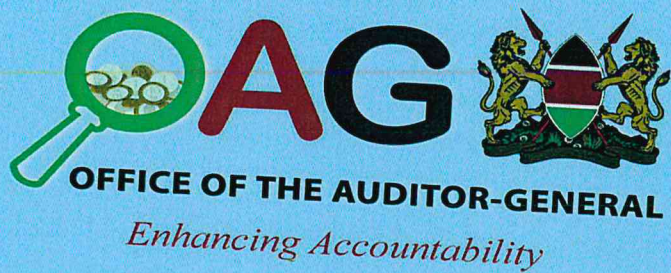


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY PARLIAMENTARY COMMISSION	
DATE: 03 MAR 2022	DAY: MON
TABLED BY: LOM	
CLERK-AT THE TABLE: S. Ndlovu	

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

- NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BORABU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU CONSTITUENCY

Reports and Financial Statements

the year ended June 30, 2020

1. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU CONSTITUENCY

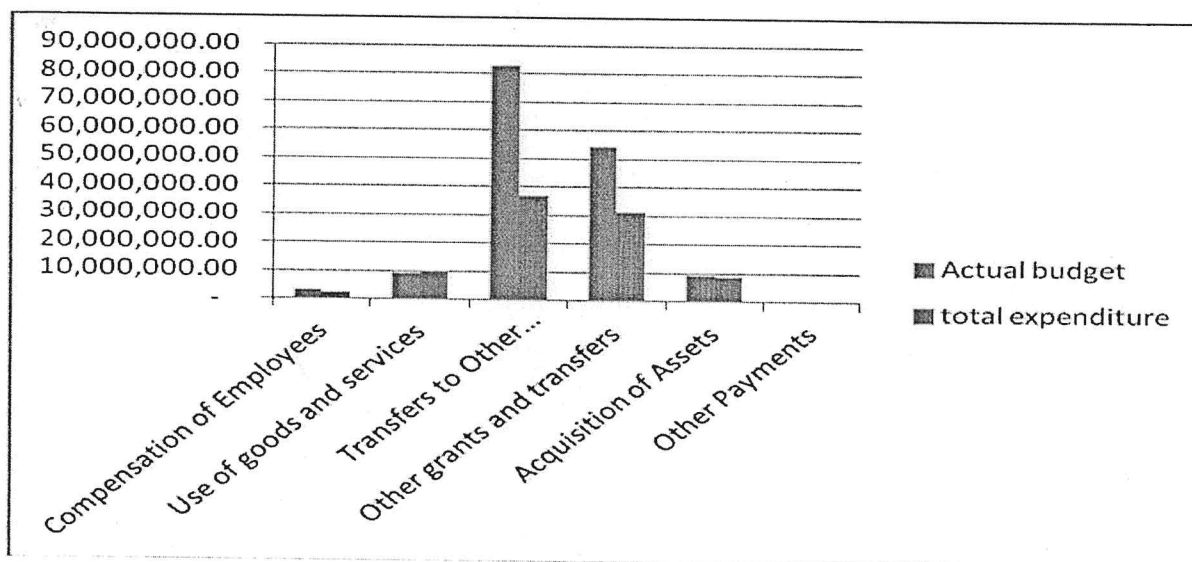
Reports and Financial Statements

For the year ended June 30, 2020

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Borabu NG-CDF received funding of Kshs 74,332,000.00 during financial year 2019/2020. Out of this amount Kshs 68,000,000.00 was for financial year 2019/20 against expected funding of Kshs 137,367,724.00. The NG-CDFC had an opening balance of Kshs 14,748,725.00 in the account at the beginning of the financial year. We were able to implement projects to the tune of Kshs 88,976,695.50 ranging from Primary schools, Secondary school projects, tertiary institution projects, bursary and security as detailed in the financial statements.

GRAPHICAL REPRESENTATION OF TOTAL BUDGET VERSUS ACTUAL EXPENDITURE FINANCIAL YEAR 2019/20



The above graph shows a representation of the total budget for the financial year 2019/20 versus actual total expenditure. The same is also represented in the table below:-

ACTUAL BUDGET VERSES EXPENDITURE		
FINANCIAL YEAR 2019/2020		
VOTE HEAD	ACTUAL BUDGET	TOTAL EXPENDITURE
Compensation of Employees	3,120,000	2,161,055
Use of goods and services	9,243,095	9,433,538
Transfers to Other Government Units	82,612,852	37,005,573
Other grants and transfers	54,472,501	31,480,499
Acquisition of Assets	9,000,000	8,896,031
Other Payments	-	-
TOTAL	158,448,449	88,976,696

We have sampled an assortment of pictures below indicating some projects funded by Borabu NG-CDF during financial year 2019/2020.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF Borabu Constituency Contacts

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E-mail: cdforabu@ngcdf.go.ke

Website: www.go.ke

(g) NGCDF Borabu Constituency Bankers

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Nyansiongo, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU CONSTITUENCY

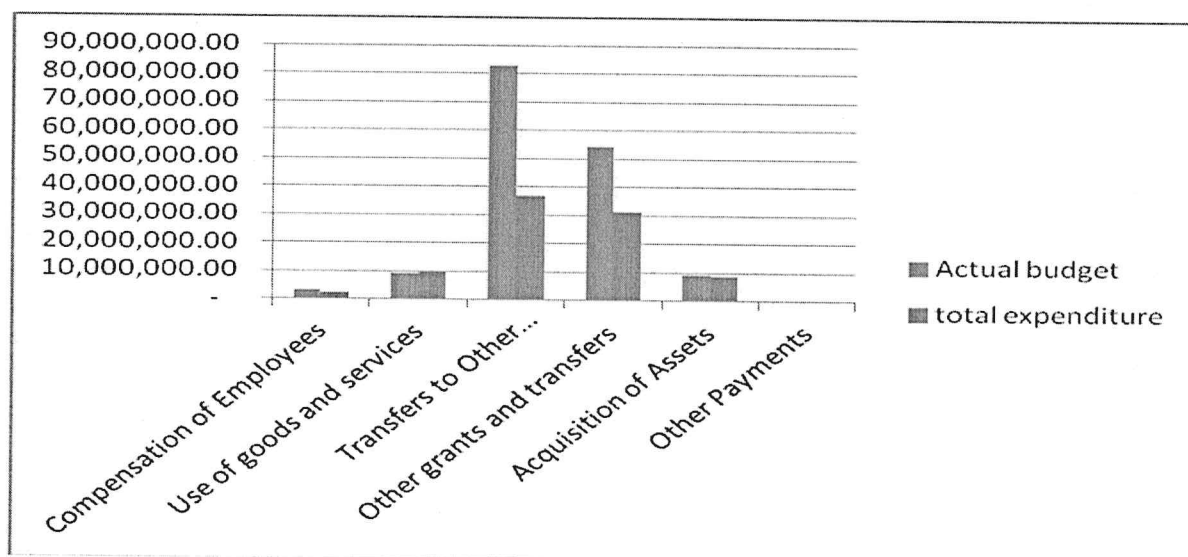
Reports and Financial Statements

For the year ended June 30, 2020

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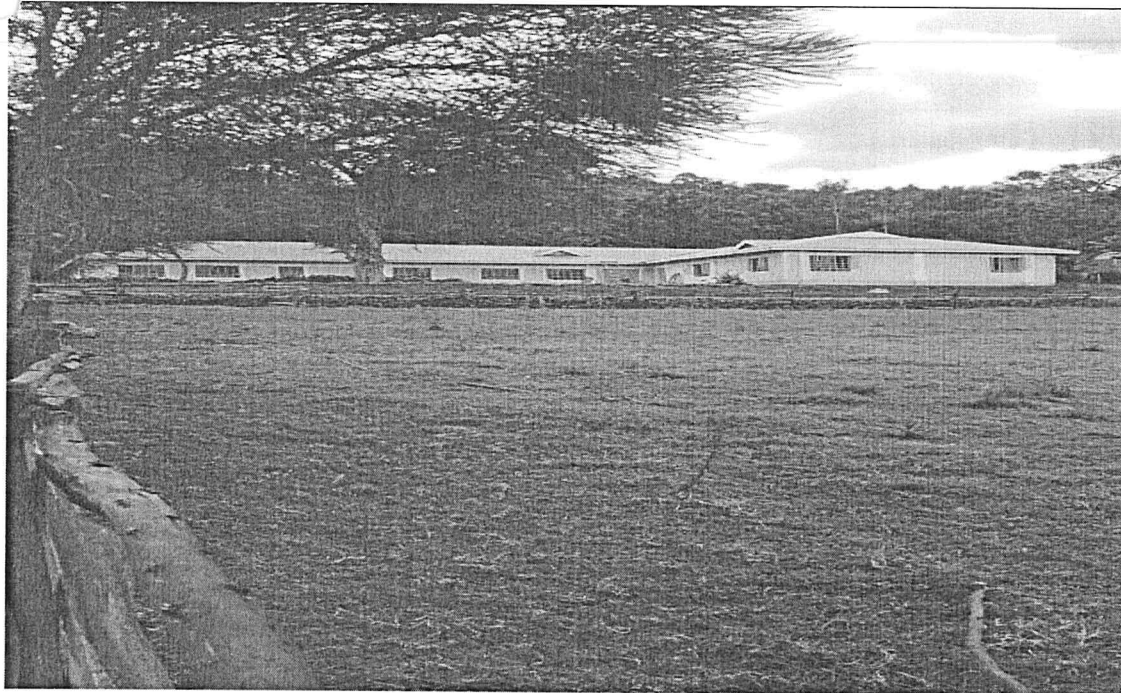


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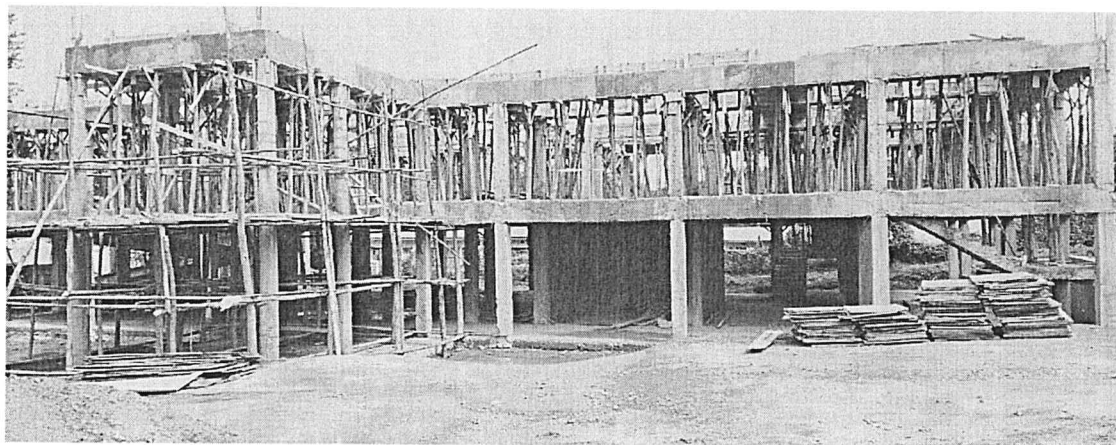
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020



Construction of an administration block at Gonzaga Gonza Secondary School in conjunction with the school PTA



Construction of Borabu Teachers Training College Tuition Block



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020
Construction of Borabu NG-CDF Office

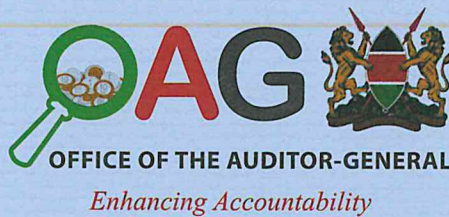
The constituency experienced a number of challenges below in its efforts to implement projects during the financial year:-

- a) Increase emergency cases due to heavy rains especially in the area of collapse of pit latrines, wind blowing of roofs and dilapidation of feeder roads due to heavy rains.
- b) Inadequate technical officers especially in the area of building and construction which also leads to slow processing of documentation hence delayed implementation of projects. We have engaged a clerk of works who is helping in bridging the gap.
- c) The emergence of the novel corona virus which slowed down and affected implementation of projects in the constituency and in Kenya as a whole.

.....Date.....
Duncan Ondari Omenge
Chairman Borabu NG-CDFC

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BORABU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Borabu Constituency set out on pages 7 to 43, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Borabu Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy in the Financial Statements

The statement of receipts and payments for the year ended 30 June, 2020 and as disclosed in Note 1 to the financial statements, reflects an amount of Kshs.74,332,000 in respect of transfer from CDF Board. However, the statement of appropriation - recurrent and development combined reflects an actual on comparable basis amount of Kshs.89,080,725 in respect of transfer from the Board and hence an unreconciled variance of Kshs.14,748,725.

In the circumstances, the accuracy and completeness of Kshs.74,332,000 in respect of transfers from CDF Board could not be confirmed.

2. Unsupported Expenditure - Use of Goods and Service

The statement of receipts and payments reflects an amount of Kshs.9,433,538 in respect of use of goods and services and as disclosed in Note 5 to the financial statements, which includes an unsupported amount of Kshs.2,993,638 relating to utilities supplies and services, routine maintenance, hospitality supplies and services, domestic travel subsistence and printing and advertising.

Consequently, the accuracy and completeness of the expenditure of Kshs.2,993,638 could not be ascertained.

3. Unaccounted Bursaries

The statement of receipts and payments and as disclosed in Note 6 to the financial statements, reflects an amount of Kshs.37,005,573 in respect of other grants and other payments which includes an amount of Kshs.6,351,581 and Kshs.12,474,918 relating to bursary to secondary schools and tertiary institutions respectively. However, the expenditure was not supported by any acknowledgements from the beneficiary schools and institutions.

In the circumstances, it was not possible to ascertain whether the bursaries amounting to Kshs.18,826,499 benefited the intended beneficiaries and whether it was expended as appropriated.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.158,448,449 and Kshs.89,080,725 respectively resulting to an under-funding of Kshs.69,367,724 or 44% of the budget.

Similarly, the Fund spent Kshs.88,976,696 against an approved budget of Kshs.158,448,449 resulting to an under expenditure of Kshs.69,471,753 or 44% of the approved budget.

Under the circumstances, the under-funding may result in some planned activities not being realized thereby affecting delivery of goods and services to the constituents.

Further, the under expenditure of Kshs.69,662,194 or 44% of the total budget allocation translates to equivalent services planned but not delivered to the residents of Borabu Constituency.

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 sections 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

1.0 Transfer to Other Government Entities

1.1 Unauthorized Reallocation of Funds

The statement of receipts and payments reflects Kshs.31,480,499 and as disclosed in Note 7 to the financial statements, the amount includes Kshs.9,768,330 relating to transfers to primary schools out of which a disbursement of Kshs.500,000 was made to Ensinyo Primary school for construction of one classroom. However, the scope of works was changed and instead the funds were used to put up a slab for a storey building instead of building a classroom without approval of the National Government Constituencies Development Fund Board contrary to the provisions of Section 6(2) of the National Government Constituencies Development Fund Act, 2012 which requires that; Once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

1.2 Construction of Borabu Teachers Training College

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects Kshs.37,005,573 in respect of transfers to other Government institutions which includes transfers to tertiary institutions figure of Kshs.17,873,621 out of which an amount of Kshs.13,894,634 was disbursed for construction of a tuition block at Borabu Teachers Training College at a contract sum of Kshs.37,654,965, and which was later revised by Kshs.4,233,795 to Kshs.41,888,760. The contract period was fourteen months effective from the date of contract agreement of 24 May, 2017. As at 30 June, 2020, the contractor had been paid a total of Kshs.36,748,941 or 87.8% of the revised contract sum. Project verification in the month of February, 2021 revealed that the project was incomplete despite the contract period having had expired in August, 2018. The outstanding works including painting, tiling and fixing of window panes were not done while the contractor was not on site.

In the circumstances, the regularity and value for money of the expenditure of Kshs.13,894,634 could not be confirmed.

2. Irregular Tendering - Construction of Office Block for Borabu Constituency

The statement of receipts and payments for the year ended 30 June, 2020 and as disclosed in Note 8 to the financial statements reflects Kshs.8,896,031 in respect of acquisition of assets incurred in construction of two storey office block for National Government Constituencies Development Fund- Borabu Constituency. The tender was awarded at a contract sum of Kshs.36,360,026 with the expected completion period of 24 months commencing from 5 February, 2019. However, audit of the contract revealed that works amounting to Kshs.15,654,646 were omitted from the original tender as follows:

- i. Retaining wall whose tender had been separately awarded to a different contractor at a tender sum of Kshs.7,294,189.
- ii. Electrical wiring services estimated at Kshs.2,583,650.
- iii. Mechanical and building services estimated at Kshs.5,776,807.

The omission and separate tendering could have resulted to splitting of the tender contrary to paragraph 54(1) of the Public Procurement and Asset disposal Act, 2015 which states that, no procuring entity may structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure except where prescribed.

No explanation was given as to why the items were not included in the tender considering that the building could not have functioned without them.

In the circumstances, the regularity and value for money of the expenditure of Kshs.8,896,031 could not be confirmed.

3.0 Other Grant and Other Payments

3.1 Irregular Expenditure for Opening of Access Roads

The statement of receipts and payments for the year ended 30 June, 2020 and as disclosed in Note 7 to the financial statements, reflects Kshs.31,480,499 in respect of other grants and other payments figure which includes Kshs.6,830,200 for emergency projects out of which an amount of Kshs.5,504,000 was incurred on opening and grading of access roads. Physical verification of the projects revealed that they were not labeled contrary to the provision of Regulation 15(1)(f) of NGCDF Regulations, which requires a project to be labelled and handed over upon completion. Further, the emergency payments did not meet the threshold set for urgent and unforeseen need as prescribed by Section 8(3) of the Act.

In addition, the projects were done contrary to the provisions of Section 24(a) of the National Government Constituencies Development Fund Act, 2015 which stipulates that a project to be undertaken shall, "only be in respect of works and services falling within the functions of the National Government under the Constitution.

Under the circumstances, the regularity of the expenditure of Kshs.5,504,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal 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 that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 February, 2022

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

Borabu constituency has high growth prospects. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative systems.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2015-2020) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

In underscoring the above, the key development objectives of NGCDFC-Borabu Constituency's 2015-2020 plan included but not limited to;

Pillar One: Agriculture: Transform the constituency's agricultural fortunes as a way of creating wealth, fostering economic growth and ensuring food security. The plan is proposing transformational measures in agribusiness, marketing, technology, research and extension services

Pillar 2: Education: Guiding the constituency into a sustainable development requires a literate and educated citizenry. For the next five years, the constituency will focus on educational infrastructure, equipments, materials and performance.

Pillar 3: Water and Environment: This is a social pillar that will enhance conditions for development and accelerate growth. Focus will be put towards conserving the ecosystem, enhance collaboration with relevant environmental stakeholders and increase access to Water, sanitation and public health

Pillar 4: Infrastructure: To ensure stable and accelerated growth and development in all sectors, electricity, roads and ICT are key impetus without which, communities cannot be able to trade or develop. This pillar will therefore look at all the areas priority will be given within available resource. We will commit the constituency towards improving accessibility of the communities to basic social amenities

Pillar five: healthcare: As a constituency, we will focus resources to healthcare infrastructure and equipments. Dispensaries and health centers will be the focus of CDF with other health initiatives being put into the focus.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BORABU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Pillar six: Trade , industry and tourism: In order to create employment, enhance income and livelihoods, promoting entrepreneurship, value addition, modern technologies and value chain analysis will be crucial. CDF will support such initiatives that will promote trade and investment with the county.

Pillar seven: Security: By collaborating with security agencies to make the constituency secure, CDF will support peace initiatives, equipments and housing for Police officers and community policing initiatives.

Pillar eight: Youth and Sports: This a major goal of focus for this plan because of the large number of youths in the constituency .The focus will be on youth initiatives like sports, resource centers, entrepreneurship and projects that will empower youths and make them the drivers of economic growth.

Progress on attainment of Strategic development objectives

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

SECTOR	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS	PERFORMANCE INDICATORS
Education	<ul style="list-style-type: none"> • Availability of trained teachers. • Availability of learners. • Many public and private primary and secondary schools 	<ul style="list-style-type: none"> • Mismanagement of FPE/FSE resources. • Understaffing and Inadequate school facilities • Unavailability of more advanced high schools • Poor school infrastructure 	<ul style="list-style-type: none"> • Availability of schools • Presence of devolved funds. • FPE/FSE Programs 	<ul style="list-style-type: none"> • Teachers' strikes. • Low teacher commitment. • High Student unrests • Drug and substance abuse 	<p>Build and renovated 22 class rooms in the financial year.</p> <p>Completed 4 laboratories in schools during the financial year.</p> <p>Completed construction of 4 dormitories in schools</p> <ul style="list-style-type: none"> • Completed construction of 3 administration blocks in schools.

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Agriculture	<ul style="list-style-type: none"> • Adequate rainfall • Availability of manpower. • Potential for horticultural and other produce • Availability of local market for agricultural products 	<ul style="list-style-type: none"> • Inadequate extension services. • Poor agricultural practices / husbandry. • Limited land for cultivation / agriculture • Limited agricultural mechanization • Low uptake of modern agricultural Practices • Low use of agricultural inputs i.e. certified seeds, fertilizers etc • Unaffordable agriculture inputs • High rates of Pests and diseases 	<ul style="list-style-type: none"> • Presence of devolved funds • Devolution of Agriculture and accessibility of County resources • Potential for agribusiness 	<ul style="list-style-type: none"> • Insecurity in some parts of the constituency • Crop Diseases. • Global climatic Changes • Lack of reliable markets • Unpredictable and inaccessible market • Low awareness of modern agriculture practices • Low support and Returns from Cash crops 	<ul style="list-style-type: none"> • The previous NGCDFC Committees renovated over 120 tea buying centres in the past years. Agriculture is now a county function.
Security	<ul style="list-style-type: none"> • Availability of security personnel • Support by CDF in constructing and equipping police 	<ul style="list-style-type: none"> • Poor co-ordination and movement of security personnel. • Apathy from the general public. • Understaffing and poor housing for Security personnel 	<ul style="list-style-type: none"> • Support for Housing for Police • Improved communication network. • Ongoing police reforms and Nyumba Kumi initiatives 	<ul style="list-style-type: none"> • New crime techniques. • Cattle rustling • Infiltration of illegal firearms. • High youth crime rates and increased alcohol and drug use 	<p>Renovated 4 chief's offices in the financial year.</p> <ul style="list-style-type: none"> • More to be built and renovated once pending funds at the NG-CDF Board are available.

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Health	<ul style="list-style-type: none"> • Availability of health facilities. • Support and commitment on health care by the leadership 	<ul style="list-style-type: none"> • Poor management. • Inadequate personnel/drugs • Poor transport network. • Inadequate health equipment • Inadequate ambulance service • Inadequate water supply and electricity • Poor remuneration of Health workers and poor living conditions 	<ul style="list-style-type: none"> • Presence of devolved funds. • Availability of Donor funding in health sector 	<ul style="list-style-type: none"> • Increase in HIV/AIDS prevalence. • Limited availability of highly trained health personnel • Poor coordination of health services at the devolved levels • Resignation of health personnel 	<ul style="list-style-type: none"> • 18 health facilities renovated and built in the past. • Health is now a devolved function
Transport	<ul style="list-style-type: none"> • Existence of Murram roads network. • More opening of access /feeder roads 	<ul style="list-style-type: none"> • Poor road maintenance and • Minimal Tarmac roads • Many stakeholders involved in road construction • Lack of clarity in the road types and responsible bodies in charge of maintenance • Lack of public participation in road maintenance 	<ul style="list-style-type: none"> • Existence of KERRA • Presence of devolved county funds. • Increased CDF funding 	<ul style="list-style-type: none"> • Un-qualified and lack of professionals in road construction. • Change in climate • Increasing cost of road construction • Decline in road maintenance 	<ul style="list-style-type: none"> • Seven access roads graveled and murrammed in the financial year under schools projects and emergency.
Energy	<ul style="list-style-type: none"> • Existing infrastructure (national grid). • Rural electrification availability • Penetration of Energy saving jikos 	<ul style="list-style-type: none"> • Lack of capacity building on alternative energy sources • Low solar power usage and renewable energy alternatives 	<ul style="list-style-type: none"> • Solar and wind energy • Affordable power connection rates and financing facilities available • Affordable Solar power and Energy saving stoves 	<ul style="list-style-type: none"> • Vandalism. • Lack of finance due to high poverty levels 	<ul style="list-style-type: none"> • 12 transformers installed in the constituency in Financial year 2016/17 and 2017/18. • Three more to be

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					installed in financial year 2019/20 once funds are available
Trade and Industry	<ul style="list-style-type: none"> Local market availability due to high populations Local population's willingness to participate in trade Availability and access to financing Existence of raw materials e.g. , Tea, Coffee, hides and skins ,Avacados,Milk ,Horticulture etc Existence of Tea Factories 	<ul style="list-style-type: none"> Low level of adoption of modern techniques Low market research and value addition Low adoption of technology and low number of organized trading groups/cooperatives Lack of properly constructed market shelters Lack of local investments.- 	<ul style="list-style-type: none"> Presence of micro finance agencies. Existence of micro-finances and banks. Availability of other devolved Funds e.g Youth Fund and Women Fund, Uwezo Fund 	<ul style="list-style-type: none"> Insecurity eg robbery, house breaking. Limited land sizes Dependence syndrome Overdependence on traditional agriculture Lack of political goodwill from Counties to boost trade and attract investors Poor soil productivity and rampant pests and diseases 	<ul style="list-style-type: none"> 7 access roads done help in boosting trade

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Environment, Water, and Sanitation	<ul style="list-style-type: none"> • Existence of a high number of Natural water springs in the area. • Availability of heavy rainfall ideal for water harvesting • Availability of underground water • Availability of agro-forestry • Availability of NEMA and KFS locally 	<ul style="list-style-type: none"> • Destroyed water catchment areas. • Poor waste disposal methods. • Poor farming methods • Low water harvesting practices • Lack of external environmental conservation funding • Dependence on traditional water supply • High rates of River and spring destruction • Low river water volume levels • Erratic rainfall • Over dependence of rainfall for agriculture • Low awareness levels 	<ul style="list-style-type: none"> • Devolved funds. • CDF funding • High rainfall and opportunity for water harvesting • Availability of alternative environmental friendly commercial trees e.g Bamboo 	<ul style="list-style-type: none"> • Climatic changes. • High rate of Blue gums • Low environmental awareness • High number of factories dependent on wood fuel 	<p>Built 8 sanitation facilities in the financial year</p> <p>Bought 6 water tanks one each in the following institutions: - Mogusii Primary School, Itumbe Secondary School, Om onono Secondary School, Emb oye Primary School, Nyankongo and Kekinga Primary Schools.</p> <ul style="list-style-type: none"> • Installed 20 dust bins in assorted institutions in the financial year.
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Youths and Sports	<ul style="list-style-type: none"> • High population rates of Youths • School Sports grounds exist. • Presence of the youth representative to local levels. • Availability of Youth Enterprise Dev. Fund and Uwezo funds 	<ul style="list-style-type: none"> • Poor maintenance of playing grounds. • Lack of sports equipment. • High unemployment rates. • Misuse of youths by selfish politicians. • High alcohol and drug use • High drop out rates • Low absorption rates of youth funds due to low awareness rates 	<ul style="list-style-type: none"> • Existence of a Youth Fund. • High creativity and youth involvement in agriculture • Availability of Uwezo Fund • High literacy and education levels • Youth access to technology 	<ul style="list-style-type: none"> • Drug abuse. • Lack of active / organized trading youth cooperatives • Crime • HIV / AIDS 	Number of youth groups included in sports competitions in the financial year increased from 40 to 60
Tourism	<ul style="list-style-type: none"> • Existence of cultural/tourist sites e.g. Keera water fall, Kiabonyoru source of River Gucha etc • Existence of indigenous knowledge. • Constituency strategically located within tourism circuit 	<ul style="list-style-type: none"> • Poor road accessibility • Lack of clear mapping of tourist sites • Inadequate marketing. • Lack of awareness amongst members. • Human encroachment on the site e.g. Traditional shrines • Lack of good hotels 	<ul style="list-style-type: none"> • Partnership with Ministry of tourism • Tourism is devolved function • High local population to promote local tourism 	<ul style="list-style-type: none"> • Security • Some cultural sites have not been gazetted • Tourism advisories 	Improvement of road access system has helped to promote tourism in the constituency

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

NGCDF –Borabu Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Borabu NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. SUSTAINABILITY STRATEGY AND PROFILE

The Borabu NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	To be a national leader in supporting sustainable community projects that attract and provide strong economic opportunities, preserve our natural resources and create healthier communities to work, reside and re-create.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	to agricultural driven economy by building better infrastructure, empowering communities, investing in education and fostering community entrepreneurship in order to create jobs and promote sustainable economic growth	This communicates what the office does to attain sustainable developments

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Core Values	Sustainability, Engaged, Valuable, Integrity, Creative & Economic strength.	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives
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To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

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2. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Borabu NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Borabu NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Borabu NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

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Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> Promote environmental awareness by sensitizing the Borabu NG-CDFC, NG-CDFC staff and PMCs on good conservation practices To encourage, through regular communication to Borabu NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> To maximize use of available technologies to remove the need to use paper To encourage our clients to engage with us using electronic means where possible To maximize on rain water harvesting To make energy efficiency a key factor in the selection of any new energy device being purchased To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> To promote use of volt guards to control power surges We have constructed culverts and gabions to prevent soil erosion To encourage tree planting in the constituency to improve the forest cover. To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> To ensure that all paper waste is recycled To ensure segregation of waste To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Borabu NG-CDFC offers only categories of employment, which are

Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job

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- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution.

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff.

Guidelines to General Safety

The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

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Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers.

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There

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shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the

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grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

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

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship

In order to safeguard consumer rights and interests, the Kasipul NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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

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Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

Public Awareness

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

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Borabu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Borabu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Borabu Constituency further confirms the completeness of the accounting records maintained for the *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.

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

Approval of the financial statements

The NGCDF-Borabu Constituency financial statements were approved and signed by the Accounting Officer on 17/09/2020 2020.

Fund Account Manager
Name: Edwin Lecha



17/09/2020
Sub-County Accountant
Name: Sylvester Korir Murto
ICPAK Member Number: 15537

**NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BORABU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- BORABU CONSTITUENCY

RE: REPORT ON THE AUDITOR GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BORABU CONSTITUENCY FOR THE YEAR ENDING 30TH JUNE 2019

Reference is made to your audit letter date 30th March 2020 ref. KSI/Borabu NGCDF/2018/2019/(2) and received on 08.04.2020 on the above subject. We hereby respond accordingly as follows:-

NO.	REFERENCE	AUDIT QUESTIONS
4.1	Governance and risk	- That the monitoring and evaluation committee is not formally appointed and adhoc inspections and acceptance committee/ Constituency oversight committee does not exist.
4.2	Irregular Payment of allowances	- That other committee expenses and committee allowances totaling Kshs 1,862,000 was in respect of allowances for Monitoring and Evaluation exercises which were not properly supported
4.3	Variances between the financial statement and bank reconciliation figures	That Financial Statements figure for cash and cash equivalents of Kshs. 14,748,725 differs with the figure in the bank reconciliation statement of Kshs. 14,909,530 resulting to an unexplained overstatement of Kshs. 160,805.
4.4	Construction of roads	Payments amounting to Kshs. 5,675,368 were made to several contractors for opening, grading, and rehabilitation of various roads within the constituency and yet road construction is a county Government function.
4.5	Construction of works at Borabu Teachers Training College	<ul style="list-style-type: none">- The Agreement for proposed construction of Borabu teachers training college tuition block contract No. NG-CDF/Borabu/TTC/2016/17/1 at a contract sum of Kshs. 37,654,965 signed on 24.05.2017 states that the contract period shall be 14 months from the date of the agreement with the expected date of completion being August 2018.- That the project is far from completion
4.6	Discrepancies in the supporting ledgers	The statement of receipts and payment for the year ending 30 June 2019 reflects an expenditure of Kshs. 2,739,920 in respect of compensation of employees. However, a recast of the supporting ledger revealed that the actual expenditure was Kshs. 3,009,044 resulting to a total variance of Kshs. 269,124.
4.7	Environment Projects	Included in the other grants and transfers figure of Kshs. 51,203,242 are Environmental projects whose payments of Kshs. 300,000 and Kshs. 200,000 were made on 3rd September 2019 and 29th March 2019 respectively for purchase of seedlings according to the review of supporting ledgers. Further scrutiny of supporting documents show that

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BORABU CONSTITUENCY

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For the year ended June 30, 2020

		the prices quoted for the seedlings were quite high and the method of procurement was not competitive since single sourcing was used. -
4.8	Project Status	However, value for money has not been attained for the incomplete projects (Nyansiongo Chiefs Office, Ensakia Chiefs office and Omonono Assistant Chiefs Office) and an indication of wastage of public funds. In addition, it was not possible to confirm the ownership of the projects which were not branded. The unutilized funds for Construction of Bonyarorande Administration Police Lines was not returned to the constituency account contrary to Article 12(8) of NGCDF Act 2015. -
4.9	Variances between Financial Statements figure and the supporting ledger balance for Tertiary Bursaries	Included in the Note 7 to the financial statements for the year ended 30 June 2019 reflect a Bursary-Tertiary balance of Kshs. 26,245,992. However, examination of the supporting documents provided disclosed a balance of Kshs. 17,388,000 resulting to an overstatement of Kshs. 8,857,992.
4.10	Budget analysis	Whereas the total budget was Kshs. 157,385,741, the fund managed to absorb only Kshs. 136,305,017 representing 86.6 % of the budget. The under absorption was more pronounced in transfer to other government units with a budget of Kshs. 72,571,134 and absorption of Kshs. 55,451,389 representing 76.4% of the budget allocation. -

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BORABU CONSTITUENCY

Reports and Financial Statements

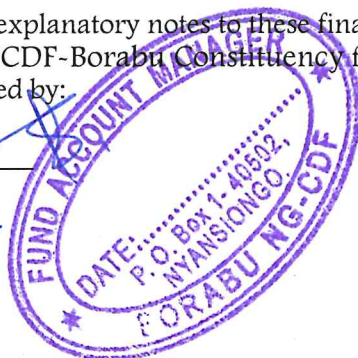
For the year ended June 30, 2020

VII.STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	74,332,000	115,988,185
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	26,000
TOTAL RECEIPTS		74,332,000	116,014,185
PAYMENTS			
Compensation of employees	4	2,161,055	2,481,946
Use of goods and services	5	9,433,538	8,997,440
Transfers to Other Government Units	6	37,005,573	55,451,389
Other grants and transfers	7	31,480,499	51,461,214
Acquisition of Assets	8	8,896,031	13,236,000
Other Payments	9	-	4,677,026
TOTAL PAYMENTS		88,976,696	136,305,016
SURPLUS/DEFICIT		(14,644,696)	(20,290,831)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Borabu Constituency financial statements were approved on 17/09/2020 and signed by:

Fund Account Manager
Name: Edwi Lecha



Signature: SPAP ml5 17/09/2020
National Sub-County Accountant
Name: Sylvester Korir Murto
ICPAK Member Number: 15537

**NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY**

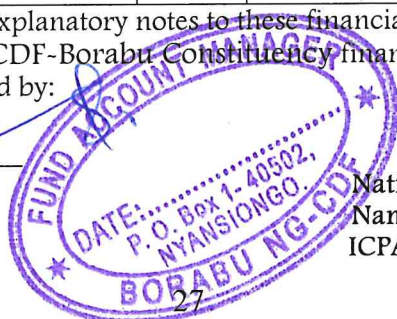
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BORABU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VIII.STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	104,029	14,748,725
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		104,029	14,748,725
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		104,029	14,748,725
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>104,029</u>	<u>14,748,725</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	14,748,725	35,039,556
Surplus/Defict for the year		(14,644,696)	(20,290,831)
Prior year adjustments	14	-	-
NET LIABILITIES		104,029	14,748,725

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Borabu Constituency financial statements were approved on 18/09/2020 and signed by:

Fund Account Manager
Name: Edwi Lecha



National Sub-County Accountant
Name: Sylvester Korir Murto
ICPAK Member Number:15537

**NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BORABU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

IX.STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

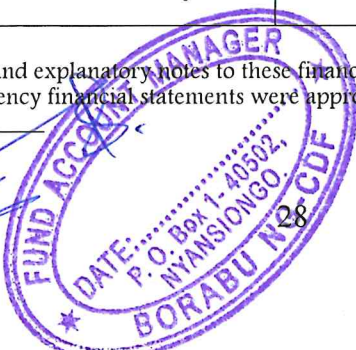
CASH FLOWS FROM OPERATING ACTIVITIES			2019-2020	2018-2019
			Kshs	Kshs
Receipts				
Transfers from CDF Board	1		74,332,000	115,988,185
Other Receipts	3		-	26,000
Total Receipts			74,332,000	116,014,185
Payments				
Compensation of Employees	4		2,161,055	2,481,946
Use of goods and services	5		9,433,538	8,997,441
Transfers to Other Government Units	6		37,005,573	55,451,389
Other grants and transfers	7		31,480,499	51,461,214
Other Payments	9		-	4,677,026
Total Payments			80,080,665	123,069,016
Total Receipts Less Total Payments			(5,748,665)	(7,054,831)
Adjusted for:				
Decrease/(Increase) in Accounts receivable:Outstanding Imprest	15	-	-	-
Increase/(Decrease) in Accounts Payable: Deposits/Gratuity and retention	16	-	-	-
Prior year adjustments	14	-	-	-
Net Adjustments			-	-
Net cash flow from operating activities			(5,748,665)	(7,054,831)
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	9		8,896,031	13,236,000
Net cash flows from Investing Activities			(8,896,031)	(13,236,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			(14,644,696)	(20,290,831)
Cash and cash equivalent at BEGINNING of the year	13		14,748,725	35,039,556
Cash and cash equivalent at END of the year			104,029	14,748,725

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Borabu Constituency financial statements were approved on 17/09/2020 and signed by:

Fund Account Manager
Name: Edwin Lecha

National Sub-County Accountant
Name: Sylvester Korir Murto
ICPAK Member Number: 15537

**NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY**



X.SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
Transfers from NGCDF Board	137,367,724	21,080,724	158,448,449	89,080,725	69,367,724	56
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTALS RECEIPTS	137,367,724	21,080,724	158,448,449	89,080,725	69,367,724	56
PAYMENTS						
Compensation of Employees	3,120,000		3,120,000	2,161,055	958,945	69
Use of goods and services	9,243,095	-	9,243,095	9,433,538	(190,443)	102
Transfers to Other Government Units	66,532,128	16,080,724	82,612,852	37,005,573	45,607,279	45
Other grants and transfers	49,572,501	4,900,000	54,472,501	31,480,499	22,992,002	58
Acquisition of Assets	8,900,000	100,000	9,000,000	8,896,031	103,969	99
Other Payments	-	-	-	-	-	-
TOTALS	137,367,724	21,080,724	158,448,449	88,976,696	69,471,753	56

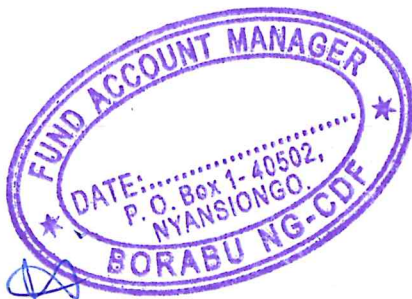
(a) Revenue is only represented by transfers from the NG-CDF Board

(b) Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

- i. Compensation of employee's percentage expenditure 29 % as 50% of funds were not received within the financial year under review.
- ii. Use of goods and services percentage expenditure at 102% due to an oversight in workings.
- iii. Transfers to other Government units expenditure at 45% as 50% of the funds were not received in the year under review.
- iv. Other Grants and transfers expenditure at 58% as 50% of the funds were not received in the year under review.

Changes in the final budget is due to additions from un utilized funds of the previous financial year.

The NGCDF-Borabu Constituency financial statements were approved on 17/09 2020 and signed by:



Fund Account Manager
Name: Edwin Lecha

NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY

17/09/2020
Sub-County Accountant

Name: Sylvester Korir Murto
ICPAK Member Number: 15537

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2020

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,120,000	-	3,120,000	2,161,055	958,945
1.2 Committee allowances	2,622,063	-	2,622,063	2,670,000	(47,937)
1.3 Use of goods and services	2,500,000	-	2,500,000	2,461,421	38,579
Sub-Total	8,242,063	-	8,242,063	7,292,476	949,587
2.0 Monitoring and evaluation					
2.1 Capacity building	800,000	-	800,000	896,000	(96,000)
2.2 Committee allowances	1,821,031	-	1,821,031	1,906,000	(84,969)
2.3 Use of goods and services	1,500,000	-	1,500,000	1,500,116	(116)
Sub-Total	4,121,031	-	4,121,031	4,302,116	(181,085)
	9,243,094	-	9,243,094	9,433,537	(190,443)

For the year ended June 30, 2020

3.0 Emergency						
3.1 Primary Schools	4,654,000	-		4,654,000	4,654,000	-
3.2 Secondary schools	1,550,000			1,550,000	1,550,000	-
3.3 Tertiary institutions	-	-		-	-	-
3.4 Security projects	400,000	-		400,000	400,000	-
3.5 others	594,241			594,241	226,200	368,041
Sub-Total	7,198,241	-		7,198,241	6,830,200	368,041
4.0 Bursary and Social Security						
4.1 Primary Schools				-	-	-
4.2 Secondary Schools	7,000,000	-		7,000,000	6,351,581	648,419
4.3 Tertiary Institutions	-	-		-	-	-
4.4 Universities	18,705,066	-		18,705,066	12,474,918	6,230,148
4.5 Social Security	1,020,000	1,000,000		2,020,000		2,020,000
Sub-Total	26,725,066	1,000,000		27,725,066	18,826,499	8,898,567
5.0 Sports						
5.1 Sports Tournament	2,641,776	1,000,000		3,641,776	2,879,800	761,976
Sub-Total	2,641,776	1,000,000		3,641,776	2,879,800	761,976
6.0 Environment						

For the year ended June 30, 2020

6.1 Demo Enterprises Ltd	-	288,000	288,000	288,000	-
6.2 Demo Enterprises Ltd	-	112,000	112,000	176,000	(64,000)
6.3 Bon Joh General Contractors	1,080,000.00	-	1,080,000	1,080,000	-
6.4 Kerema Secondary School	300,000.00	-	300,000		300,000
6.5 Kenyoro Primary School	320,000.00	-	320,000		320,000
6.6 Nyansakia Primary School	300,000.00	-	300,000		300,000
Sub-Total	2,000,000	400,000	2,400,000	1,544,000	856,000
7.0 Primary Schools Projects					
7.1 Amas General Investments & Construction Ltd	-	1,500,000	1,500,000	1,500,000	-
7.2 Davkenn Investments Ltd	-	400,000	400,000	400,000	-
7.3 Ensinyo Primary School	-	500,000	500,000	500,000	-
7.4 Pelaco Construction Ltd	-	800,000	800,000	799,760	240
7.5 Nyakwerema Primary School	1,000,000	-	1,000,000		1,000,000
7.6 Nyamori Primary School	300,000	-	300,000		300,000
7.7 Jobama Enterprises Ltd	900,000	700,000	1,600,000	700,000	900,000

For the year ended June 30, 2020

7.8 Kerema Primary School	400,000	-	400,000	-	400,000
7.9 Nsicha Primary School	1,000,000	-	1,000,000	-	1,000,000
7.10 Ibara Boarding Primary School	500,000	-	500,000	-	500,000
7.11 Ibara Day Primary School	400,000	-	400,000	-	400,000
7.12 Nyaramba Primary School	300,000	-	300,000	-	300,000
7.13 VINESA DAJIP INVESTMENT LTD	500,000	900,000	1,400,000	1,324,290	75,710
7.14 Omonono Primary School	300,000	-	300,000	-	300,000
7.15 St Albert Boys Primary School	500,000	-	500,000	-	500,000
7.16 Havepach Enterprises Ltd	600,000	-	600,000	600,000	-
7.17 Ensoko Primary School	800,000	-	800,000	500,000	300,000
7.18 Amakara General Supplies	100,000	-	100,000	100,000	-
7.19 Riensune Primary School	500,000	-	500,000	-	500,000
7.20 Keberigo Supplies Ltd	100,000	-	100,000	100,000.00	-
7.21 Jombunya Enterprises Ltd	800,000	300,000	1,100,000	1,100,000	-
7.22 Megliff Ltd	250,000	500,000	750,000	750,000	-
7.23 Bon Joh General Contractors	1,314,392	-	1,314,392	1,094,280	220,112

For the year ended June 30, 2020

7.24 Nyankono Primary School	200,000	-	200,000	-	200,000	-	200,000
7.25 Magombo Primary School	500,000	-	500,000	-	500,000	-	500,000
7.26 Mecheo Primary School	300,000	-	300,000	-	300,000	-	300,000
7.27 Ensakia Primary School	300,000	-	300,000	-	300,000	-	300,000
7.28 Saiga Ngiya Primary School	500,000	-	500,000	-	500,000	-	500,000
7.29 Kebuse Primary School	200,000	-	200,000	-	200,000	-	200,000
7.30 Ensinyo Primary School	1,000,000	-	1,000,000	-	1,000,000	-	1,000,000
7.31 Chinche Primary School	400,000	-	400,000	-	400,000	-	400,000
7.32 Ekige Primary School	400,000	-	400,000	-	400,000	-	400,000
7.33 Borabu Primary School	400,000	-	400,000	-	400,000	-	400,000
7.34 Riang'ombe Primary School	400,000	-	400,000	-	400,000	-	400,000
7.35 Memisi Primary School	500,000	-	500,000	-	500,000	-	500,000
7.36 Endemu Primary School	500,000	-	500,000	-	500,000	-	500,000
7.38 Riang'ombe Adventist Primary School	500,000	-	500,000	-	500,000	-	500,000
7.39 Nyandoche II Primary School	300,000	-	300,000	-	300,000	-	300,000

For the year ended June 30, 2020

7.40 Riamanoti Primary School	400,000	-	400,000	-	400,000	400,000
7.41 Gesibei Primary School	1,000,000	-	1,000,000	-	1,000,000	1,000,000
7.42 Nyansiongo DEB Primary School	400,000	-	400,000	-	400,000	400,000
7.43 Masige Primary School	500,000	-	500,000	-	500,000	500,000
7.44 Simbauti Primary School	500,000	-	500,000	-	500,000	500,000
7.45 Nyageita Primary School	300,000	-	300,000	-	300,000	300,000
7.46 Mokomoni DOK Primary School	300,000	-	300,000	-	300,000	300,000
7.47 Honet Company Ltd	300,000	-	300,000	-	300,000	-
7.48 Mekenene Primary School	300,000	-	300,000	-	300,000	300,000
Sub-Total	20,964,392	5,600,000	26,564,392	9,768,330	16,796,062	
8.0 Secondary Schools Projects	-					
8.1 Bon Joh General Contractors	-	1,532,000	1,532,000	573,622.00	958,378	
8.2 JOMNY K SERVICES	-	1,500,000	1,500,000	1,500,000	-	
8.3 Nyakwerema Sec School	-	1,200,000	1,200,000	1,200,000	-	
8.4 Nyakwerema Sec School	1,750,000	-	1,750,000	1,750,000	-	
8.5 Omonayo Secondary School	500,000	-	500,000	500,000	-	
		36				

For the year ended June 30, 2020

8.6 Nyangoge Secondary School	700,000	-	-	700,000	400,000	300,000
8.7 Mwongori High School	1,000,000	-	-	1,000,000	-	1,000,000
8.8 Manga Girls Secondary School	750,000	-	-	750,000	750,000	-
8.9 Egentubi Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.10 Nsicha Secondary School	500,000	-	-	500,000	-	500,000
8.11 Nyamiranga Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
8.12 St Patrick's Kahawa Secondary School	500,000	-	-	500,000	-	500,000
8.13 Riamikaye Junction - Egentubi Secondary School Road	1,667,280	-	-	1,667,280	-	1,667,280
8.14 Mogusii Estate - Mogumo (Mwongori Secondary Road) Road	1,500,456	-	-	1,500,456	1,190,000	310,456
8.15 Biego Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
8.16 Ibara Mixed Secondary School	500,000	-	-	500,000	-	500,000
8.17 Onsando Girls Secondary School	500,000	-	-	500,000	-	500,000
8.18 Nyansiongo Boys High School	4,900,000	-	-	4,900,000	-	4,900,000
8.19 Menyenya Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
		-	37			

8.20 Kekinga Secondary School	500,000	-	-	500,000	-	500,000
8.21 Mecheo Secondary School	1,100,000	-	-	1,100,000	-	1,100,000
8.22 Eronge SDA Secondary School	500,000	-	-	500,000	-	500,000
8.23 Mote Oguto Secondary School	500,000	-	-	500,000	-	500,000
8.24 St Gonzaga Gonza Secondary School	1,500,000	-	-	1,500,000	1,000,000	500,000
8.25 Rigoko Secondary School	500,000	-	-	500,000	-	500,000
8.26 Nyakwerema Secondary School	500,000	-	-	500,000	500,000	-
8.27 Endiba Secondary school	1,000,000	-	-	1,000,000	-	1,000,000
Sub-Total	25,867,736	4,232,000	-	30,099,736	9,363,622	20,736,114
9.0 Tertiary Institution Projects						
9.1 Borabu TTC Tutition Block	14,000,000	3,373,724		17,373,724	15,659,634	1,714,090
9.2 Borabu TTC Kitchen	200,000	1,154,850		1,354,850	1,089,726	265,124
9.3 Borabu TTC Dormitory	1,550,000	1,145,150		2,695,150	1,124,261	1,570,889
9.4 Borabu TTC Pit Latrine	250,000	575,000		825,000	-	825,000
9.5 Borabu Technical Training Institute(Lorry)	3,300,000	-		3,300,000	-	3,300,000
9.6 Borabu Technical Training Institute(Motorcycle)	400,000	-		400,000	38	400,000

REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2020

Sub-Total	19,700,000	6,248,724	25,948,724	17,873,621	8,075,103
10.0 Security Projects	-				
10.1 Geo info Investment Lts	750,000	-	750,000	700,000	50,000
10.2 Memisi Anti Stock Theft Unit	700,000	-	700,000	-	700,000
10.3 Kiangeni Division Headquarters	300,000	-	300,000	-	300,000
10.4 Esise Division Headquarters	300,000	-	300,000	-	300,000
10.5 Tinderet Police Station	100,000	-	100,000	-	100,000
10.6 Kiabonyoru Police Station	1,000,000	-	1,000,000	-	1,000,000
10.7 Borabu Sub-County Headquarters	300,000	-	300,000	-	300,000
10.8 Tinderet Police Station	500,000	-	500,000	-	500,000
10.9 Ensinyo AP Post	357,417	-	357,417	-	357,417
10.10 Kebuse Anti Stock Theft Unit	700,000	-	700,000	-	700,000
10.11 Nyaramba AP Post	300,000	-	300,000	-	300,000
10.12 Rinyoni AP Post	500,000	-	500,000	-	500,000
10.13 Saiga Ngiya AP Post	700,000	-	700,000	700,000	-
10.14 Menyenya Assistant Chief's Office	500,000	-	500,000	-	500,000
10.15 Matutu Assistant Chiefs Office	500,000	-	500,000	-	500,000
		39			

REPORTS AND FINANCIAL STATEMENTS
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10.16 Ekerubo Chief's Office	500,000	-	500,000	-	500,000	-	500,000
10.17 Nyangoge Assistant Chief's Office	500,000	-	500,000	-	500,000	-	500,000
10.18 Isoge AP Line	200,000	-	200,000	-	200,000	-	200,000
10.19 Nyageita AP Post	300,000	-	300,000	-	300,000	-	300,000
10.20 Esise Chief's Office	100,000	-	100,000	-	100,000	-	100,000
10.21 Mogusii AP Line	300,000	-	300,000	-	300,000	-	300,000
10.22 Nyansiongo/Gesima Assistant Chief's Office	100,000	-	100,000	-	100,000	-	100,000
10.23 Getare Ap Line		500,000	500,000	-	500,000	-	500,000
10.24 Manga Police Station		1,000,000	1,000,000	-	1,000,000	-	1,000,000
Sub-Total	9,507,417	1,500,000	11,007,417	1,400,000	9,607,417	1,400,000	9,607,417
11.1 Motor Vehicles	-	-	-	-	-	-	-
11.2 Construction of CDF office	8,900,000	-	8,900,000	-	8,900,000	8,896,031	3,969
11.3 Purchase of furniture and equipment	-	100,000	100,000	-	100,000	-	100,000
Sub-Total	8,900,000	100,000	9,000,000	8,896,031	103,969	8,896,031	103,969
12.0 ROADS	-	-	-	-	-	-	-
	-	-	40	-	-	-	-
13.0 Others	-	-	-	-	-	-	-
13.1 Strategic Plan	-	-	-	-	-	-	-

For the year ended June 30, 2020

13.2 Innovation Hub	-	-	-	-	-	-
13.2 TIVET	-	-	-	-	-	-
13.3 Electricity	1,500,000	1,000,000	2,500,000	-	2,500,000	-
Sub-Total	1,500,000	1,000,000	2,500,000	-	2,500,000	-
GRAND TOTALS	137,367,724	21,080,724	158,448,448	88,976,696	69,471,753	-

XII.SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B047141	400,000	
AIE NO	B047126	1,400,000	
AIE NO	B047316	4,532,000	
AIE NO	B047375	4,000,000	
AIE NO	B041445	20,000,000	
AIE NO	B047864	9,000,000	
AIE NO	B005026		10,979,310
AIE NO	B030167		10,000,000
AIE NO	B006301		7,000,000
AIE NO	B030359		13,000,000
AIE NO	A699026		11,000,000
AIE NO	B042689		500,000
AIE NO	B042719		13,000,000
AIE NO	B047507		50,508,875
TOTAL		74,332,000	115,988,185

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,026,151	2,366,902
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	134,904	115,044
Total	2,161,055	2,481,946

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	1,532,453	1,319,228
Electricity	35,000	-
Office rent	-	64,000
Communication, supplies and services	345,634	305,000
Domestic travel and subsistence	322,154	305,000
Printing, advertising and information supplies & services	373,452	368,987
Training expenses	1,145,765	534,876
Hospitality supplies and services	355,234	342,500
Other committee expenses	1,845,367	1,724,356
Committee allowance	865,483	723,456
Office and general supplies and services	786,453	1,291,129
Fuel , oil & lubricants	523,765	823,765
Other operating expenses		
Bank service commission and charges	105,000	125,000
Routine maintenance - vehicles and other transport equipment	787,432	645,234
Routine maintenance- other assets	410,345	424,909
TOTAL	9,433,538	8,997,440

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	9,768,330	23,100,543
Transfers to secondary schools (see attached list)	9,363,622	15,025,000
Transfers to tertiary institutions (see attached list)	17,873,621	17,325,846
Transfers to health institutions (see attached list)	-	-
TOTAL	37,005,573	55,451,389

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	6,351,581	6,922,972
Bursary – tertiary institutions (see attached list)	12,474,918	26,245,992
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	1,400,000	6,900,000
Sports projects (see attached list)	2,879,800	3,266,000
Environment projects (see attached list)	1,544,000	1,800,000
Emergency projects (see attached list)	6,830,200	6,326,250
Total	31,480,499	51,461,214

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	8,896,031	13,123,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	113,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	8,896,031	13,123,000

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Keroka, Account No. A/C no.1240261392623</i>	104,029	14,748,725
Total	104,029	14,748,725
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	104,029	14,748,725
Cash in hand	-	-
Imprest	-	-
Total	104,029	14,748,725

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	14,748,725	-	14,748,725
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	14,748,725	-	14,748,725

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	3,610,776	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	3,610,776	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	164,370	-
Others (<i>specify</i>)	-	-
	164,370	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	768,502	2,080
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	45,607,279	16,560,123
Amounts due to other grants and other transfers (see attached list)	22,992,002	4,418,521
Acquisition of assets	103,969	100,000
Others (<i>specify</i>)	-	-
	69,471,753	21,080,724

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	1,998,905	3,949,586
	1,998,905	3,949,586

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BORABU CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings	-	-	-	-	-	-
1.	-	-	-	-	-	-
2.	-	-	-	-	-	-
3.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Construction of civil works	-	-	-	-	-	-
4. Stem Investments Ltd	4,112,603.70	-	1,000,000.00	3,112,603.70	-	-
5. Getare Gets Joint Construction Ltd	2,498,172.00	-	2,000,000.00	498,172.00	-	-
6.	-	-	-	-	-	-
Sub-Total	6,610,775.70	-	3,000,000.00	3,610,775.70	-	-
Supply of goods	-	-	-	-	-	-
7.	-	-	-	-	-	-
8.	-	-	-	-	-	-

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

9.	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-
Supply of services	-	-	-	-	-	-	-	-
10.	-	-	-	-	-	-	-	-
11.	-	-	-	-	-	-	-	-
12.	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-
Grand Total	6,610,775.70	-	3,000,000.00	3,610,775.70	-	-	-	-

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
NGCDF Staff salary							
1. Cleophas Onchana	-	25,314.00	-	-	25,314.00	-	-
2. Richard Makori	-	28,191.00	-	-	28,191.00	-	-
3. James Nyaboga Masese		28,191.00			28,191.00		
4. Emily K. Nyarenchi		36,942.00			36,942.00		

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

5. Evans Karama		32,800.00			32,800.00		
6. Phillip O. Omanwa		12,932.00			12,932.00		
	-	-	-	-	-	-	-
Sub-Total	-	164,370.00	-	-	164,370.00	-	-
NGCDFC Staff gratuity	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Others (specify)							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Grand Total	-	164,370.00	-	-	164,370.00	-	-

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		768,502	2,080	Staff salary
Use of goods & services		-	-	
Amounts due to other Government entities		45,107,279	16,560,123	
Sub-Total		45,875,781	16,562,203	
Amounts due to other grants and other transfers		23,492,002	4,418,521.18	
Sub-Total		23,492,002	4,418,521	
Acquisition of assets		103,969	100,000	Office construction and purchase of computers
Others (<i>specify</i>)		-	-	
Sub-Total		103,969	100,000	
Grand Total		69,471,753	21,080,724	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)				(Kshs)	
	2018/19				2019/20	
Land	-		-	-	-	
Buildings and structures	877,000		8,896,031	-	9,773,031	
Transport equipment	6,000,000		-	-	6,000,000	
Office equipment, furniture and fittings	1,335,000		-	-	1,335,000	
ICT Equipment, Software and Other ICT Assets	458,000		-	-	458,000	
Other Machinery and Equipment	-		-	-	-	
Heritage and cultural assets	-		-	-	-	
Intangible assets	25,000		-	-	25,000	
Total	8,695,000		8,896,031	-	17,591,031	

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance	Bank Balance
			2019/20	2018/19
EKIGE D.E.B PRIMARY SCHOOL	KCB- SOTIK	1116532506	730	730
NYARAMBA ASS. CHIEF'S OFFICE	EQUITY- NYAMIRA	520277660349	80	80
ST. JOSEPH'S LIETAGO MIXED SECONDARY	EQUITY-KEROKA	1240278993321	-	500,000
TINDERETI DEB PRIMARY	KCB- KEROKA	1169056679	2,912	2,912
KENYORO SDA PRIMARY SCHOOL	CO-OPERATIVE- KEROKA	1139363497000	1,621	1,621
NYANSIONGO/GESIMA ASS. CHIEF'S OFF.	VISION POINT SACCO NYANSIONGO	01-5459-01-000- 0092693	-	400,140
EGENTUBI SECONDARY SCHOOL	KCB-NYAMIRA	1110008791	-	503,394
OMOSOCHO SDA PRIMARY SCHOOL	EQUITY-KEROKA	1240278902195	-	199,000
MEMISI ASTU	VISION POINT SACCO NYANSIONGO	01-5459-01-000- 0003480	-	348,147
NYANSIONGO HIGH SCHOOL	KCB- KEROKA	1151744697	1,993,564	1,993,564
Total			1,998,905	3,949,586

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. 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 (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	<ul style="list-style-type: none"> - That the monitoring and evaluation committee is not formally appointed and adhoc inspections and acceptance committee/ Constituency oversight committee does not exist. 	<ul style="list-style-type: none"> - The monitoring and evaluation committee and adhoc inspections and acceptance committees are formally appointed. - See attached minutes and letters for appointment. - The Constituency Oversight committee doesn't exist. As per the NGCDF act this committee should be formed by the members of Parliament in conjunction with the Governor. 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020
4.2	<ul style="list-style-type: none"> - That other committee expenses and committee allowances totaling Kshs 1,862,000 was in respect of allowances for Monitoring and Evaluation exercises which were not properly supported 	<ul style="list-style-type: none"> - We acknowledge the anomaly as some of the supporting documents had been misplaced. - Kindly find attached copies of supporting documents for the allowances totaling Kshs 1,862,000.00 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3	That Financial Statements figure for cash and cash equivalents of Kshs. 14,748,725 differs with the figure in the bank reconciliation statement of Kshs. 14,909,530 resulting to an unexplained overstatement of Kshs. 160,805.	- The overstatement of Kshs 160,805.00 is as a result of June 2018 salary paid in June but posted in the cash book in July 2018 hence leading to the over statement hence the correct value of opening cash and cash equivalents is Kshs 14,748,725.00	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020
4.4	Payments amounting to Kshs. 5,675,368 were made to several contractors for opening, grading, and rehabilitation of various roads within the constituency and yet road construction is a county Government function.	- An amount of Kshs 1,525,000 and Kshs 1,499,708 under secondary and primary school projects was properly approved by the NGCDF Board as per budget attached. The understanding behind the approval is that the roads rehabilitated link either primary schools or secondary schools hence taken as education	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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		<p>projects.</p> <ul style="list-style-type: none"> - The emergency roads done are those that link secondary/primary schools or security offices hence classified either as education or security projects. 			
4.5	<ul style="list-style-type: none"> - The Agreement for proposed construction of Borabu teachers training college tuition block contract No. NG-CDF/Borabu/TTC/2016/17/1 at a contract sum of Kshs. 37,654,965 signed on 24.05.2017 states that the contract period shall be 14 months from the date of the agreement with the expected date of completion being August 2018. - That the project is far from completion 	<ul style="list-style-type: none"> - The Contractor for the tuition block Stem Investments Ltd was affected by heavy rains during works at substructure level. The construction site has black cotton soil which was to be excavated. The site area is also fairly swampy which made substructure construction works challenging. - There was a change of some specifications just before the project began and it took some time for consultations with stake holders to yield fruit. 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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		<ul style="list-style-type: none"> - The contract period was also extended for another 14 months due to challenges faced by the contractor. - There have also been delays in funding in the last 2-3 yrs hence affecting progress of the works. - Variations amounting to Kshs 4,691,514.00 were approved to the contractor due to design changes which affected the foundation and other areas. The total cost of the first phase of this project after addition of variations to the original cost of Kshs 37,654,965 is Kshs 42,346,479.00 - The second phase of the project shall be tendered later which will include walling, roofing and finishes of the 1st floor. 			

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		<ul style="list-style-type: none"> - The works in general are at 80% completion and this is an indication that the works will be completed within this year 2020. - To date the contractor has been paid Kshs 25,626,171.49 and a final allocation will be made in the year 2020/2021 for completion of the project. - See attached pictures for progress of works. - The other smaller works comprising the Kitchen and dormitory were tendered separately and being done by a different contractor and the works are on course as seen in the pictures attached. 			
4.6	The statement of receipts and payment for the year ending 30 June 2019 reflects an expenditure of Kshs. 2,739,920 in respect of compensation of	<ul style="list-style-type: none"> - We acknowledge the anomaly and error was noted. After further scrutiny we also 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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	employees. However, a recast of the supporting ledger revealed that the actual expenditure was Kshs. 3,009,044 resulting to a total variance of Kshs. 269,124. -	noted that one transaction for staff gratuity of Kshs 527,097.96 via cheque number 3735 of August had been repeated twice in the ledger. After rectification of the error the new figure for compensation for employees is Kshs 2,481,946.36 - The ledger and financial statements have been corrected accordingly			
4.7	Included in the other grants and transfers figure of Kshs. 51,203,242 are Environmental projects whose payments of Kshs. 300,000 and Kshs. 200,000 were made on 3rd September 2019 and 29th March 2019 respectively for purchase of seedlings according to the review of supporting ledgers. Further scrutiny of supporting documents show that the prices quoted for the seedlings were quite high and the method of procurement was not competitive since single sourcing was used. -	- Prices quoted for tree seed lings were prevailing prices in the market. - Price of tree seedlings also depend on the size of the seedlings. Fairly bigger sizes of seedlings cost more than the smaller ones and have a higher survival rate than the smaller ones. - See attached	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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		procurement documents for the seedlings			
4.8	However, value for money has not been attained for the incomplete projects (Nyansiongo Chiefs Office, Ensakia Chiefs office and Omonono Assistant Chiefs Office) and an indication of wastage of public funds. In addition, it was not possible to confirm the ownership of the projects which were not branded. The unutilized funds for Construction of Bonyarorande Administration Police Lines was not returned to the constituency account contrary to Article 12(8) of NGCDF Act 2015. -	<ul style="list-style-type: none"> - Nyansiongo Chiefs office allocated Kshs 500,000.00 during FY 2017/18, Ensakia Chiefs office which was awarded Kshs 200,000 in financial year 2018/19 and Omonono Assistant Chiefs office funded to a tune of Kshs 200,000 both have been receiving part funding and hence PMC's at times halt works when there is no funding. - The approved allocations are also normally estimates and in these two cases some small variations due to the estimates occurred hence additional funding will be required for completion of the 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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		<p>small pending works on the above projects for completion.</p> <ul style="list-style-type: none"> - Labelling of the projects has since been done. - Bonyarorande AP line had land issues when they were ready to begin works hence they could not even bring materials they had paid for to site. - See attached assembled materials and work in progress after the land issues were sorted. Kshs 249,880.00 is pending in their bank account for completion of works as per the attached bank statement. 			
4.9	Included in the Note 7 to the financial statements for the year ended 30 June 2019 reflect a Bursary-Tertiary balance of Kshs. 26,245,992. However, examination of the supporting documents provided disclosed a balance of Kshs. 17,388,000 resulting to an overstatement of	<ul style="list-style-type: none"> - We acknowledge the anomaly. - There were two bursary reports for the financial year and we are sorry the second report may have been misplaced at 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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	Kshs. 8,857,992.	<p>the time of the audit.</p> <ul style="list-style-type: none"> - There was also an understatement of bursary by Kshs 257,973 which has also been corrected and included in the schedule attached. - Kindly find attached a soft copy schedule of approved bursary schedules for the balance of Kshs 8,857,992 and the original of Kshs 26,245, schedule of Ksh 17,388,000 leading to a total 992.00 			
4.10	<p>Whereas the total budget was Kshs. 157,385,741, the fund managed to absorb only Kshs. 136,305,017 representing 86.6 % of the budget. The under absorption was more pronounced in transfer to other government units with a budget of Kshs. 72,571,134 and absorption of Kshs. 55,451,389 representing 76.4% of the budget allocation.</p> <p align="center">-</p>	<ul style="list-style-type: none"> - We acknowledge under expenditure of the budget as some funds were received in may 2019 and AIE received in June 2019 as shown in receipts in the financial statements hence time available for implementation of projects was limited. - Moreover Kshs 	Edwin Lecha Fund Account Manager	Forwarded response for auditors comments	October 2020

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		6,332,000 had not been received by close of the financial year.			