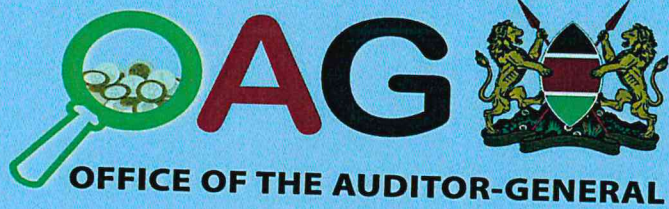



REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2022	DAY: Wed.
TABLED BY:	The majority whip Hon E. Wangwe, MP
CLERK-AT THE-TABLE:	Benson Inzofu

REPORT

OF

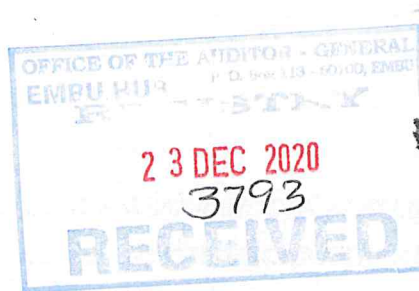
THE AUDITOR-GENERAL

ON

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

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





SAKU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

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) – SAKU CONSTITUENCY

Reports and Financial Statements For 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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

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.

(b) Key Management

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

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

(c) Fiduciary Management

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

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

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF SAKU Constituency Headquarters

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

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

(f) NGCDF SAKU Constituency Contacts

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

(g) NGCDF SAKU Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Marsabit Branch
Account No. 1102647977

(h) Independent Auditors
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
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) – SAKU
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2020**

2. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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

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

During the financial year, the Saku NG-CDF had been allocated Sh. 137,367,724. Out of this, Ksh. 64,000,000 had been received by 30th June 2020. This resulted to low uptake of the funds to projects as much of this went to bursary and administrative activities.

During the financial year, the Saku NG-CDF 118,840,876 out of which Kshs. 54,840,876 was however for the last financial year.

Saku constituency is situated in Marsabit County and being a marginalised area with very high illiteracy levels, priority was given to education bursary which was allocated a budget of Ksh. 36,000,000 translating to 25% of the total annual budget.

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

Saku NGCDF is also facilitating construction of the first technical institution in the constituency which will go a long way in developing middle level skills in youth. The CDFC has initiated major projects in schools and Security sector like construction modern Dormitory block at Saku High and Moi Girls' Schools, a modern Dining hall and Kitchen in Goro Rukesa Secondary School, a state of the art Administration block at Marsabit Boys Secondary School, a modern Sagante Police post, among many others.

One of the major challenges is poor infrastructural facilities in most educational institutions as majority were constructed many years back. However the CDFC has initiated programmes to refurbish 16 classrooms them. The CDFC had also a big challenge in implementing/completing projects since only one half of the annual budget had been received from NG-CDF Board by close of the year.

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

Yours in service,



.....
Guyo Bonaya

CHAIRMAN- NGCDF COMMITTEE

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

3. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Section 51 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

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

- To plan for medium and long-term projects,
- To provide a strategic and clear direction in policy priority, clarity of vision, value and objectives for the fund,
- To enhance teamwork and better understanding of project formulation and project prioritization in a more transparent and efficient manner and,
- To make project supervision, monitoring and evaluation an objective exercise Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 2019/20 - we increased the number of classrooms, dormitories, laboratories, dining halls, toilets etc by 25 in the following schools/institutions;- Ilpus, Kubi Qallo, Dokatu, Boru Haro, Qachacha ,Dirib Gombo, Goro Rukesa Primary Schools –among others; Karare Mixed, Badassa Mixed, Marsabit Boys, Goro Rukesa Mixed Secondary Schools among many others. - Bursary beneficiaries at all levels increased

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

				from 3,200 to over 4,500
Security	Increased security infrastructure and promote peaceful co-existence and cohesion among the communities	Improved public access to security personnel	Reduced crime rates	During the year, the CDFC construction a modern Police post, constructed several Chiefs offices among other security b projects
Staff	To develop staff capacity with focus on quality performance and service delivery	Increased degree of competency in provision of services to the public, low staff turnover and a motivated staff	Number of service related complaints by the Fund's stakeholders, number of staff training programmes, number of staff leaving service	During the year, the Fund carried 3 staff capacity building sessions, received 3 complaints on service delivery compared to 7 in the previous year and no staff left service
Environment	Investment in environmental conservation and management best practices	Increased access to clean water	Number of tanks installed	During the Fy 2019/20 the constituency installed 8no. 10,000 tanks and 1no. 100,000ltr masonry tank

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile –

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

2. Environmental performance

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

3. Employee welfare

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

4. Market place practices-

a) Responsible competition practice;-

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

b) Responsible Supply chain and supplier relations;-

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

c) Responsible marketing and advertisement;-

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

d) Product stewardship;-

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

e) Community Engagements-

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

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

5. 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.~~

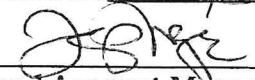
The Accounting Officer in charge of the NGCDF-SAKU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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-SAKU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the 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 charge of the NGCDF-SAKU 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-SAKU 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

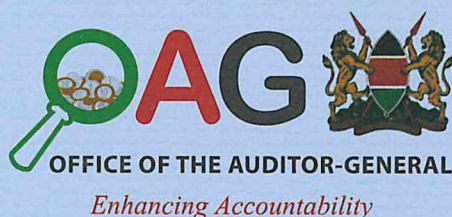
The NGCDF-SAKU Constituency financial statements were approved and signed by the Accounting Officer on 30/8 2020.


Fund Account Manager
Name: Japhet N. Ngui


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Saku Constituency set out on pages 11 to 40, 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 - Saku 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Understated Cash and Bank Balances

As disclosed under Note 10A to the financial statements, the statement of assets and liabilities as at 30 June, 2020 reflects cash and cash equivalents balance of Kshs.24,021,896. However, the bank reconciliation statement for the month of June, 2020 reflects un-presented cheques totalling to Kshs.10,522,936 out of which Kshs.8,728,936 were stale and had not been replaced or reversed in the cashbook as at 30 June, 2020 thereby understating the cash and cash equivalents balance by the same amount.

Consequently, the accuracy of cash and cash equivalents balance of Kshs.24,021,896 as at 30 June, 2020 could not be confirmed.

2.0 Unaccounted Fuel, Oil and Lubricants

As disclosed under Note 5 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.13,144,116 in respect of use of

goods and services which includes Kshs.3,727,310 relating to fuel, oil and lubricants out of which an amount of Kshs.3,255,755 was paid to a supplier for the supply of fuel. However, supporting documents including fuel registers, work tickets, details orders and statements of fuel consumption were not provided for audit.

Consequently, the occurrence and, accuracy of the expenditure of Kshs.3,255,755 for the year ended 30 June, 2020 could not be ascertained.

3.0 Transfer to Primary Schools

3.1 Construction of Classroom in Karare Primary School

As disclosed under Note 6 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.32,355,995 in respect of transfer to other Government entities which includes Kshs.6,699,295 relating to transfers to primary schools, out of which Kshs.1,499,950 was paid to a contractor for the construction of a classroom to completion at Karare Primary School. However, the Project Management Committee bank statements, quotations, notification of award, local service order and the inspection and acceptance report were not provided for audit.

In addition, physical verification of the project in November, 2020 revealed that although the substructure, superstructure and roofing were complete, the floor had developed cracks which could be an indication of poor workmanship.

In the circumstances, the validity and value for money for the expenditure of Kshs.1,499,950 for the year ended 30 June, 2020 could not be ascertained.

3.2 Upgrading of Playground at Komboni Primary School

As disclosed under Note 6 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.32,355,995 in respect of transfer to other Government entities which includes Kshs.6,699,295 relating to transfers to primary schools out of which Kshs.800,000 was paid to a contractor for upgrading of a playground at Komboni Primary School. However, the project management committee bank statements, quotations, notification of award, local service order and the inspection and acceptance report were not provided for audit.

In addition, physical verification of the project carried out in November, 2020 revealed that the light grading and drainage works all costing Kshs.480,000 had not been implemented although they had been provided in the bill of quantities. This would have affected the usability of the facility especially during rainy periods.

In the circumstances, the validity and value for money for the expenditure of Kshs.800,000 for the year ended 30 June, 2020 could not be ascertained.

3.3 Transfer to Secondary Schools - Construction of an Administration Block

As disclosed under Note 6 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.32,355,995 in respect to transfer to other Government entities which includes Kshs.23,157,660 in respect of transfers to secondary schools out of which Kshs.3,498,660 related to construction of an administration block at Marsabit Boys Secondary School. However, physical verification carried out in November, 2020 revealed that one (1) steel door size 1200mm * 2400mm

costing Kshs.100,000 and one (1) steel door size 900mm * 2400mm costing Kshs.25,000 all totalling Kshs.125,000 were not installed as per bill of quantities. Further, the contractor was to fix twelve (12) windows all totalling to Kshs.240,000 but only nine (9) were fixed totalling to Kshs.165,000 resulting to an overpayment of Kshs.75,000 for three (3) windows not installed. The contractor was therefore overpaid by Kshs.200,000 comprising of Kshs.125,000 for the doors and Kshs.75,000 for the windows.

In addition, the administration block had developed cracks which is an indication of poor workmanship.

Consequently, the validity and value for money for the expenditure of Kshs.200,000 for the year ended 30 June, 2020 could not be ascertained.

4.0 Unaccounted Bursaries – Secondary Schools and Tertiary Institutions

As disclosed under Note 7 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.49,553,520 in respect of other grants and other payments which includes Kshs.15,675,300 and Kshs.17,248,400 relating to bursary disbursements to secondary schools and tertiary institutions respectively all totalling Kshs.32,923,700. However, supporting documents including the selection criteria, bursary selection committee minutes and acknowledgement from the beneficiary institutions were not provided for audit. It was therefore not possible to confirm the total applicants (longlist), successful applicants (shortlist), selection criteria and the objectivity, equity and fairness of the vetting process.

In the circumstances, it has not been possible to ascertain whether the bursaries totalling to Kshs.32,923,700 benefited the intended beneficiaries and whether they were expended as appropriated during the year ended 30 June, 2020.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2020 reflects an approved final receipts budget and actual on comparable basis of Kshs.192,308,556 and Kshs.122,940,831 respectively resulting to a shortfall of Kshs.69,367,726 or 36% of the budget.

Further, the statement reflects a final expenditure budget and actual on comparable basis of Kshs.192,308,556 and Kshs.98,918,936 respectively resulting to an under expenditure of Kshs.93,389,620 or 49% of the budget.

The underfunding may be an indication that some of the programmes and activities that had been planned were not implemented and hence denial of equivalent services to the residents of Saku 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 section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Unsupported Committee Allowances

As disclosed under Note 5 to the financial statements, the statement of receipts and payments reflects Kshs.13,144,116 in respect of use of goods and services which includes Kshs.433,800 and Kshs.6,913,000 in respect of other committee expenses and committee allowances respectively all totalling to Kshs.7,346,800 and which relates to Constituency Development Fund Committee (CDFC) activities. However, programs of activities and dates, projects visited, mode of transport and back to office reports were not provided for audit.

In the circumstances, the validity and value for money for the expenditures of Kshs.7,346,800 for the year ended 30 June, 2020 could not be confirmed.

2.0 Construction of Classroom at Dokatu Primary School

As disclosed under Note 6 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.32,355,995 in respect of transfer to other Government entities which includes Kshs.6,699,295 relating to transfer to primary schools out of which an amount of Kshs.1,599,860 was paid to a contractor for construction of one classroom at Dokatu Primary School. However, the project management committee bank statements, quotations, notification of award, Local Service Order (LSO) and the inspection and acceptance report were not provided for audit contrary to Section 15(1) of the National Government Constituency Fund Regulations, 2016 which stipulates that project management committee should implement projects in consultation with the relevant departments of government, maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented, account for funds, undertake project closure, labelling and handover upon completion.

Physical verification of the project carried out in November, 2020 revealed that the floor had developed cracks even before being put in use which is an indication of poor workmanship.

In the circumstances, the validity and value for money for the expenditure of Kshs.1,599,860 for the year ended 30 June, 2020 could not be ascertained.

3.0 Routine Maintenance - Vehicles and Other Transport Equipment

As disclosed under Note 5 of the financial statements, the statement of receipts and payments reflects Kshs.13,144,116 in respect of use of goods and services which includes Kshs.1,219,261 related to routine maintenance - vehicles and other transport equipment out of which Kshs.1,100,825 was paid to a supplier for repairs of motor vehicles. However, the Fund procured the services directly from the supplier without justification contrary to Section 103(2) (a) to (e) of the Public Procurement and Asset Disposal Act, 2015 which stipulates the conditions of when direct procurement may be used. Further, the pre-mechanical and post mechanical inspection reports were not provided for audit contrary to Section 48(3)(b) of the Public Procurement and Asset Disposal Act, 2015 which states that the Inspection and Acceptance Committee shall immediately after delivery of goods, works and services inspect and review the same in order to ensure compliance with the terms and specifications of the contract.

In the circumstances, the validity and value for money for the expenditure of Kshs.1,100,825 for the year ended 30 June, 2020 could not be ascertained.

4.0 Emergency Projects

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects Kshs.49,553,520 in respect of other grants and other payments which includes Kshs.1,849,940 in respect of emergency and which was paid to a firm for the supply of lockers, chairs and uniforms to Moi Girls High School and ACK St. Peters Mixed Secondary School. However, the application for emergency funding and report on the urgent unforeseen situation were not provided for audit. Therefore, it is not possible to ascertain whether the expenditures were of emergency nature as stipulated in Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, it is not possible to ascertain whether the expenditure of Kshs.1,849,940 was a proper charge to public funds and whether it had equivalent value for money during the year ended 30 June, 2020.

5.0 Project Implementation Status

Review of the project implementation status report as at 30 June, 2020 revealed that out of seventy-one (71) projects worth Kshs.128,001,481 budgeted to be undertaken during the year under review out of which twenty-eight (28) projects worth Kshs.45,620,431 had not started.

In view of the foregoing, the constituents did not get the expected services equivalent to the twenty-eight (28) projects not started amounting to Kshs.45,620,431 for the year ended 30 June, 2020. This is an indication of inefficient project implementation, monitoring and evaluation mechanisms.

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 audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance about whether effective 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 continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 Fund's policies and procedures may deteriorate.

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

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

I communicate with the Management regarding, among other of 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 of matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

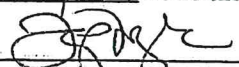
04 February, 2022


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

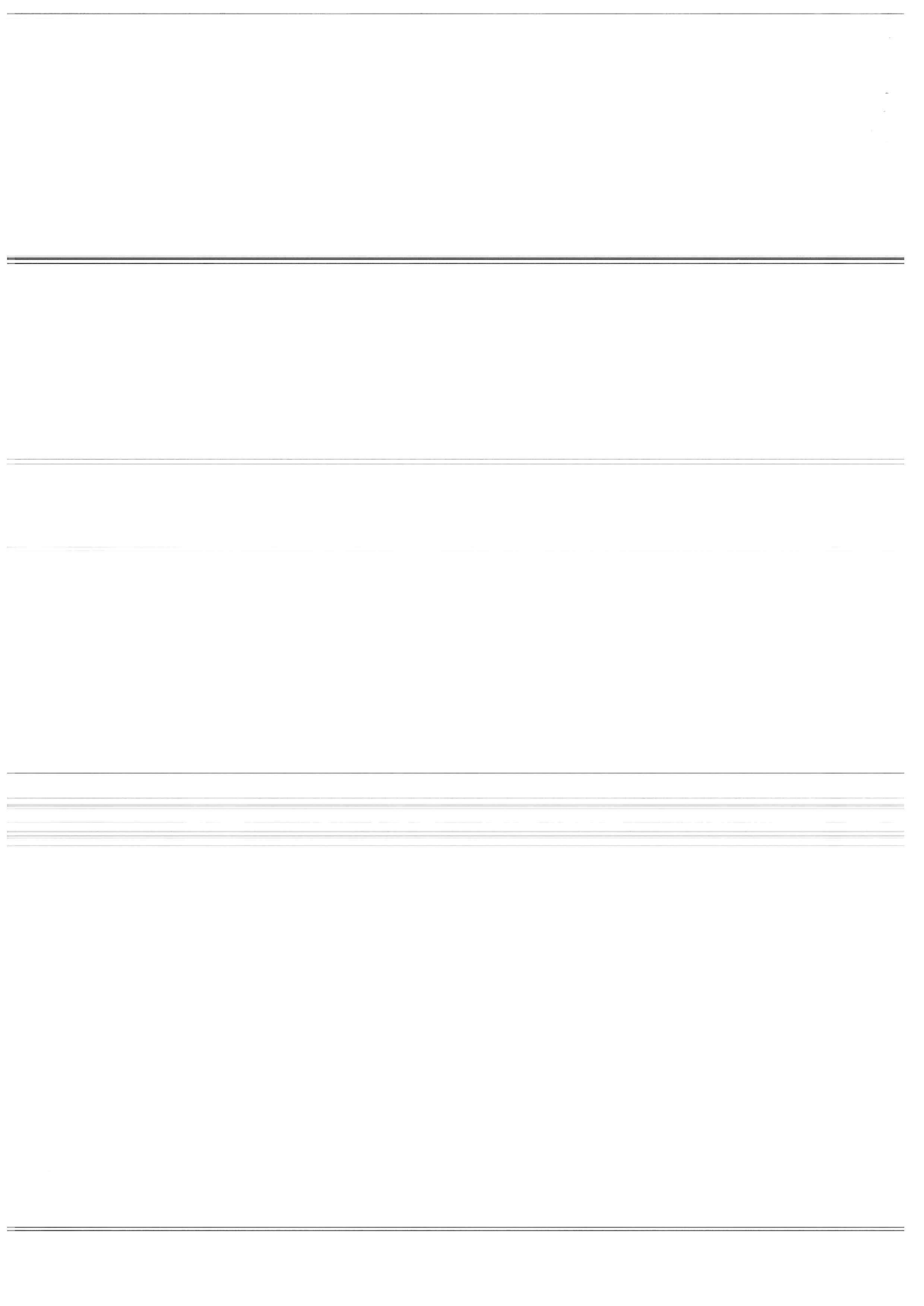
7. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	118,840,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts		-	-
TOTAL RECEIPTS		118,840,876	108,784,483
PAYMENTS			
Compensation of employees	4	3,729,305	1,892,914
Use of goods and services	5	13,144,116	15,143,657
Transfers to Other Government Units	6	32,355,995	59,665,862
Other grants and transfers	7	49,553,520	47,812,122
Acquisition of Assets	8	136,000	-
Other Payments	9	-	3,499,500
TOTAL PAYMENTS		98,918,936	128,014,055
SURPLUS/DEFICIT		19,921,940	(19,229,572)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SAKU Constituency financial statements were approved on 30/8 2020 and signed by:


Fund Account Manager
Name: Japhet N. Ngui


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546



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

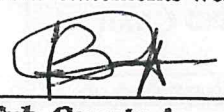
8. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	24,021,896	4,099,956
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		24,021,896	4,099,956
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		24,021,896	4,099,956
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL ASSETS		24,021,896	4,099,956
REPRESENTED BY			
Fund balance b/fwd 1st July 2019	13	4,099,956	23,329,527
Surplus/Deficit for the year		19,921,940	(19,229,572)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		24,021,896	4,099,955

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SAKU Constituency financial statements were approved on

2018 2020 and signed by:


Fund Account Manager
Name: Japhet N. Ngui



Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

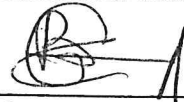
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 2020**

9. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	118,840,876	108,784,483
Other Receipts	3	-	-
		118,840,876	108,784,483
Payments for operating expenses			
Compensation of Employees	4	3,729,305	1,892,914
Use of goods and services	5	13,144,116	15,143,657
Transfers to Other Government Units	6	32,355,995	59,665,862
Other grants and transfers	7	49,553,520	47,812,122
Other Payments	9	-	3,499,500
		98,782,936	128,014,055
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		20,057,940	(19,229,572)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(136,000)	-
Net cash flows from Investing Activities		(136,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		19,921,940	(19,229,572)
Cash and cash equivalent at BEGINNING of the year	13	4,099,956	23,329,527
Cash and cash equivalent at END of the year		24,021,896	4,099,955

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SAKU Constituency financial statements were approved on 30/6 2020 and signed by:


Fund Account Manager
Name: Japhet N. Ngui


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

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

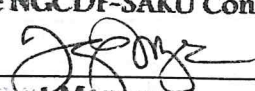
**10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
OMBINED**

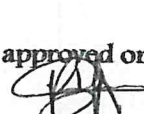
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	54,940,832	192,308,556	122,940,831	69,367,726	63.9%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,367,724	54,940,832	192,308,556	122,940,831	69,367,726	63.9%
PAYMENTS						
Compensation of Employees	3,484,000	1,087,678	4,571,678	3,729,305	842,373	81.6%
Use of goods and services	8,675,483	5,966,127	14,641,610	12,672,581	1,969,029	86.6%
Transfers to Other Government Units	59,746,687	23,710,000	83,456,687	32,355,995	51,100,692	38.8%
Other grants and transfers	65,461,554	24,041,027	89,502,581	50,025,055	41,976,567	55.9%
Acquisition of Assets	0	136,000	136,000	136,000	-	100.0%
Other Payments	0		0	-	-	0.0%
TOTAL	137,367,724	54,940,832	192,308,556	98,918,936	95,888,660	51.4%

(a) The NG-CDFC didn't receive any AIA during the year,

(b) The relative underutilization of funds was because the NG-CDFC Saku received only 50% of the funds during the year ie Ksh. 68,000,000 out of the annual budget of Ksh. 137,367,724

The NGCDF-SAKU Constituency financial statements were approved on 30/8 2020 and signed by:


Fund Account Manager
Name: Japhet N. Ngui


Sub-County Accountant
Name: Stephen Mwangi
ICPAK Member Number: 16546

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

11. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent			c+d		
1.1 Compensation of employees	3,484,000	1,087,678	4,571,678	3,729,305	842,373
1.2 Committee allowances	2,500,000	2,800,000	5,300,000	5,212,800	87,200
1.3 Goods and services	2,058,063	1,348,810	3,406,873	3,346,830	60,043
Sub-total	8,042,063	5,236,488	13,278,551	12,288,935	989,616
2.0 Monitoring and evaluation					
2.1 Capacity building	900,000	150,000	1,050,000	350,000	700,000
2.2 Committee allowances	1,880,000	932,000	2,812,000	2,178,711	633,289
2.3 Goods and services	1,337,419	735,317	2,072,736	2,055,775	16,961
Sub-total	4,117,419	1,817,317	5,934,736	4,584,486	1,350,250
3.0 Emergency	7,198,241	-	7,198,241	1,849,940	5,348,301
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
3.5 Others					
4.0 Bursary and Social Security					
4.2 Secondary					5,324,700

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

Primary School	2,300,000	-	2,300,000		
Mwangaza Primary School	700,000	-	700,000	-	700,000
Badasa Primary School	900,000	-	900,000	-	900,000
Saku Primary School	900,000	-	900,000	-	900,000
Marsabit Primary School	1,100,000	-	1,100,000	-	1,100,000
Gar Qarsa Primary School	700,000	-	700,000	-	700,000
Hula Hula Primary School	1,000,000	-	1,000,000	-	1,000,000
Parkishon Primary School	1,400,000	-	1,400,000	-	1,400,000
Kubi Bagasa Primary School	300,000	-	300,000	299,885	115
Manyatta Daba Primary School	280,000	-	280,000	-	280,000
Karare Primary School	840,000	-	840,000	-	840,000
Jaldesa Primary School	1,020,000	-	1,020,000	-	1,020,000
Kituruni Primary School	1,510,000	-	1,510,000	-	1,510,000
SKM Primary School	400,000	-	400,000	-	400,000
Marsabit Primary School	750,000	-	750,000	-	750,000
SKM Primary School	66,687	-	66,687	-	66,687
St. Peters Primary School	-	1,000,000	1,000,000	999,600	400
Lagdima Primary School	-	1,650,000	1,650,000	1,500,000	150,000
Dokatu Primary School	-	1,750,000	1,750,000	1,599,860	150,140
Komboni Primary School	-	800,000	800,000	800,000	-
Karare Primary School	-	2,260,000	2,260,000	1,499,950	760,050
Sub-total	27,366,687	9,210,000	36,576,687	6,699,295	29,877,392

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

8.0 Secondary Schools Projects					
Karare Mixed Secondary School	2,400,000	6,700,000	9,100,000	6,699,800	2,400,200
Badassa Mixed Secondary School	2,000,000	1,500,000	3,500,000	2,660,165	839,835
Marsabit Boys Secondary School	2,900,000	1,000,000	3,900,000	3,498,660	401,340
Goro Rukesa Mixed Secondary School	4,300,000	-	4,300,000	3,299,775	1,000,225
St. Peters Mixed Secondary School	8,000,000	1,200,000	9,200,000	2,599,840	6,600,160
Songa Mixed Secondary School	3,050,000	3,700,000	6,750,000	2,999,670	3,750,330
Gadamoji High School	1,000,000	-	1,000,000	999,750	250
Moi Girls Secondary School	4,000,000	-	4,000,000	-	4,000,000
Saku High School	2,700,000	400,000	3,100,000	400,000	2,700,000
Dakabaricha Mixed Secondary School	2,030,000	-	2,030,000	-	2,030,000
Sub-total	32,380,000	14,500,000	46,880,000	23,157,660	23,722,340
9.0 Tertiary institutions Projects					
9.1 Saku Technical & Vocational college	-	3,100,000	3,100,000	2,499,040.00	600,960
10.0 Security					

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

Projects			-		
Badasa Chief's Office	600,000	1,000,000	1,600,000	999,960	600,040
Nagayo Chiefs' Office	300,000	-	300,000	299,000	1,000
Diir Division Head Quarters	770,000	-	770,000	549,000	221,000
Sagante AP Line	7,200,000	-	7,200,000	6,698,030	501,970
Sagante Chief's Office	400,000	-	400,000	-	400,000
Officer Commanding Police Division (OCPD) house	480,000	-	480,000	-	480,000
Government of Kenya Prisons-Marsabit	2,000,000	-	2,000,000	2,000,000	-
Sub-County Education Office	1,000,000	-	1,000,000	-	1,000,000
10.3 Songa Chiefs Office	-	2,500,000	2,500,000	2,498,210	1,790
Sub-total	12,750,000	3,500,000	16,250,000	13,044,200	3,205,800
11.0 Acquisition of assets					
11.1					19,864,000
Construction of CDF office	5,000,000	15,000,000	20,000,000	136,000	
NG-CDF Motor bike	533,313	-	533,313	-	533,313
Sub-total	5,533,313	15,000,000	20,533,313	136,000	20,397,313
12.0 Others					
12.1 Constituency Innovation Hub	-	4,677,027	4,677,027	-	4,677,027
Sub-total	-	4,677,027	4,677,027	-	4,677,027
Grand total	137,367,724	54,940,832	192,308,556	98,918,936	95,888,660

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU CONSTITUENCY

Reports and Financial Statements For the year ended June 30, 2020

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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.

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.

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

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.

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.

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

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

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

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

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
B005211	1.		54,684,483
B030210	2.		10,000,000
B005465	3.		12,000,000
B007464	4.		8,000,000
B42836	5.		12,000,000
B042971	6.		12,000,000
B042679	7.		100,000
B041064	1.	50,840,876	
B041199	2.	4,000,000	
B047645	3.	20,000,000	
B049168	4.	6,000,000	
B104086	5.	14,000,000	
B104469	6.	24,000,000	
Conditional grants		-	-
Receipt from other constituency		-	-
TOTAL		118,840,876	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

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

3. OTHER RECEIPTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

		Kshs	Kshs
		2019 - 2020	2018 - 2019
2110201	Basic wages of temporary employees	2,799,928	1,083,841
2110202	Basic wages of casual labour	-	-
	Personal allowances paid as part of salary		
2110301	House allowance	-	-
2110314	Transport allowance	-	-
2110320	Leave allowance	-	-
2110326	Other personnel payments	-	-
2120101	Employer contribution to NSSF	46,250	-
2710120	Gratuity-contractual employees	883,127	809,073
	TOTAL	3,729,305	1,892,914

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

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	9,450	9,450
Electricity	5,000	-
Water & sewerage charges	-	-
Office rent	585,000	630,000
Communication, supplies and services	-	-
Domestic travel and subsistence	-	319,200
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	433,800	-
Committee allowance	6,913,000	6,538,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	175,015	251,523
Fuel, oil & lubricants	3,727,310	4,321,710
Other operating expenses	72,200	244,000
Bank service commission and charges	4,080	20,429
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	1,219,261	2,634,095
Routine maintenance- other assets	-	-

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	-	175,250
TOTAL	13,144,116	15,143,657

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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 Primary Schools	6,699,295	21,468,620
Transfers to Secondary Schools	23,157,660	38,197,242
Transfers to Tertiary Institutions	2,499,040	-
Transfers to Health Institutions	-	-
TOTAL	32,355,995	59,665,862

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	15,675,300	23,414,902
Bursary -Tertiary	17,248,400	13,550,850
Bursary- Special Schools	-	-
Mocks & CAT	-	-
Water	-	-
Electricity	-	-
Security	13,044,200	5,747,740
Roads and Bridges	-	-
Sports	1,735,680	1,000,000
Environment	-	999,000
Cultural Projects	-	-
Agriculture	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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	-	-
Emergency Projects	1,849,940	3,099,630
TOTAL	49,553,520	47,812,122

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

8. ACQUISITION OF ASSETS

Non Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	136,000	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	136,000	-

9. OTHER PAYMENTS

Strategic Plan	-	3,499,500
ICT Hubs	-	-
		-
TOTAL	-	3,499,500

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020 Kshs (30/6/2019)	2018 - 2019 Kshs (30/6/2018)
Kenya Commercial Bank, Marsabit Branch Saku NG-CDF	A/C no.1102647977	24,021,896	4,099,956

10B: CASH IN HAND

	2019 - 2020 Kshs (30/6/2019)	2018 - 2019 Kshs (30/6/2018)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-
		<i>[Provide cash count certificates for each]</i>

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

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date of imprest PV NO.</i>	<i>Amount Taken Kshs</i>	<i>Amount Surrendered Kshs</i>	<i>Balance (30/6/2018) Kshs</i>
None		-	-	-
12 Retention				
Supplier/Contractor		2019 - 2020	2018 - 2019	
		-	-	
TOTAL		-	-	

12A. RETENTION

	2019 - 2020 Kshs	2018-2019 Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020 Kshs	2018-2019 Kshs
Name 1	0	0
Name 2	0	0
Name 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2019 - 2020 Kshs (1/7/2019)	2018 - 2019 Kshs (1/7/2018)
Bank accounts	4,099,956	23,329,527
Cash in hand	-	-
Imprest		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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TOTAL	4,099,956	23,329,527
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14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY2019 - 2020 per Financial statements	Adjusments	Adjusted balance b/f 2018 - 2019
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
TOTAL	-	-	-

a. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019-2020	2018-2019
	Kshs	Kshs
Outstanding Imprest as at 1st July 2019 (A)	-	-
Imprest issued during the year (B)	6,913,000	-
Imprest surrendered during the Year ©	6,913,000	-
Net changes in accounts receivables (D=A+B-C)	-	-

b. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019-2020	2018-2019
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	735,000	-
Deposits and Retention paid during the year ©	735,000	-
Net changes in accounts payable (D=A+B-C)	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	-	-
Others (specify)	-	-
	-	-

17.3: UNUTILISED FUNDS

	2019 - 2020	2018 - 2019
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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	Kshs	Kshs
Compensation of employees	234,868	99,956
Ilpus Primary School	1,750,000	
Lagdima Primary School	150,000	
Dokatu Primary School	150,000	
Karare Primary School	760,000	
Songa Mixed Secondary School	700,000	
Saku Technical & Vocational college	600,000	
Construction of CDF office	15,000,000	4,000,000
Constituency Innovation Hub	4,677,027	
Total	24,021,895	4,099,956
17.4: PMC ACCOUNT BALANCES (See Annex 4)		
Loriko Primary School	710	
Leyai CDF Project (Songa Mixed Sec School)	2,999,670	
Total	3,000,380	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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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)	2,999,670	950

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date
	a	b	c
Construction of buildings			
1.			
2.			
3.			
Sub-Total	Nil		
Construction of civil works			
4.			
5.			
6.			
Sub-Total	Nil		
Supply of goods			
7.			
8.			
9.			
Sub-Total			
Supply of services			
11.			
12.			
Sub-Total			
Grand Total	Nil		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted
		a	b
Senior Management		Nil	
1.		Nil	
2.		Nil	
3.		Nil	
Sub-Total		Nil	
Middle Management			
4.		Nil	
5.		Nil	
6.		Nil	
Sub-Total		Nil	
Unionisable Employees			
7.		Nil	
8.		Nil	
9.		Nil	
Sub-Total		Nil	
Others (specify)			
10.			
Sub-Total		Nil	
Grand Total		Nil	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Original Amount
Amounts due to other Government entities		
1. Primary Schools		2,810,000
2. Secondary Schools		700,000
3. Transfers to Tertiary Institutions		600,000
Sub-Total		4,110,000
Amounts due to other grants and other transfers		
4. NG-CDF Office		15,000,000
5. Constituency Innovation Hub		4,677,027
Sub-Total		19,677,027
6. Compensation of employees		234,869
Sub-total		234,869
Grand total		24,021,896

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2018/2019	Additions during the year -	Disposals during the year	Historical Cost Kshs 2019/2020
Land	-		-	-
Buildings and structures	-		-	-
Transport equipment	10,388,580		-	10,388,580
Office equipment, furniture and fittings	103,750		-	103,750
ICT Equipment, Software and Other ICT Assets	121,750	136,000	-	257,750
Other Machinery and Equipment	1,300		-	1,300
Heritage and cultural assets	-		-	-
Intangible assets	-		-	-
Total	10,615,380		-	10,751,380

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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)
1.0	Comparative balances	This has since been corrected	FAM	Resolved	
2.1	<p>Construction of Karare Chiefs Office;-</p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes Kshs 1,998,900 paid out for construction of Karare Chief's office during the year under review, but whose contract had been awarded in the previous year 2016/2017. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that even though the Office was complete and</p>	<p>The issue of electrical installation and guttering of the office was taken up with the Sub-County Works Officer who supervised the works and issued a certificate of practical completion to see to it that the works are done. Electrical installation has since been done, while the gutters are being installed.</p> <p>On handing over of the office, this was done officially on 31st May 2018 by the Member of Parliament Hon. Dido Rasso.</p> <p>Though the PMC was disbanded after completion of the project, the PMC secretary and Treasurer has been requested to provide the project/returns/file.</p>	FAM	Resolved	To be resolved by 30/10/19

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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)
	<p>in use, electrical installation works amounting to Kshs 158,150 and roof gutters amounting to Kshs 63,600 all totaling to Kshs. 221,750 had not been done.</p> <p>Further, there were no handover report, bank statements and the project file that were availed for audit review. In the circumstances, the accuracy and value for money for the Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.</p>				
2.2	<p>Refurbishment of Gadamoji Division Headquarters office block and residence;~</p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which includes Ksh. 6,896,310 in respect to security which includes</p>	<p>The procurement for the works was actually done through floatation of tenders and only the summary top page was attached for the tenderer to give bid total</p> <p>The issue of putting the project into the intended use has also been taken up with the Member of Parliament and County Commissioner to ensure posting of Assistant County Commissioner. However, the buildings are occupied by Security personnel (APs)</p>	FAM/Member of Parliament/ County Commissioner	Not resolved	30/12/19

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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)
	<p>Kshs 1,998,900 paid out for construction/refurbishment of Gadamoji Assistance County Commissioners office and official residence; during the year under review. Records , but whose contract made available shows that the contract was awarded through quotation. However, it was noted that the procurement method for works of Ksh. 1,998,500 was above the set limit Ksh. 500,000 for class C entities for using quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that even though the Office was complete, it is</p>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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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)
	<p>yet to be utilized for the intended purposes as it is being used as an office, classroom, store and for residential purposes for Kubi gallo Primary School which is a neighbouring school. In addition, no handing over report has been availed for audit review.</p> <p>In the circumstances, the accuracy and value for money for the Kshs. 1,998,900 expenditure for the year ended 30 June 2018 could not be confirmed.</p>				
2.3	<p>Construction of Sagante Chief's Office;-</p> <p>Note 7 to the financial statements reflects other grants and other payments balance of Ksh. 30,562,558 which</p>	<p>The procurement for the works was actually done through floatation of tenders and only the summery top page reading request to tender/quotation was attached for the tenderer to indicate her bid total, otherwise Bill of Quantities were attached/provided. The issue of works not done was taken up with the Sub-County Works Officer and the</p>	FAM/MP	Resolved	December 2019

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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)
	<p>includes Ksh. 6,896,310 in respect to security which includes Kshs 1,999,510 paid out for construction</p> <p>/Sagante Chief's office during the year under review. A physical verification carried out in the month of January 2019 and a review of the bill of quantities revealed that the Office was in use. However, the bill of quantities revealed that works totalling to Ksh.223,500 which were to be undertaken had not been done as at the time of the project verification despite certificate</p>	<p>Contractor and the works have since been done. The handing over issue was taken up with Member of Parliament and promised to officially open the by December 2019.</p>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SAKU
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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)
	<p>of completion having been issued by the Sub County Works officer in February 2018.</p> <p>Further, the works contract was procured through request for quotation method which was however above the set limit of Ksh. 500,000 for class C entities for using quotations contrary to the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) regulations 2013. In addition there was no handing over report of the project on</p>				

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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)
	completion. In the circumstances, the accuracy and value for money for the Kshs. 1,999,510 expenditure for the year ended 30 June 2018 could not be confirmed.				
2.4	Un-supported bursaries to Secondary and Tertiary institutions. Note 7 to the financial statements reflects other grants and other payments of Ksh. 30,562,558 which includes Ksh. 13,076,474 and Ksh. 7,278,000 for bursaries to Secondary and Tertiary institutions respectively both totalling Ksh.20,354,474. However, no acknowledgements receipts from the institutions, names of the institutions	As observed by your audit team, we have had a big challenge with institutions not acknowledging receipts of our bursary cheques despite our clear instruction to them through our letters dispatching the cheque to do so in writing. Despite the challenge, your Audit team confirmed all the bursary cheques sent to the various Secondary institutions audited were actually received by them and entered in the school ledgers. However, we will not relent in pursuing the beneficiary institutions to acknowledge receipt of the bursary cheques. We are also negotiating	FAM	Not resolved	January 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)
	and list of applicants were availed for audit review. In the circumstances, the accuracy and value for money for the Kshs. 20,354,474 expenditure for the year ended 30 June 2018 could not be confirmed.	with the Postal Corporation of Kenya to be delivering our bursary cheques to institutions and get the acknowledgements as from next year.			
3.0	Poor workmanship at Goro Rukesa Mixed Secondary School;- Note 6 to the financial statements reflects transfers to other Government entities of Ksh. 28,446,090 which includes Ksh. 13,279,045 for transfer to Secondary Schools which further includes Ksh. 1,196,385 incurred for the construction of an Administration	The issue of poor workmanship was taken up with the County Works officer who said that the small cracks were as a result of the building settling down. The project returns were provided. The retention was not provided for as per County Works office as the project had been completed two years down the line, but CDFC was mandated to take up the matter with the contractor to amend the anomaly.	CDFC/Sub county Works Officer	Resolved	November 2019

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>block at Goro Bukesa Secondary School during the year under review.</p> <p>The project commenced in the financial year 2016/2017 with an initial funding of Ksh. 3,000,000 which together with Ksh. 1,196,385 funding during the year under review, translated to a total funding of Ksh.4,196,385. However. The project returns, completion certificates and evidence that the fund is holding 10% retention fee were not made available for audit review. In addition, although the</p>				

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	<p>project is said to be complete, physical inspection carried out in the month of January 2019 revealed that the block had cracks on the floor and on the walls which is an indication of poor workmanship.</p> <p>In the circumstances, the accuracy and value for money for the Kshs. 4,196,385 expenditure for the year ended 30 June 2018 could not be confirmed.</p>				
