χ	Not a member	√	√	√
26/1/2021	Not a member	Not a member	Not a member	χ	Not a member	√	√	√
18/3/2021	Not a member	Not a member	Not a member	√	Not a member	√	√	√
14/4/2021	Not a member	Not a member	Not a member	χ	Not a member	√	√	√
17/6/2021	Not a member	Not a member	Not a member	χ	Not a member	√	√	√

*Chairperson

(m) . Fiduciary Oversight Arrangements

Audit Committee report to the Board on Committee activities, emerging issues and their recommendations.

Date of the Meeting	8/7/2020	22/10/2020 Handover Meeting	13/11/2020	19/02/2021	14/06/2021
Kennedy Ondieki	√	√	√	χ	χ

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Paul Kibet	✓	✓	✓	✓	✓
Hon Anyanga*	Not member a	✓	✓	✓	✓
Irene Masit	Not member a	✓	✓	✓	✓
Goerge Ole Meshuko*	✓	✓	Not member a	Not member a	Not member a
Joseph Mukui	✓	✓	Not member a	Not member a	Not member a
Dr. Isabel Waiyaki	✓	✓	Not member a	Not member a	Not member a

(n) Fiduciary Oversight Arrangements

The Programmes, Performance and Risk Management Committee (PPRMC) reports to the Board on Programmes and Field Services Coordination, Corporate Planning & Strategy and Risk Management

Members	Number of eligible meetings during the year	Number of meetings Attended
Dr. Isabel Waiyaki*	9	9
Hon. George K. Ole Meshuko	9	9
Joseph Mukui	9	6
Mr. Abdiaziz B. Yarrow	9	7
Mr. Paul Kibet	9	7

In the Corporation's operations, the Board strives to achieve its objective as embedded in the strategic plan. The immediate past strategic plan run from 2016/2017 to 2020/2021 financial years. The Board is in the process of formulating a new Strategic Plan, to run from 2021/2022 to 2026/2027 Financial years. The Board further adheres to the provisions of the Charter which stipulates, amongst others, the individual Director's Obligations and commitment towards the work of the Board. The Board charter is reviewed periodically to suit the changing circumstances. The Board Charter is supplemented by the Code of Governance of State Corporations (Mwongozo).

5. Appointment

The members of the Board are nominated by the Cabinet Secretary, parent ministry, approved by the National Assembly and eventually appointed by the Cabinet Secretary. The Members of the Board serve for a period of three (3) years, renewable once.

Upon appointment, the Board members were taken through induction training, besides being sponsored to attend other governance related trainings. During the year, the Board members attended various trainings, organised by among other entities, the Institute of Internal Auditors, the Institute of Certified Public Accountants and the Nairobi Centre for International Arbitration. During every meeting of the Board, all directors are required to declare conflict of interest and the same recorded in the minutes.

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6. Removal from Office

Section 19 of the NGCDF Act stipulates removal of a member of the Board on the following ground:

- a. Serious violation of the Constitution or any other Laws;
- b. Gross misconduct, whether in performance of the member's or Office holder's functions or otherwise;
- c. Physical or mental incapacity to perform the functions of office;
- d. Incompetence;
- e. Bankruptcy; or
- f. Engaging in active politics.

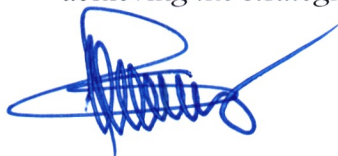
The removal of a member on any of the above grounds may be initiated by sending a petition to the National Assembly Select Committee on NGCDF. A member of the Board may be suspended pending hearing of a petition. The National Assembly Committee hears a petition and makes final determination on the matter.

7. Functions of the Board

Functions of the Board are enumerated under section 16 of the Act as follows:

- a. Ensure timely and efficient disbursement of funds to every constituency
- b. Ensure efficient management of the Fund;
- c. Consider project proposals submitted from various constituencies in accordance with the Act, approve for funding those projects proposals that are consistent with this Act and send funds to the respective constituency fund account of the approved projects;
- d. Co-ordinate the implementation of projects at the inter-constituency level;
- e. receive and address complaints that may arise from the implementation of the Act;
- f. Encourage best practices in the implementation of projects; and
- g. Administer the funds and assets of the Board in such manner and for such purpose as shall promote the best interest of the Board in accordance with the Act to ensure efficient management of the Fund.

The Board maintains a conflict of interest register as required by Leadership and Integrity Regulations, 2015. Regarding Board's remuneration, Directors are paid sitting allowances whenever they attend a meeting and or an official function of the Board. While attending Board's functions outside the station, Directors are entitled to a Daily Subsistence Allowance in accordance with government's prevailing rates. In terms of Governance Audit, the Code of Governance for State Corporations requires that the exercise should be conducted once every year. The exercise can only be facilitated by accredited officers. During the year under review, the governance audit was not undertaken due to exogenous factors beyond the Board's control. The Board shall, however, continue to observe and enforce set governance standards in its operations. The Board shall continually improve its performance with a view to achieving the strategic objectives for effective management of the Fund.



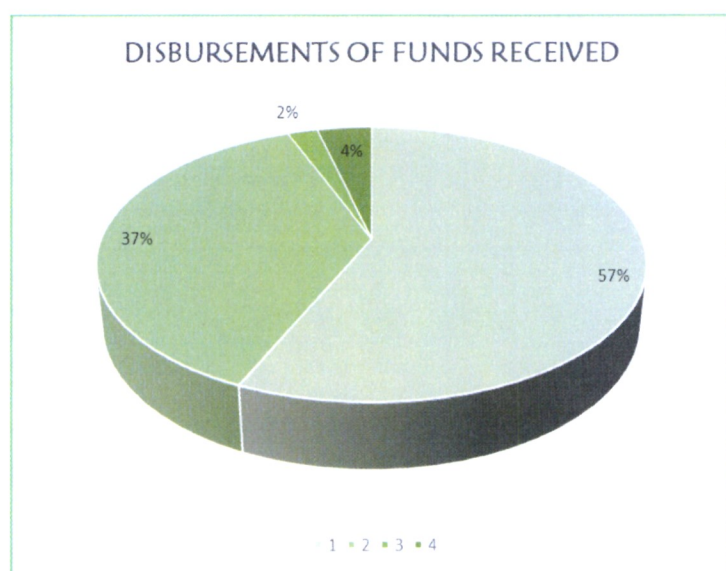
Corporation Secretary.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

The Board was allocated Kshs 41.71478 Billion in Financial Year 2020/2021 This comprises of **Kshs 39.755775 Billion** being allocation for disbursement to the constituencies and **Kshs 1.959025 billion** being allocation to the Board Secretariat for administrative purposes.

Pursuant to section 34 (1) of the NG-CDF (Amendment) Act of 2016, the Board allocated all 290 constituencies an equal share of the **Kshs. 39,755,755,000** National NG-CDF kitty. This translated to **Kshs 137,088,810** per constituency. As at the period ending 30th June 2021, the Board had received the total allocated funds of Kshs 55,424,928,640 (Kshs 41,714,800,000 allocated for financial year 2020/2021 and Kshs 13,710,128,640 to cater for shortfall in receipts for the financial year 2019/2020). The funds received plus the opening balance of Kshs 2,000,000,003 have been disbursed to the constituencies and the Secretariat as follows: -

Disbursements	Financial Year	Total amount disbursed (Kshs.)	% of Funds Disbursed
Constituencies	2020-2021	27,032,500,000	57%
	2019-2020	17,870,076,362	37%
	(2018/19-2010/11)	991,639,143	2%
Secretariat	2020/2021	1,820,500,000	4%
Total		47,714,715,505	100%

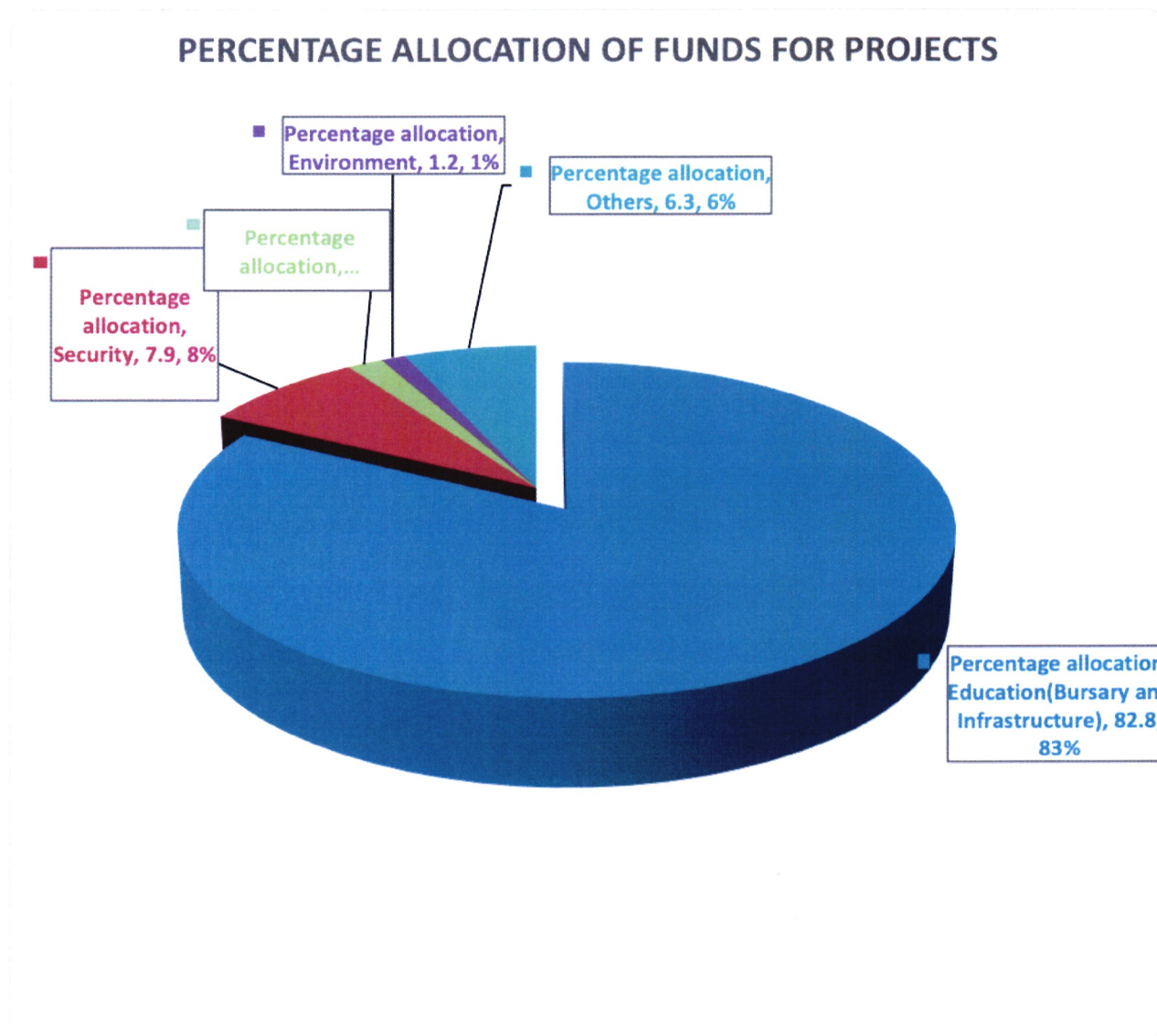


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Key Projects

Out of the funds set aside by constituencies for projects (minimum of 94%) the main beneficiaries were the security and education sectors.

The chart below shows how funds were allocated to the various sectors.

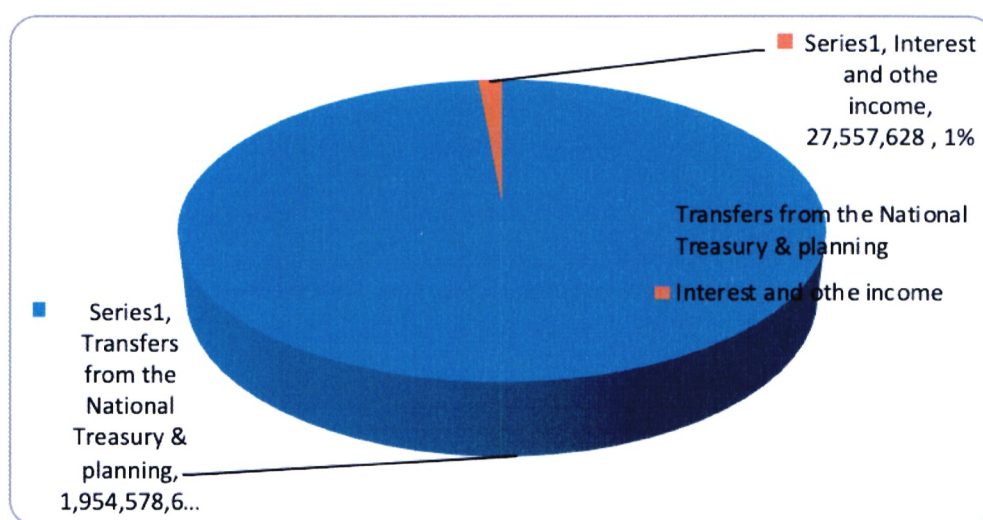


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The Board Secretariat Budget

During the year under review, the Board had total revenue of Kshs 1,982,136,268 out of which Kshs 1,954,578,640 or 99% was financed by transfer from the National Treasury and Planning and 27,557,628 or 1% from interest from current account balances and other income. The revenue is as tabulated below:

Sources of Funding	2020/2021	Percentage
Transfers from the National Treasury & planning	1,954,578,640	99%
Interest and other income	27,557,628	1%
Grand Total	1,982,136,268	100%

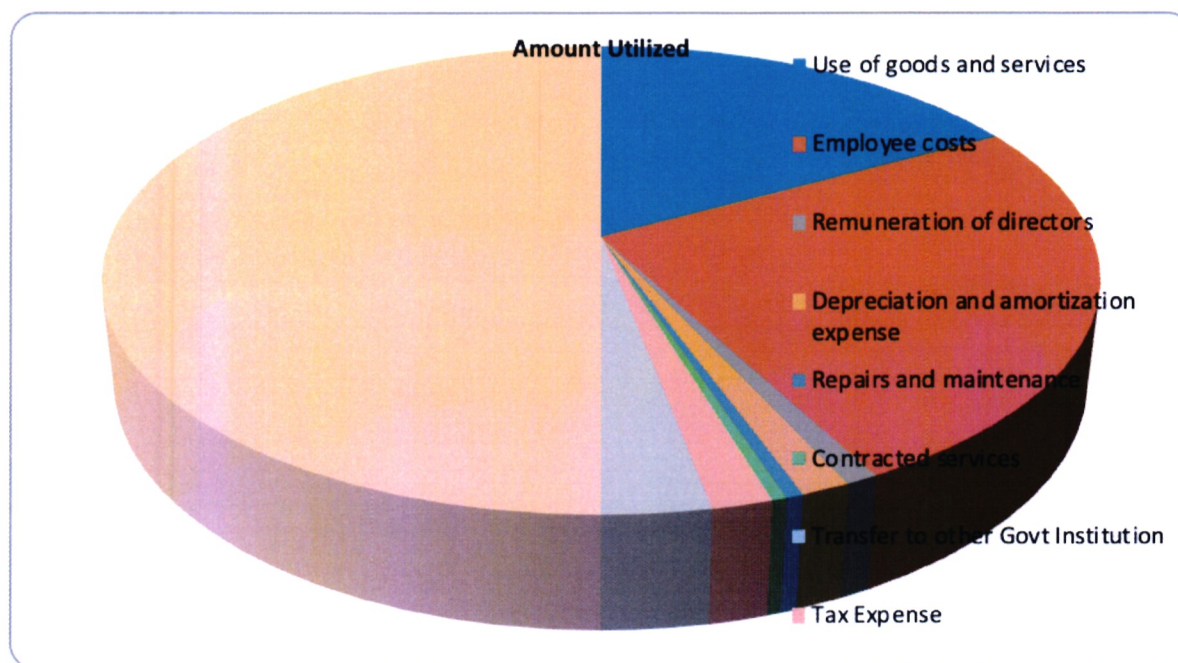


During the FY 2020/2021, 50% of total expenses was utilized in payment of employee's costs, 34% was utilized on use of goods and services, 6% on purchase of assets, 2% on Board allowances and expenses, 3% was utilized on payment of Corporation tax, 2% on repair & maintenance and 1% contracted services.

Expenses	Amount Utilized	% of utilization
Use of goods and services	653,673,333	34%
Employee costs	975,080,535	50%
Remuneration of directors	34,901,466	2%
Depreciation and amortization expense	51,802,996	3%
Repairs and maintenance	18,890,831	1%
Contracted services	15,610,375	1%
Transfer to other Govt Institution	-	
Tax Expense	64,531,863	3%

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Purchase of Assets	114,556,504	6%
Total	1,929,112,447	100%



Board adopted risk management and governance framework to ensure that the organization manages risks in a pro-active, risk based and disciplined manner. This ensures that the organization comply with the existing and emerging regulatory and legislative laws.

The organization is exposed to the following key risks among others, which are effectively monitored and managed;

- Non-compliance with NGCDF Act on 25% quarterly disbursements of funds
- Improper constituency books of accounts and records
- Inadequate accounting support and resources
- Misstatement of Financial reports
- Inadequate working knowledge on public finance management of constituencies
- Submission to OAG financial statements not meeting required standards
- Inadequate audit responses to the National Assembly
- Delay or Non-submission of periodic reports and returns by constituencies
- Delayed submission of budget estimates
- Inaccurate costing of activities for budget allocation
- Inadequate bank statements information
- Late submission of Treasury quarterly financial reports

IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

Board has developed and adopted a corporate social responsibility policy. The policy provides for a consultative project identification process to ensure there is project ownership upon completion. The CSR projects fall within the National Government functions making it easy to manage the project implementation.

Funding of CSR is done from the Fund which is set aside by an Act of parliament and pegged on National Revenue, a guaranteed source of funding. Government funding is less erratic and hence ensures ensure continued support to the programme.

2. Environmental performance

The Board has in draft form policies on; water harvesting and renewable energy in project; and promotion of environmental awareness creation, conservation of river banks and environmental protection.

The Board has been carried out tree planting activities in four regions (Central, North Rift Nairobi and Nyanza) to promote environment protection. However, monitoring was done only in two region- North Rift and Nyanza due to the Covid-19 pandemic effects.

3. Employee welfare

The Board recruitment is guided by State Corporation and Advisory Committee which provided mechanism for recruiting staff in line with Salaries and remuneration Commission. The structure, career development guideline's and human resource polices are approved by SCAC and SRC. The Board, during the period under review, revised its structure, human resource policies and other human resource management tools which were approved by SCAC and SRC.

The Board has adopted performance contracting for the Board, the Secretariat and departments as well as appraisal system for individuals. This is done on annual basis which involve signing and progress review. They are also accompanied by work plans. The Board has a reward and sanction system based reviewed work performance.

The Board has safety policy that guides the staff welfare while at work. This ensures measures are put in place to reduce cases of injury and damages, and in case of an occurrence the damages and disruptions are minimal.

4. Market place practices-

a) Responsible competition practice.

The NG-CDF Act has created a working mechanism between the Member of Parliament and the Fund where they lay an oversight role through the constituency's oversight committee. Further, key Board provisions like constituency budget ceilings and budget are approved by the National Assembly.

The Board has developed a mechanism to encourage whistle blowing by establishing a number and an email which is widely available through the website. Through the performance contract, the Board has contacted to ensure five values in its operation where an annual report is made to the Ethics and Anti-Corruption Commission (EACC) as required.

b) Responsible Supply chain and supplier relations

All the Board procurements are guided by the Procurement and Asset Disposal Act. Open tendering is the most preferred method of procuring goods, services and works. The Board develops an annual procurement plan approved by the Board where 30% and 40% of the procurement budget is set aside for Access to Government Procurement Opportunities and local content respectively. The Board has a commitment and ensures that suppliers are paid within 15 days of submitting all required documents.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Through the communication department, the Board has endeavoured to uphold the highest level of integrity by ensuring online content are vetted and approved by relevant authority before posting online. The Board carried out roadshows and patriciate in public forums such as Agricultural Society of Kenya shows and other exhibitions to create awareness on the Fund and the achievements.

d) Product stewardship- outline efforts to safeguard consumer rights and interests

The Board has developed a service charter that's well displayed on strategic places on 5th and 10th floor of the Harambee SACCO building giving customers a glimpse of services being offered and what they take. There is right to complaint and complaints handling mechanism have been established.

5. Community Engagements-

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As part of strategy towards realization of its mandate of encouraging best practices in the implementation of projects as provided for in Section 16 (f) of the NG-CDF Act, 2015; the Board adopted a Corporate Social Responsibility (CSR) policy.

The objective of the programme is to guide stakeholders in embracing requisite values that encourage continuous improvement by demonstrating ideal approaches in project implementation including the principles of community participation, social inclusion, environment sustainability, excellence in quality of project implementation and adherence to pertinent laws and government policies/guidelines.

In line with this, the NGCDF Board focuses on:

- Maintaining good environmental system that is suitable to the nature, scale and environmental impacts of its operations and related activities.
- Making environmental concerns as an integral part of its' planning and decision making process by committing sufficient resources in order to implement effective environmental and sustainability programs.
- Providing the necessary training for its employees to ensure that they have enough knowledge and capacity to conduct operations in a manner that is consistent with sound environmental practices while at the same time encouraging employees to be involved in environmental action.
- Avoiding, minimizing and mitigating any adverse environmental impacts caused by its operations.
- Adopting the highest standards in all areas of operations, meeting and exceeding all relevant requirements.
- Assessing its operational activities and identifying areas where it can minimize waste and negative environmental impacts through careful and efficient use of all materials and energy by promoting the use of environmentally friendly technologies.
- Promoting environmental awareness among its employees by encouraging them to work in an environmentally responsible manner.
- Continually assessing the environmental impact of all its operations.

Fundable projects under the CSR programme are those that meet the eligibility criteria as per the law governing NG-CDF. The above notwithstanding, eligible projects under the CSR programme are required to meet the following criteria:-

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- a) Community based projects addressing immediate community needs of a wide cross section of inhabitants of a particular area;
- b) Projects addressing National Government mandates as outlined in the Fourth Schedule of the Constitution of Kenya;
- c) Activities/components focusing on persons with special needs with a view to promoting equal opportunities to all persons;
- d) High impact projects to the community for optimal value for the allocated funds;
- e) Integration of environmental conservation, clearly outlining requisite mitigation measures to be adopted, such as roof-water harvesting, tree planting programmes in the project design;
- g) Implementation of designs to cater for the needs of all users including persons with special needs. In this regard, access ramps for wheelchair users; separate sanitation facilities for male, female, underage persons and persons with disability must be included in the project design;
- h) Compliance of projects with pertinent laws, regulations and government policies/guidelines including recommended designs and requirements for specific facilities e.g. dormitories, classrooms, libraries among others.

The NGCDF Board recognizes its responsibility of being environmentally responsible by complying with all environmental laws at all phases of its activities. The Board is responsible for ensuring that the policy on environmental sustainability is implemented and that the natural and man-made resources are protected through the implementation of proactive environmental programs.

To achieve these objectives, the Board in 2020/2021 financial year undertook several activities aimed at enhancing environmental education, awareness and sensitization on environmental sustainability relevant to the institutional mandate. The Board carried out environmental activities in the following counties:

Makueni county –where the NGCDF Board partnered with The National Treasury and Planning, State Department for Planning by Contributing Kshs 1,000,000 towards planting of 100,000 tree seedling.

Kakamega County-

The Board sensitized more than twelve thousand (12,000) participants who participated in both Kakamega forest marathon and Makueni County National Tree planting events during the short rains on how to carry out proper waste management, water conservation and soil erosion prevention methods.

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Emphasis was also on the importance of embracing water harvesting techniques while implementing projects in the constituencies and county at large.

Some of the Projects on environmental conservation are as shown here below:

Dust bin installed in Kikuyu Constituency

[Dust bin installed in Kikuyu Constituency](#)



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Board participated in Kakamega Forest Marathon in environment awareness creation



Community participation in tree planting during the National Tree planting in Mulala location Makeni County



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Installed water harvesting gutters on a dining hall at Mutumbu Girls secondary school in Gem constituency (completed in 2019/2020 fy)



Installed water harvesting facilities on a dining hall at Olashapani Girls Sec in Narok South Constituency



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X. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the *NGCDF Board* affairs.

Principal activities

The principal activities of the Board continue to be:

- (a) Ensure timely and efficient disbursement of funds to every constituency;
- (b) Ensure efficient management of the Fund;
- (c) Consider project proposals submitted from various constituencies in accordance with the Act. Approve for funding those projects proposals that are consistent with this Act and send funds to the respective constituency fund account of the approved projects;
- (d) Co-ordinate the implementation of projects at the inter-constituency level;
- (e) Receive and address complaints that may arise from the implementation of the Act;
- (f) Encourage best practices in the implementation of projects;
- (g) administer the funds and assets of the Board in such manner and for such purpose as shall promote the best interest of the Board in accordance with the Act to ensure efficient management of the Fund; and
- (h) Perform such other duties, as the Board may deem necessary from time to time for the proper management of the Fund.

Results

The results of the entity for the year ended June 30, 2021 are set out on pages 1 to 5.

Directors

The members of the Board of Directors who served during the year are shown on pages xxix to xxxv

Dividends/Surplus remission

Auditors

The Auditor General is responsible for the statutory audit of the *NGCDF Board* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



Mr. Simon Ndweka
Corporation Secretary

Date: ...19/4/2022.....

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XI. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 15 of the State Corporations Act, Cap 446 require the Directors to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year and the operating results of the entity for that year. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

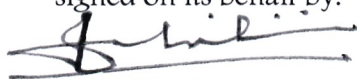
The Directors are responsible for the preparation and presentation of the National Government Constituencies Development Fund (NGCDF) Board financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2021. This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

The Directors accept responsibility for the NGCDF Board financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis, and in the manner required by the PFM Act, 2012 and the State Corporations Act cap 446. The Directors are of the opinion that the NGCDF Board financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the entity, 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.

Nothing has come to the attention of the Directors to indicate that the National Government Constituencies Development Fund (NGCDF) Board will not remain a going concern for at least the next twelve months from the date of this statement.

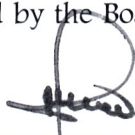
Approval of the financial statements

The *NGCDF Board* financial statements were approved by the Board on 27th September 2021 and signed on its behalf by:



Joseph Mukui
For Chairman of the Board

Date: 19/4/2022

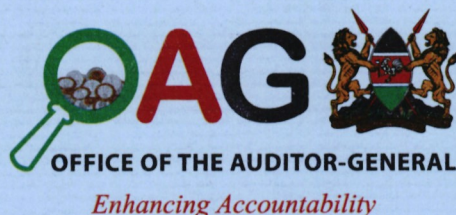


Yusuf Mbuno
Chief Executive Officer

Date: 19/4/2022

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 BOARD FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution of Kenya, 2010, 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 Board set out on pages 1 to 30, which comprise the

statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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, 2010 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Statement of Cash Flows

The statement of cash flows reflects net cash generated from operating activities amount of Kshs.229,002,000 which, as disclosed in Note 23 to the financial statements, was arrived at after making an adjustment of Kshs.217,878. However, the basis and records in support of the adjustment were not provided for audit verification.

In the circumstances, the accuracy of the net cash flows from operating activities amount of Kshs.229,002,000 could not be confirmed.

2. Understatement of Tax Expense

As disclosed in Note 29 to the financial statements, the statement of financial performance reflects a tax expense amount of Kshs.64,596,406. Review of records provided for audit revealed that the Board received a tax demand of Kshs.184,045,255 from the Kenya Revenue Authority (KRA) on 24 November, 2020. The taxes consisted of principal outstanding taxes of Kshs.97,267,727, interest of Kshs.77,050,756 and penalties Kshs.9,726,773 on unpaid corporation tax for the period commencing 2012/2013 financial year to date.

The interest and penalties totalling to Kshs.86,777,529 are nugatory costs which would have been avoided had the Board paid the taxes due to KRA on time. Management indicated that they have paid Kshs.57,327,620 of the taxes demanded resulting to an unpaid balance of Kshs.126,717,635. However, the balance is not reflected as outstanding payables in the financial statements.

In the circumstances, the accuracy and validity of the tax expenses amount of Kshs.64,596,406 could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.507,856,648 which, as disclosed in Note 20 to the financial statements, includes an amount of Kshs.417,172,433 for Best Practice – contractual owings. Included in the latter balance is an amount of Kshs.174,622,294 recognized both as an expenditure and under payables. Although Management explained that this was an amount committed in the vote book and construction had commenced by 30 June, 2021, there were no invoices, interim certificates or signed agreements provided to confirm that the related services had been rendered.

Under the circumstances, the accuracy and validity of the trade and other payables balance of Kshs.507,856,648 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 Board 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. Late Exchequer Releases

The statement of financial performance reflects Exchequer releases totalling to Kshs.1,954,578,640. Included in the balance is an amount of Kshs.268,078,640 relating to Exchequer issues released by The National Treasury to the Board on 24 June and 28 July, 2021 as summarized below;

S/n	Reference Number	Date of Transfer	Amount (Kshs.)
1	Rec 2116507968	24 June, 2021	134,000,000
2	Rec 2119547424	28 July, 2021	134,078,640
	Total		268,078,640

The delayed Exchequer releases may have affected the Board's ability to implement its planned programmes, thus negatively impacting on service delivery to the public.

2. Delays in Project Implementation

The statement of financial position and the corresponding Note 20 to the financial statements reflects trade and other payables balance of Kshs.507,856,648. Included in the amount is Best Practice contractual payables amounting to Kshs.417,172,433. However, review of projects related to the payables revealed that fifty two (52) projects with a contract sum of Kshs.241,844,754 were behind schedule and six (6) projects with a contract sum of Kshs.36,702,442 had stalled.

Projects not completed within scheduled time frame, may result in escalation of projected costs and delayed provision of expected service to the intended beneficiaries.

3. Unresolved Prior Year Matters

Prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Persons Living with Disability

The statement of financial performance reflects an amount of Kshs.975,174,848 in relation to employee costs, as disclosed in Note 9 to the financial statements. Audit verification of documents and payroll provided for review revealed that six (6) members of staff were listed as persons living with disability and were exempted from Pay As You Earn (PAYE). However, all the six (6) officers earned above Kshs.150,000 per month and no taxation was applied to the taxable difference, resulting to a tax amount of Kshs.725,400 owed to the Kenya Revenue Authority (KRA) for the year under review, contrary to the provisions of Section 16A of Employers Guide on PAYE in Kenya, 2017 which requires that persons living with disabilities be exempted from tax on their taxable income of up to Kshs.1,800,000 p.a (Kshs.150,000 p m).

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

2. Non-Compliance with Bidding Guidelines

The statement of financial position and the corresponding Note 20 to the financial statements reflects trade and other payables totalling Kshs.507,856,648.. Included in the

payables are non-staff deposits amounting to Kshs.10,877,180, which further include Kshs.1,198,780 related to deposits made by bidders for purchase of used vehicles which were being sold by the Board. According to the bid documents, these deposits should have been refunded to bidders within 14 days after notification of contract award to the respective parties to the contract. However, the deposits were not refunded within the period provided for in the bid documents, contrary to Section IV of the tender documents for disposal of motor vehicles, which states that tenderers who will not be awarded contracts will be refunded their deposits fourteen (14) days after notification of the communication of contract awards.

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

3. Long Outstanding Retentions Payables

As disclosed in Note 20 to the financial statements, the statement of financial position as at 30 June, 2021 reflects trade and other payables totalling Kshs.507,856,648. Included in the balance is Best Practice – retentions owed to contractors of Kshs.25,456,757 out of which Kshs.9,556,439 was for refundable retentions which relates to completed projects which were already in use, but which had not been refunded to the respective contractors.

This is contrary to the terms of the respective contract agreements between the Board and contractors which states that the employer shall retain from each payment due to the contractor 10% of the respective tender sum until completion of all the works. Further, upon completion of all the works, the total amount retained shall be paid to the contractor after the defects liability period of 180 days and the project manager has certified that all defects notified to the contractor before the end of this period have been corrected.

In addition, contract variations arising from additional works were discussed during the Board's site inspection on 16 July, 2019 after the expiry of the contract and the variation request was approved by the Board in a meeting held on 19 February, 2020.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

The Board of Directors is responsible for overseeing the Board'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 which 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 which govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229 (6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

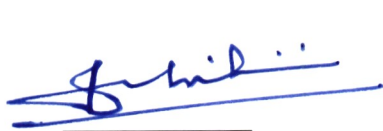
27 July, 2022

National Government Constituency Development Fund Board
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For the year ended June 30, 2021

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

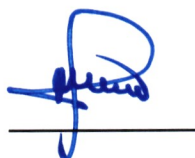
	Notes	2020-2021	2019-2020
Revenue from non-exchange transactions			
Transfers from the National Treasury & planning	6	1,954,578,640	1,337,000,000
Revenue from exchange transactions			
Interest on deposits	7	26,831,139	40,119,930
Gain on sale of assets			511,304
Other income		683,835	
Total revenue		1,982,093,614	1,377,631,234
Expenses			
Use of goods and services	8	655,920,808	645,222,741
Employee costs	9	975,174,848	851,328,769
Remuneration of directors	10	34,964,004	38,271,647
Depreciation and amortization expense	11	53,677,996	34,679,657
Repairs and maintenance	12	32,138,081	28,854,408
Contracted services	13	4,997,175	16,969,324
Transfer to other Govt Institution	27	-	10,000,000
Tax Expense	29	64,596,406	-
Total expenses		1,821,469,318	1,625,326,546
Surplus/(Deficit) after tax		160,624,295	(247,695,312)
Remission to National Treasury	28	-	600,000,000
Net Surplus/(Deficit) for the year		160,624,295	(847,695,312)

The notes set out on pages 8 to 32 form an integral part of these Financial Statements



Joseph Mukui
For Chairman of the Board

Date: 19/4/2022



Yusuf Mbuno
Chief Executive Officer

Date: 19/4/2022



James Chebii
Ag. Manager Financial Services

ICPAK No. 6912

Date: 14/04/2022

National Government Constituency Development Fund Board
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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
Current assets			
Cash and cash equivalents	15	958,560,636	844,115,140
Receivables from exchange transactions	16	24,955,692	18,956,099
Receivables from non-exchange transactions	17	136,160,197	2,562,000
		1,119,676,525	865,633,239
Non-current assets			
Property, plant and equipment	18	199,054,022	137,558,001
Intangible assets	19	932,484	1,332,120
		199,986,506	138,890,121
Total assets		1,319,663,031	1,004,523,360
Current liabilities			
Trade and other payables	20	507,856,648	421,395,089
Current benefit obligation	21	29,200,693	91,917,981
		537,057,341	513,313,070
Non-current liabilities			
Non-current employee benefit obligation	21	169,644,544	38,873,438
		169,644,544	38,873,438
Total liabilities		706,701,885	552,186,508
Net assets		612,961,146	452,336,852
Retained earnings		612,961,146	452,336,852

The notes set out on pages 8 to 32 form an integral part of these Financial Statements



Joseph Mukui
For Chairman of the Board

Date: 19/4/2022



Yusuf Mbuno
Chief Executive Officer

Date: 19/4/2022



James Chebii
Ag. Manager Financial Services

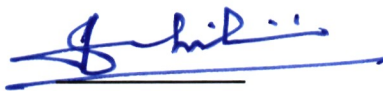
ICPAK No. 6912

Date: 14/04/2022

National Government Constituency Development Fund Board
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XV.STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Retained earnings	Total
At July 1, 2019	1,567,152,608	1,567,152,608
Surplus/ Deficit for the year	(847,695,312)	(847,695,312)
Adjustments	90,700,920	90,700,920
Best Practice Development Liability	(357,821,365)	(357,821,365)
At June 30, 2020	452,336,851	452,336,851
At July 1, 2020	452,336,851	452,336,851
Surplus for the year	160,624,295	160,624,295
At June 30, 2021	612,961,146	612,961,146



Joseph Mukui
For Chairman of the Board

Date: 19/4/2022



Yusuf Mbuno
Chief Executive Officer

Date: 15/4/2022



James Chebii
Ag. Manager Financial Services

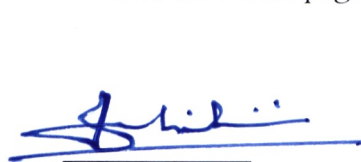
ICPAK No. 6912
Date: 14/04/2022

National Government Constituency Development Fund Board
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For the year ended June 30, 2021

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
Cash flows from operating activities			
Receipts			
Transfers from the National Treasury & planning	6	1,954,578,640	1,337,000,000
Interest on deposits	7	26,831,139	40,119,930
Other income		683,835	
Total Receipts		1,982,093,614	1,377,119,930
Payments			
Use of goods and services	8	655,920,808	599,019,046
Employee costs	9	975,174,848	851,328,769
Remuneration of directors	10	34,964,004	38,271,647
Repairs and maintenance	12	32,138,081	28,854,408
Contracted services	13	4,997,175	16,969,324
Transfer to other Govt Institution	27	-	10,000,000
Remission to National Treasury	28	-	600,000,000
Tax Expense	29	64,596,406	-
Total Payments		1,767,791,323	2,144,443,194
Cash flows from operating activities		214,302,291	(767,323,264)
Net Changes In working Capital		14,699,709	(11,741,297)
Net Cash flows from operating activities	23	229,002,000	(779,064,561)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(114,556,504)	(59,634,440)
Proceeds from sale of property, plant and Equipment			-
Adjustments			(29,137,631)
Net cash flows used in investing activities		(114,556,504)	(88,772,071)
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		114,445,496	(867,836,632)
Cash and cash equivalents at 1 JULY	15	844,115,140	1,711,951,772
Cash and cash equivalents at 30 JUNE	15	958,560,636	844,115,140

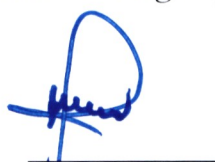
The notes set out on pages 8 to 32 form an integral part of these Financial Statements



Joseph Mukui

For Chairman of the Board

Date: 19/4/2022



Yusuf Mbuno

Chief Executive Officer

Date: 19/4/2022



James Chebii

Ag. Manager Financial Services

ICPAK No. 6912

Date: 14/04/2022

National Government Constituency Development Fund Board
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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget 2020-2021	Adjustments 2020-2021	Final budget 2020-2021	Actual on comparable basis 2020-2021	Performance difference 2020-2021	% of Utilisation 2020- 2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from the National Treasury & planning	1,635,740,000	323,285,000	1,959,025,000	1,954,578,640	4,446,360	100%
Interest on deposits	35,000,000	(15,000,000)	20,000,000	26,831,139	(6,831,139)	134%
Other income			-	683,835	(683,835)	
Roll over Balance b/f	138,200,000	28,958,000	167,158,000	114,556,504	52,601,496	69%
Total income	1,808,940,000	337,243,000	2,146,183,000	2,096,650,118	49,532,882	98%
Expenses						
Use of goods and services	596,255,000	189,619,000	785,874,000	655,920,808	129,953,192	83%
Employee costs	1,010,935,000	(10,352,000)	1,000,583,000	975,174,848	25,408,152	97%
Remuneration of directors	30,000,000	5,000,000	35,000,000	34,964,004	35,996	100%
Depreciation and amortization expense			-	53,677,996	(53,677,996)	
Repairs and maintenance	19,350,000	24,150,000	43,500,000	32,138,081	11,361,919	74%
Contracted services	14,200,000	2,600,000	16,800,000	4,997,175	11,802,825	30%
Tax Expense		97,268,000	97,268,000	64,596,406	32,671,594	66%
Purchase of Assets	138,200,000	28,958,000	167,158,000	114,556,504	52,601,496	69%
Total expenditure	1,808,940,000	337,243,000	2,146,183,000	1,936,025,822	210,157,178	90%
Surplus for the period				160,624,295	(160,624,295)	

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Budget notes

1. The Board was allocated **Kshs 1,959,025,000** during the financial year. The actual transfers from the fund amounted **Kshs 1,954,578,640**. The variance was a result of underfunding from the National Treasury and Planning.
2. The variance for compensation of employees was caused by the delay in receiving authority to employ thus delay in recruitment additional staff budgeted for.
3. Other activities were slowed down by the advent of Covid-19 pandemic.



Joseph Mukui
For Chairman of the Board
Date: 19/4/2022



Yusuf Mbuno
Chief Executive Officer
Date: 19/4/2022



James Chebii
Ag. Manager Financial Services
ICPAK No. 6912
Date: 14/04/2022

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Government Constituency Development Fund Board is established by and derives its authority and accountability from NG-CDF (Amendment) Act 2015. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to ensure timely and efficient disbursement of funds for implementation of approved projects to every constituency

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Board.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2021 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. The Management evaluated the effect of IPSAS 40 on the operations of the Board. Since there were no combinations or amalgamations between NG-CDF Board and other public sector entities the Standard has no impact on the Board's activities/ operations for the year ended June 30, 2020.

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended June 2021**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. NG-CDF Board is in the process of determining whether the standard has effect on the organisation operations.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. The Board mandate is to ensure timely and efficient disbursement and management of fund to every constituency and not to provide social benefits hence the standard has no effect.

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Treasury in June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of 20,000,000 on the 2020-2021 budgets following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in this financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management

periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Reducing balance method is used in calculating depreciation using the following rates:

	Asset category	Rate of depreciation/amortisation
1.	Motor vehicles	25%
2.	Computers equipment	30%
3.	Furniture, Fittings and general equipment	12.5%
4.	Intangible assets	30%

e) Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The intangible Asset is the NGCDF MIS (Management Integrated System) which is an Enterprise Resource Planning (ERP) tool developed for the Board.

Contingent liabilities

The Board does not recognize a contingent liability, but discloses details of any contingencies in notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Board does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

i) Changes in accounting policies and estimates

The Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Employees of the Fund's Secretariat are either on secondment from various ministries or are employed on contract terms and therefore accrue pension /gratuity obligations. The pension/gratuity obligations for the staff members are calculated and paid monthly to a separate bank account opened for the purpose with Equity bank. Monthly payments are made to the Pensions department for those on secondment.

k) Related parties

The Board 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. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

l) 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) Comparative figures

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

n) 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 June 30, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Board financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur.. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Board.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
Unconditional grants	Kshs	Kshs
Operational grant from Fund	1,954,578,640	1,337,000,000
Total	1,954,578,640	1,337,000,000

6a) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2020/21	Prior year 2019-2020
	Kshs			Kshs	Kshs
Fund	1,954,578,640	-	-	1,954,578,640	1,337,000,000
Total	1,954,578,640	-	-	1,954,578,640	1,337,000,000

7. OTHER INCOME

7.OTHER INCOME	2020-2021	2019-2020
	KShs	KShs
Interest income	26,831,139	40,119,930
Income from disposal of assets		511,304
Commissions and Others	683,835	
Total other income	27,557,628	40,631,234

8 USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Telephone, Electricity, internet & courier	11,700,652	9,096,532
Travel cost	6,422,841	10,452,520
Daily Subsistence Allowance	103,264,323	102,812,331
Publishing and Printing	13,638,035	6,994,296
Newspapers	923,670	906,470
Adverting, awareness and publicity	24,259,714	16,180,899
Best Practice	174,622,294	215,313,315

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Trade shows and exhibitions	550,000	12,754,664
Rent	34,504,900	21,450,044
Training expenses	174,493,064	132,003,000
Catering Services	9,463,823	9,920,434
Insurance	64,445,141	65,845,071
General Office Suppliers	18,701,676	9,923,326
Fuel, Oils & Lubricants	7,252,368	7,476,307
Medical, Cleaning, membership, legal, parking	11,678,308	24,093,533
Total Use of Goods and Services	655,920,808	645,222,741

9 EMPLOYEE COSTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	379,599,735	361,295,962
Other Personnel Emoluments	424,447,896	368,023,767
Temporary Employees	15,377,612	13,098,226
Leave Allowance	4,910,129	1,745,133
NSSF paid by employer	909,584	777,600
Gratuity & Pensions	149,929,891	106,388,082
Total Employee costs	975,174,848	851,328,769

10. REMUNERATION OF DIRECTORS

10.REMUNERATION OF DIRECTORS	2020-2021	2019-2020
	Kshs	Kshs
Chairman/Directors' Honoraria	960,000	960,000
Sitting allowances	17,238,000	17,910,000
Medical Insurance	-	-
Induction and Training	1,320,000	1,000,000
Travel and accommodation	15,446,004	17,201,647
Other allowances		1,200,000
Total Renumeration Of Directors	34,964,004	38,271,647

11. DEPRECIATION AND AMORTIZATION EXPENSE

	2020-2021	2019-2020
	Kshs	Kshs
Property, plant and equipment	53,278,360	34,108,748
Intangible assets	399,636	570,909
Total depreciation and amortization	53,677,996	34,679,657

12 REPAIRS AND MAINTENANCE

	2020-2021	2019-2020
	KShs	KShs
Vehicles	5,580,105	9,197,612
Furniture and fittings	959,970	874,560
Computers and accessories	25,034,242	18,572,000
Building	563,764	210,236
Total repairs and maintenance	32,138,081	28,854,408

13 CONTRACTED SERVICES

	2020-2021	2019-2020
	KShs	KShs
Contracted Services	4,997,175	16,969,324
Total contracted services	4,997,175	16,969,324

14. GAIN ON SALE OF ASSETS

	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	-	511,304
Total gain on sale of assets	-	511,304

15 CASH AND CASH EQUIVALENTS

	2020-2021	2019-2020
	Kshs	Kshs
Current account	604,697,705	639,987,193
Saving account	353,862,931	68,671,361
Fixed deposits account		82,884,892
Gratuity		52,571,694
Total cash and cash equivalents	958,560,636	844,115,140

15 (a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
i.Current account		Kshs	Kshs
Kenya Commercial bank	1104168863	38,022,921	38,022,921
Kenya Commercial bank-ESP	1145351190	32,504,840	32,504,840
Co-operative bank of Kenya	01141199366100	335,324,707	375,326,230
Equity Bank		-	415
Equity Bank-Gratuity	1770271336731	198,845,237	52,571,694
ECO Bank	6598003568	-	1
ABC Bank	000200001000421		371
SBM-Current	0088068320001	157,111,825	194,132,415
Sub- total		761,809,530	692,558,887
ii.Saving Account			
SBM bank	0081068320011	72,423,770	68,671,361
Sub- total		72,423,770	68,671,361
iii.Fixed deposits account			
SBM Bank	0088068320013	41,442,446	82,884,892
KDIC		82,884,890	
Sub- total		124,327,336	82,884,892
Grand total		958,560,636	844,115,140

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2020-2021	2019-2020
	Kshs	Kshs
Kenyatta National Hospital	250,000	250,000
Mater Hospital	300,000	300,000
Amolo & Gachoka Advocates	845,478	845,478
Rent		159,125
Insurance	23,560,214	17,401,496
Total current receivables from exchange transaction	24,955,692	18,956,099

17. RECEIVABLES FROM NON-EXCHANGE CONTRACTS

	2020-2021	2019-2020
	Kshs	Kshs
Un-Surrendered imprests	1,825,135	2,562,000
Salary Advance	256,422	
Fund Account-CBK	134,078,640	
Total current receivables from non-exchange transactions	136,160,197	2,562,000

18. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Furniture and fittings	Computers	Capital Work in Progress	Total
Cost	KShs	KShs	KShs	Kshs	KShs
At 1July 2019	144,478,562	106,532,487	84,140,594	-	334,933,760
Additions	16,978,000	4,921,040	22,735,400	15,000,000	59,634,440
Disposals	(5,344,935)				(5,344,935)
At 30th June 2020	156,111,627	111,453,527	106,875,994	15,000,000	389,223,265
Additions	34,478,000	40,649,706	39,428,798	-	114,556,504
Transfer/adjustments	-	15,000,000	-	(15,000,000)	-
At 30th June 2021	190,589,627	167,103,233	146,304,792	-	503,997,652
Depreciation					-
At 1July 2019	99,450,079	55,238,548	68,042,016	-	222,730,650
Depreciation	15,458,919	6,999,636	11,650,193		34,108,748
Impairment	(5,174,128)	-	-	-	(5,174,128)
At30 June 2020	109,734,870	62,238,189	79,692,211	-	251,665,270
Depreciation	20,213,689	13,080,895	19,983,775		53,278,360
At 30th June 2021	129,948,559	75,319,084	99,675,986	-	304,943,630
Net book values					-
At 30th June 2021	60,641,068	91,784,149	46,628,806	-	199,054,022
At 30th June2020	46,376,757	48,997,455	27,183,786	15,000,000	137,558,001

19. INTANGIBLE ASSETS-SOFTWARE

	2020-2021	2019-2020
Cost	KShs	KShs
At beginning of the year	11,322,835	11,322,835
Additions	-	-
At end of the year	11,322,835	11,322,835
Additions-internal development	-	-
At end of the year	11,322,835	11,322,835
Amortization and impairment		
At beginning of the year	9,990,715	9,419,806
Amortization	399,636	570,909
At end of the year	10,390,351	9,990,715
Impairment loss	-	-
At end of the year	10,390,351	9,990,715
NBV	932,484	1,332,120

20. TRADE AND OTHER PAYABLES

20.TRADE AND OTHER PAYABLES	2020-2021	2019-2020
Trade payables	52,837,259	34,310,488
Best practise -Contractual Owings	417,172,433	357,821,365
Staff Salary Recovery	1,513,020	
Non Staff Deposit	10,877,180	
Best practise -Retention	25,456,757	29,263,236
Total trade and other payables	507,856,648	421,395,089

21. EMPLOYEE BENEFIT OBLIGATION S

Description	2020-2021	2019-2020
	Kshs	Kshs
Current benefit obligation	29,200,693	91,917,981
Non-current benefit obligation	169,644,544	38,873,438
Total employee benefits obligation	198,845,237	130,791,419

22. NON-CURRENT PROVISIONS

22.NON-CURRENT PROVISIONS	Gratuity	Total
	Kshs	Kshs
Balance at the beginning of the year	130,791,419	130,791,419
Additional Provisions	141,265,190	141,265,190
Provision utilized	(73,211,371)	(73,211,371)
Change due to discount and time value for money	-	-
Less: Current portion	(29,200,693)	(29,200,693)
Total	169,644,545	169,644,545

The additional provisions of Ksh. 141,265,190.00 is gratuity earned by staff during the year of Ksh. 110,906,984.00 and an additional provision that had not been transferred from previous years of Ksh. 20,508,503.00. The Board undertook a reconciliation of the gratuity owed to staff and the amount in the gratuity account. This led to the Board transferring the difference of Ksh. 20, 508,503 which was the gratuity earned less the cashbook balance as at 30th June, 2020. Further, there were adjustments undertaken in the month of July 2020 of Ksh. 9,850,003 which led to an extra transfer of provisions of the similar amount but has since been reconciled in the month of October, 2022.

23. CASH GENERATED FROM OPERATIONS

23.CASH GENERATED FROM OPERATIONS	2020-2021	2019-2020
Deficit for the year before tax	160,624,295	(847,695,312)
Adjusted for:		
Depreciation	53,677,996	34,679,657
Gains and losses on disposal of assets	-	(511,304)
Working Capital adjustments		
(Decrease)/Increase in Current Employee benefit obligation	(62,717,288)	89,207,114
(Decrease)/Increase in Non-Current Employee obligation	130,771,106	(188,925,637)
Increase/(Decrease) in Payables	86,461,559	74,532,115
(Increase)/Decrease in Receivables	(139,597,790)	13,445,111
Adjustment	(217,878)	
Net Changes In working Capital	14,699,709	(11,741,297)
Net cash flow from operating activities	229,002,000	(824,756,952)

The adjustment of Ksh. 217,878.00 was an error in the previous financial year on the property plant and equipment movement schedule. The error has been adjusted using the Journal Voucher J.E 1

24. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Board has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Receivables from exchange transactions	24,955,692	24,955,692	-	-
Receivables from non-exchange transactions	136,160,197	136,160,197	-	-
Bank balances	958,560,636	958,560,636	-	-
Total	1,119,676,525	1,119,676,525	-	-
At 30 June 2020				
Receivables from exchange transactions	18,956,099	18,956,099	-	-
Receivables from non-exchange transactions	2,562,000	2,562,000	-	-
Bank balances	844,115,140	844,115,140	-	-
Total	865,633,239	865,633,239	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for

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uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Board through the risk management framework sets the credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables		507,856,648	-	507,856,648
Total		507,856,648	-	507,856,648
At 30 June 2020				
Trade payables		421,395,089	-	421,395,089
Total		421,395,089	-	421,395,089

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

Management of interest rate risk

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To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

i. Capital Risk Management

The objective of the Board capital risk management is to safeguard the organization ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2020/2021	2019-2020
	Kshs	Kshs
Retained earnings	167,537,672	529,421,628
Capital fund	452,336,851	458,870,483
Total funds	619,874,523	988,292,111
Total borrowings	-	-
Less: cash and bank balances	(958,560,636)	(844,115,140)
Net debt/ (excess cash and cash equivalents)	338,686,113	844,115,140
Gearing	0%	0%

25 RELATED PARTY BALANCE

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. The following are related party transactions that took place during the year:

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from Fund	1,820,500,000	1,337,000,000
Total	1,820,500,000	1,337,000,000
b) Key management compensation		
Board Allowances	34,964,004	38,211,647
Board Expenses	-	60,000
Total	34,964,004	38,271,647

26. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for		216,000,000
Authorized and contracted for-Best practise projects	417,172,433	227,870,483
Authorised and contracted for-Office Partitions		15,000,000
Total	417,172,433	458,870,483

Capital commitments of Kes. 417,172,433 is Owings towards ongoing Best practice demonstration projects

CONTRIBUTION TO GOVERNMENT FUND

Contribution to Government Fund	2019-2020
	Kshs.
Contribution to Covid -19 Fund	10,000,000
Total	10,000,000

28. REMISSION TO THE NATIONAL TREASURY

Remission to National Treasury	Bank Statement Date	2019-2020
		Kshs
	11.11.2020	200,000,000
	21.05.2020	400,000,000
Total		600,000,000

29. Tax Expense

	2021-2020	2019-2021
	Kshs	Kshs
Corporate Tax on Interest	64,596,406	
Other Taxes	-	
Total	64,596,406	-

30. EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

31. Contingent Liability

- The board has litigation matter that has been appealed and pending in the court of Appeal where the board was sued in the high court and the matter determined that the board and constituency were ordered to pay Kshs 19,000,000 jointly and severally in court case ref: Nairobi high court ELC no. 8 of 2015 Samuel Ngari Githinji Vs CDF board Allocation.
- Kenya Revenue Authority demanded a corporation tax in November 2020, where the Board was required to pay all outstanding corporate tax from FY 2012/2013 of Kshs. 184,045,255. The board subsequently carried out a reconciliation of total interest earned over the period 2012/2013 to 2020/2021 and determined the amount was Kshs. 134,975,090 out of which the banks withheld and remitted Kshs.66,280,541 while the Board paid a total of Kshs.60,571,737.

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Further, KRA vide letter dated 19th January 2022 demanded for payment for corporation tax of Kshs.16,518,640.32 composed of principal tax Kshs.11,093,173.16, penalty Kshs.1,103,443.76 interest of Kshs.4,322,023.40. The Board responded vide letter dated 21st January 2022 to dispute the quantum of principal tax due and a prayer for waiver for interest and penalties whose response is awaited. The outstanding tax liability has therefore not crystallized contingent on the ongoing review by KRA.

32. Currency

The financial statements are presented in Kenya Shillings (Ksh) 1

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor FY 2019/2020, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:
1.1	Errors and Inaccuracies in the Financial Statements The statement of cash flow reflects unexplained adjustments amounting to Kshs 29,137,631 under net cash flow from investing activities. Further, the negating cash generating from operation of Kshs 779,064,561 as explained under note 23 includes unexplained adjustment of Kshs 46,203,695. The basis and the supporting documents for the adjustment were not provided for audit verification.	The amounts were corrected and the statements for the financial year 2021/2021 do not include the figures.	Manager, Financial Services	Unresolved
1.2	Statement of Changes in Net Assets The statement of changes in net assets for the year ended 30 June, 2020 reflects	The amounts were corrected and the statements for the financial year 2021/2021	Manager, Financial Services	Unresolved

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	unexplained adjustment amounting to Kshs 90,700,920 which has not been supported by verifiable documentary evidence for audit verification.	do not include the figures.		
2	Cash and Cash Equivalents The statement of financial position as at 30 th June 2020 reflects cash and cash equivalents balance of 844,115,140.	KCB (ESP) bank account has since been activated. The ABC bank account was closed The reconciling item of Ksh. 32,589,080.65 was money that had been fraudulently withdrawn from the Board's bank account in the year 2011/2012. The matter was reported and is still in court pending determination. A letter from KCB and bond to attend court detailing the amount and that the case is still progressing are herewith attached for your perusal referenced as KCB 4 and BTC3.	Manager, Financial Services	Unresolved
2.1	Dormant Bank Accounts However the amount includes Kshs 32,204,840 and 371 held in KCB and ABC bank accounts which have been dormant for over 3 years Further, the amount includes unreconciled Kshs 32,585,588 in the Fund KCB bank account			
3	Unfunded Employee Benefits The statement of financial position reflects Kshs 91,917,981 and Ksh 38,873,438 being employee benefit obligation. However, gratuity bank account at	Analysis of employee benefit obligation has since been done and unfunded balance transferred to Gratuity account held at Equity Bank.	Manager, Financial Services, Manager Human Resource	Unresolved

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	Equity had a balance of Kshs 52,571,694 resulting to unfunded balance of Kshs 78,219,734			
4.	Unresolved prior year issues In the audit report of the previous year, several issues were raised under the report on financial statements, report on lawfulness and effectiveness in use of public resources and report on effectiveness of internal controls, risk management and governance. However the matters remained unresolved as the Public accounts Committee has not deliberated on the issues	The Board is awaiting an invite from the Special Funds Accounts Committee of parliament so as to deliberate on the issues raised.	Manager, Financial Services	Unresolved
5.	Budgetary control and Performance. The statement of comparative budget and actual amounts reflects revenue budget and actual on comparable basis of Ksh. 1,958,194,000 and Ksh. 1,454,631,234 respectively resulting to underfunding of Ksh. 503,562,766 or 26% of the budget. Similarly, the funded expended Kshs. 1,635,281,329 against an approved budget of Kshs 1,958,194,000 resulting to an under expenditure of Ksh. 322,912,671 or 16% of the budget. The	The variance of 26% was due to the underfunding from the National treasury and Planning The under expenditure was mainly caused but delay in approval of the organization and grading structures thus delaying implementation and other activities were slowed down by the advent of Covid 19 pandemic	Manager, Financial Services	Unresolved

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	underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public			
6.	Noncompliance with International Public Sector Accounting standards (IPSAS). The statement of financial position reflects Best Practice Demonstration (BPD) liability of Kshs. 357,821,365, which as disclosed at Note 5 to the financial statements was a result of adoption of the grant accounting approach for the BPD projects. However, management did not comply with the provisions of paragraph 24(b) of IPSAS No. 3 which provides that when an entity changes an accounting policy voluntarily, it shall apply changes retrospectively		Manager, Financial Services	Unresolved

APPENDIX II: TRADE PAYABLE ANALYSIS

PAYEE	ACCOUNT	AMOUNT (KES)
SILVER AFRICA TOURS AND SAFARIS	2210301	71,880.00
SILVER AFRICA TOURS AND SAFARIS	2210301	207,860.00
NG-CDF BOARD	2210301	296,000.00
SILVER AFRICA TOURS AND SAFARIS	2210301	109,200.00
NG-CDF BOARD	2210303	2,721,600.00
SILVER AFRICA TOURS AND SAFARIS	2210304	131,720.00
SILVER AFRICA TOURS AND SAFARIS	2210701	101,500.00
MOUNTAIN BREEZE HOTEL	2210704	10,817,100.00
BUNGE STAFF CANTEEN	2210801	529,795.00
SILVER AFRICA TOURS AND SAFARIS	2210809	59,800.00
MAZARUCH ENTERPRISES CO.	2211101	802,400.00
VINSHAZ LIMITED	2211101	116,000.00
PALMPRINTS LIMITED	2211102	852,000.00
INDUSTRIAL PART SUPPLIES	2211103	665,000.00
LUEN JAY COLLECTIONS	2211103	233,240.00
JUDIMART GENERAL MERCHANTS	2220202	564,820.00
SOUTHGATE INVESTMENT LTD	3111001	4,548,100.00
DISTON INVESTMENT LTD	3111001	5,949,250.00
BROADLINE LOGISTICS	3111002	5,765,200.00
IDENTITY DESIGN LIMITED	2220205	78,764.00
CHRISANE HOLDINGS LTD	2210504	462,000.00
NICE VENTURES	3111002	2,232,100.00
CHINCOM SOLUTIONS	3111002	5,644,000.00
TRENCHIMAX SOLUTIONS LTD	3111002	2,169,000.00
TWO LEVEL VENTURES	2211102	330,000.00
COMBIAT AGENCIES	2211016	862,500.00
SOLMANN ENTERPRISES	3111002	5,886,270.00
NG CDF Board	2210809	180,000.00
COMMISSIONER INCOME TAX	2211301	345,371.00
SIFUNA MUSUYA	2210303	48,500.00
ANTONY KARIUKI	2210303	48,500.00
ELIMU SACCO	7320107	7,789.00
TOTAL		52,837,259.00

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND BOARD		
Break down of Transfers from the Statement Department for Planning				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		28/09/2020	500,000,000	2020/2021
		06/01/2021	300,000,000	2020/2021
		16/03/2021	50,000,000	2020/2021
		01/04/2021	260,000,000	2020/2021
		22/04/2021	255,000,000	2020/2021
		21/05/2021	321,500,000	2020/2021
		16/06/2021	134,000,000	2020/2021
		12/07/2021	134,078,640	2020/2021
		Total	1,954,578,640	



Yusuf Mbuno
Chief Executive Officer

Date **19/4/2022**



James Chebii
Ag. Manager Financial Services

ICPAK No. 6912

Date: **14/04/2022**

