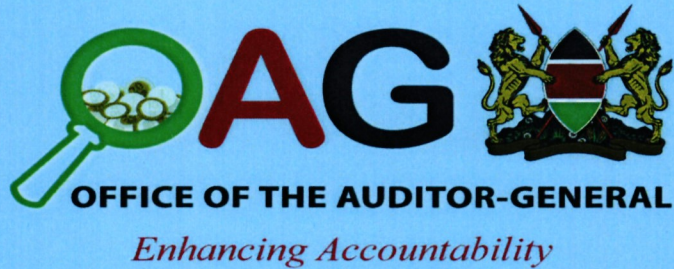


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 23 NOV 2022

DAY:
Wednesday

TABLED
BY

Majority Whip

OF

CLERK-AT
THE-TABLE:

Christine

THE AUDITOR-GENERAL

ON

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

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



BORABU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people

5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Edwin Lecha
2.	Sub-County Accountant	Sylvester Murto
3.	Chairman NGCDFC	Duncan Ondari
4.	Member NGCDFC	Peterson O. Obuba

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Borabu Constituency NG-CDF . 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) Borabu Constituency NGCDF Headquarters

P.O. Box 1-40502
Menyenya Farmers Building
Nyansiongo Tea Factory Road
Nyansiongo, KENYA
Borabu Constituency NGCDF

Contacts

Telephone: (254) 714 836 279
E-mail: cdfborabu@ngcdf.go.ke
Website: www.go.ke

(f) Borabu Constituency NGCDF Bankers

Equity Bank
Keroka Branch
P.o Box 75104-00200
Nairobi

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

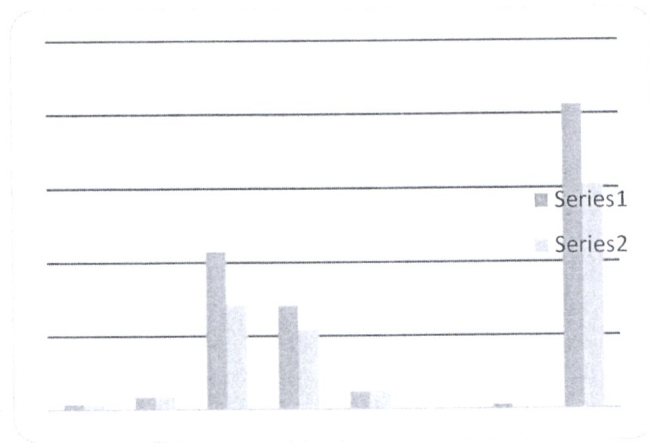
II. NG-CDFC CHAIRMAN'S REPORT



Duncan Ondari
Chairman
Borabu NG-CDFC

Borabu NG-CDF received funding of Kshs 162,371,753.00 during financial year 2020/2021. Out of this amount Kshs 88,900,000.00 was for financial year 2019/20 against expected funding of Kshs 137,088,879.00. The NG-CDFC had an opening balance of Kshs 104,029.00 in the account at the beginning of the financial year. We were able to implement projects to the tune of Kshs 152,327,157.00 ranging from Primary schools, Secondary school projects, tertiary institution projects, Borabu NG-CDF office, bursary and security as detailed in the financial statements.

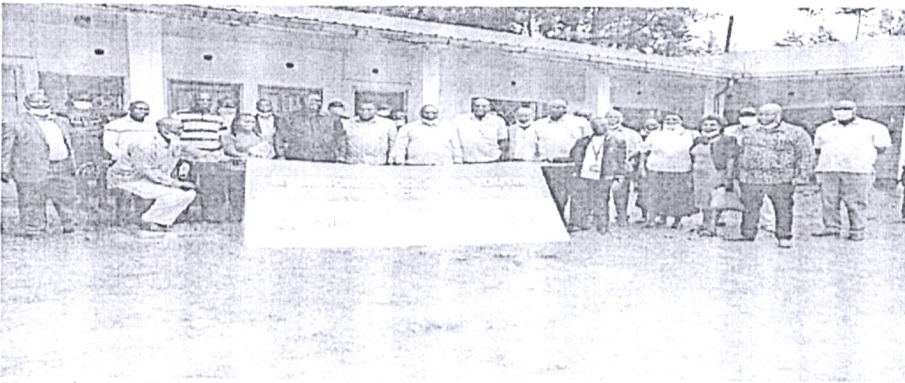
The chart below gives a glimpse of budget verses expenditure for the financial year under analysis.



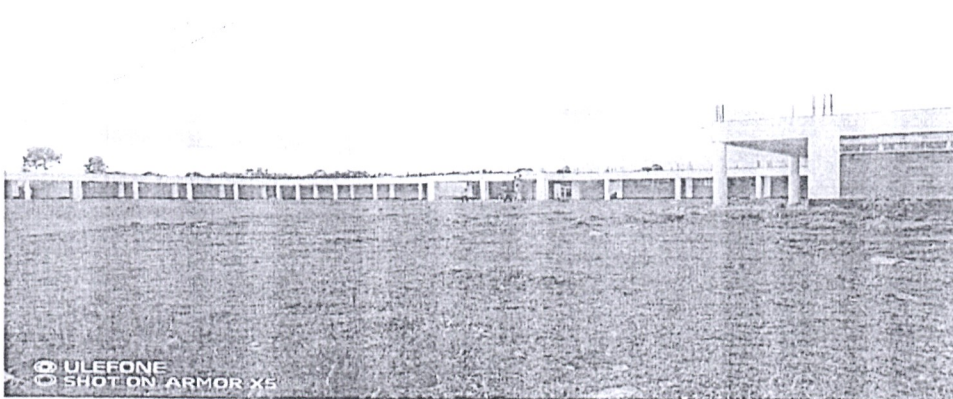
We have sampled an assortment of pictures below indicating some projects funded by Borabu NG-CDF between financial years 2018/19 to 2019/2020.



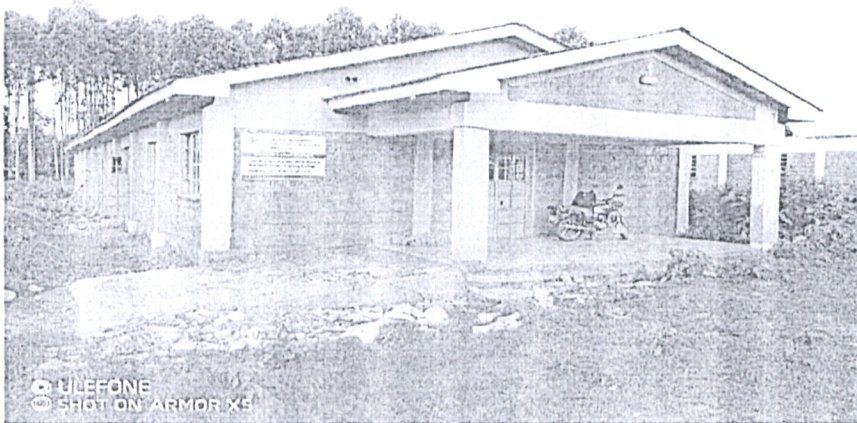
Construction of Borabu NG-CDF office



Nyansiongo DCC Innovation Hub



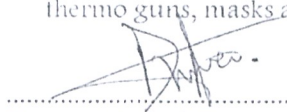
Construction Of Phase 1 of Borabu TTC Tuition block



One Dormitory construction at Borabu TTC

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. Some emergency funds were spent on rehabilitation of some feeder roads to security offices and schools to ease the situation.
- 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. The NG-CDFC distributed sanitisers, thermo guns, masks and water buckets for hand washing to ease the situation.


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

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- a) Promotion of education by improvement of facilities, supporting needy cases and policy formulation
- b) Facilitate improvement of security within the constituency
- c) Promote environmental conservation, water and sanitation
- d) Improving welfare of the youth through sports
- e) Improvement of the transport network to facilitate access of the constituency
- f) Setting up structures of improvement of trade and industry
- g) Championing improvement of health care
- h) Enhancement of energy generation within the constituency

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 20/21 -we increased number of classrooms by 20, renovated 40 class rooms - Students in University, colleges were fairly awarded bursary
Security	To have a secure community where people can live peacefully and trade	There has been an improvement in security in the constituency due to a reduction in crime	Crime levels have fallen and people doing business safely	In FY 20/21 we constructed 8 chiefs/assistant chiefs offices and 5 police offices under construction
Environment	Protecting the environment by striving to prevent and minimize our	Cleanliness of the environment due to use of dustbins in the community.	Reduced disease infections due to a clean environment	Built 7 sanitation facilities in the financial year

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

Constituency Sector	Objective	Outcome	Indicator	Performance
	contribution to pollution of land, air, and water	Reduced soil erosion due to planting of trees Ease to access water by students in institutions where water tanks have been installed	Reduced soil erosion especially in institutions where trees were planted Ease of access to clean rain water by students	Bough 6 water tanks one each in the following institutions:- Mogusii Primary School, Itumbe Secondary School, Omonono Secondary School, Emboye Primary School, Nyankongo and Kekinga Primary Schools. Installed 30 dust bins in assorted institutions in the financial year.
Sports	Bringing together the youth to tap their sporting talent for growth and assist them not to engage in drug and substance abuse	Reduction in drug and substance abuse by engaging the youth in sporting activities.	Youths engaging in sporting activities Tapping of talent from the otherwise idle youth	Organised one sporting event that helped tap and grow talent in the constituency that brought together 40 teams from the constituency and over 500 youth
Emergency	To handle unforeseen occurrences that happen within the constituency	Reduced health effects due to collapsed pit latrines Ability to retain more students in schools due to improved facilities and increased enrolment	Improved student health and reduced accidents due to construction of pit latrines Improved retaining and enrolment of students in schools due to addition of class rooms and renovation of class rooms	Rehabilitated 3 access roads by grading and patch murraming Constructed 6 four door pit latrines that had collapsed Renovated 10 class rooms that were dilapidated.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

a. Education and Training:

Borabu NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

b. Security Sector Support:

Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

c. Environment:

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

d. Sports:

The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Borabu NG-CDF supports students carry out environmental conservation activities once in a financial year by engaging them in tree planting activities and community cleaning programa.
- Sensitization of youth/ community on the impact of drugs by construction of police stations supported NG-CDF and educating the community during community sensitization forums.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

- NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

We invest in providing the best working environment for our employees. Xxx constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Borabu constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

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

The Accounting Officer in charge of the NGCDF-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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Borabu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

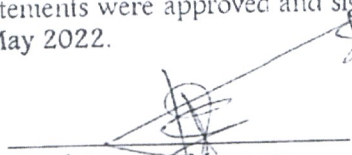
Approval of the financial statements

The NGCDF - Borabu Constituency amended financial statements were approved and signed by the Committee Chairman and Accounting Officer on 17th May 2022.



Chairman NGCDF Committee

Name: Duncan Ondari Emenge



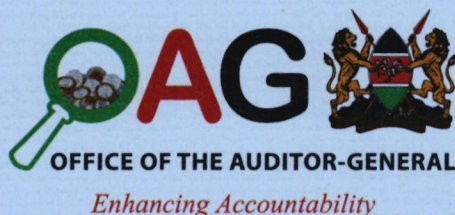
Fund Account Manager

Name: Edwin Lecha

17/5/22

REPUBLIC OF KENYA

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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 - BORABU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Borabu Constituency set out on pages 15 to 49, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the

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

In my opinion, except for the effects of the matter 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, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracy of Expenditure on Use of Goods and Services

The statement of receipts and payments reflects expenditure on use of goods and services amount of Kshs.9,460,548 as disclosed in Note 3 to the financial statements. The amount includes other committee expenses and committee allowances totalling Kshs.2,701,419. However, the supporting expenditure returns and ledger reflects Kshs.4,398,000 resulting to an unreconciled variance of Kshs.1,696,581.

In the circumstances, the accuracy and completeness of other committee expenses and committee allowances amount of Kshs.2,701,419 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - 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

1. Budgetary Control and Performance

The summary statement of appropriation reflects a final budget and actual receipts on comparable basis of Kshs.206,560,632 and Kshs.162,371,753 respectively, resulting to an underfunding of Kshs.44,188,879 or 21% of the budget. Similarly, the Fund spent

Kshs.156,006,941 against an approved budget of Kshs.206,560,632 resulting to an under-expenditure of Kshs.50,553,691 or 24% of the budget.

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

2. Delayed Implementation of Projects

Review of Project Implementation Status (PIS) report revealed that thirty-five (35) projects for the years 2013/2014 to 2019/2020 valued at Kshs.29,090,000 were still on-going as at 30 June, 2021, despite their completion dates having elapsed. Further, twelve (12) projects for administration, primary and secondary schools, tertiary institutions, environment, sports and security, with an approved budget of Kshs.9,900,000 were not implemented although they were funded.

In the circumstances, the intended benefits may not be realized.

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 the 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. Construction of Tuition Block

The statement of receipts and payments reflects transfers to other Government units of Kshs.73,479,001 as disclosed in Note 4 to the financial statements. The amount includes transfer to tertiary institutions of Kshs.23,652,855 which further includes Kshs.8,252,420 disbursed for construction of a Teachers Training College tuition block. The contract was to commence on 24 May, 2017 and end on 24 July, 2018 for a contract sum of Kshs.37,654,965.

The original contract sum of Kshs.37,654,965 was revised to Kshs.42,346,479. Review of payments revealed that the payment of Kshs.8,252,420 was for roofing Kshs.1,932,880, rainwater disposal Kshs.3,059,950 and ceiling finishes Kshs.3,259,590 which were not in the original or revised design of the tuition block.

As at 30 June, 2021, a sum of Kshs.40,430,907 or 95.5% of the revised contract sum had been paid. Physical verification carried out in the month of April, 2022 revealed that the building has been constructed to slab level, paving slabs, installation of two (2) water tanks and fire extinguishers which were part of the works had not been done despite the contract period having expired.

In the circumstances, the regularity and value for money of the expenditure of Kshs.40,430,907 on the project could not be confirmed.

2. Delayed Renovation Tuition Block Ablutions

The statement of receipts and payments reflects transfers to other Government units of Kshs.73,479,001 as disclosed in Note 7 to the financial statements which includes transfers to secondary schools of Kshs.23,205,650. Included in this amount is a transfer of Kshs.1,000,000 to Menyanya Secondary School for renovation of tuition block ablutions in the three storey building. However, audit inspection carried out in the month of April, 2022 revealed that the amount of Kshs.1,000,000 had not been utilized and the renovation had not started. Further, the students of the school had no access to adequate ablution services.

In the circumstances, value for money on the expenditure of Kshs.1,000,000 could not be confirmed.

3. Stalled Projects

Verification carried out in the month of April, 2022 on a sample of on-going projects revealed that Eturungi water project approved in 2015/2016 with an estimated cost of Kshs.4,100,000 and a completion date of September, 2016 has stalled. As at 30 June, 2021 Kshs.1,700,000 or 41% of the cost had been paid. However, water tank and pipes which were part of the works had not been installed.

In addition, Endiba secondary school water project was approved in 2019/2020 at a cost of Kshs.2,100,000 and Kshs.1,940,000 or 92% has been paid. The project involved equipping of an existing borehole by purchasing a pump, tank and construction of water point and was to be completed in September, 2020. However, the pump house and water pump have not been constructed and installed. The two (2) projects have therefore stalled.

In the circumstances, value for money on the expenditure of Kshs.3,640,000 could not be confirmed.

4. Failure to Insure Fixed and Movable Assets

Review of records revealed that the Fund had insured motor vehicles valued at Kshs.6,000,000. Other fixed and movable assets costing Kshs.24,674,932, reflected in Annex 3 to the financial statements were not insured. This is contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015, which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance 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

Incomplete Fixed Assets Register

Annex 3 to the financial statements on summary of fixed assets register reflects assets with a historical cost of Kshs.30,674,932 while the assets register maintained by the Fund lists thirty-nine (39) fixed assets valued at Kshs.8,150,103. The resulting variance of Kshs.22,524,829 was attributed to cumulative cost of a building under construction omitted from the assets register.

In the circumstances, the accuracy and completeness of the summary of fixed assets register could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the ability of the Fund 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 the Fund 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 matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

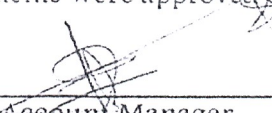
21 September, 2022

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

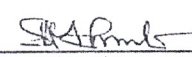
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	162,267,724	74,332,000
TOTAL RECEIPTS		162,267,724	74,332,000
PAYMENTS			
Compensation of employees	2	3,947,348	2,161,055
Use of goods and services	3	9,460,548	9,433,538
Transfers to other government units	4	73,479,001	37,005,573
Other grants and transfers	5	56,011,143	31,480,499
Acquisition of Assets	6	13,108,901	8,896,031
TOTAL PAYMENTS		156,006,941	88,976,696
SURPLUS/DEFICIT		6,260,783	(14,644,696)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Borabu Constituency – NGCDF amended financial statements were approved on 17th May 2022 and signed by:

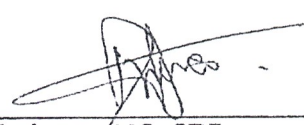

Fund Account Manager

Name: Edwin Lecha


National Sub-County
Accountant

Name: Sylvester Murto
ICPAK M/No:15537

NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY


Chairman NG-CDF
Committee

Name: Duncan Ondari

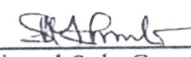
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	6,978,076	104,029
Total Cash and Cash Equivalents		6,978,076	104,029
TOTAL FINANCIAL ASSETS		6,978,076	104,029
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Gratuity payable	8	613,264	-
NET FINANCIAL ASSETS		6,364,812	104,029
REPRESENTED BY			
Fund balance b/fwd	9	104,029	14,748,725
Surplus/Deficit for the year		6,260,783	(14,644,696)
NET FINANCIAL POSITION		6,364,812	104,029

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Borabu Constituency – NGCDF amended financial statements were approved on 17th May 2022 and signed by:


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National Sub-County
Accountant

Name: Sylvester Murto
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**NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY**

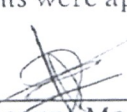

Chairman NG-CDF
Committee

Name: Duncan Ondari

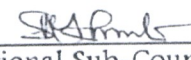
IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	162,267,724	74,332,000
		162,267,724	74,332,000
Payments for operating activities			
Compensation of Employees	2	(3,947,348)	(2,161,055)
Use of goods and services	3	(9,460,548)	(9,433,538)
Transfers to Other Government Units	4	(73,479,001)	(37,005,573)
Other grants and transfers	5	(56,011,143)	(31,480,499)
		(142,898,040)	(80,080,665)
Adjusted for:			
Increase/(Decrease) in Accounts Payable	8	613,264	-
Net Adjustments		613,264	-
Net cash flow from operating activities		19,982,948	(5,748,665)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(13,108,901)	(8,896,031)
Net cash flows from Investing Activities		(13,108,901)	(8,896,031)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,874,047	(14,644,696)
Cash and cash equivalent at BEGINNING of the year	7	104,029	14,748,725
Cash and cash equivalent at END of the year		6,978,076	104,029


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Borabu Constituency – NGCDF amended financial statements were approved on 17th May 2022 and signed by:


Fund Account Manager

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National Sub-County Accountant

Name: Sylvester Murto
ICPAK M/No:15537


Chairman NG-CDF Committee

Name: Duncan Ondari

17/05/22
**NATIONAL SUB-COUNTY
ACCOUNTANT
BORABU SUB COUNTY**

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

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

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	a	b	c	d=a+b+c	e	f=d-e	g=e/d %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	104,029	69,367,724	206,560,632	162,371,753	44,188,879	79%
TOTAL RECEIPTS	137,088,879	104,029	69,367,724	206,560,632	162,371,753	44,188,879	79%
PAYMENTS							
Compensation of Employees	3,160,000	60	958,885	4,118,945	3,947,348	171,597	96%
Use of goods and services	9,151,999	-	(190,443)	8,961,556	9,460,548	(498,992)	106%
Transfers to Other Government Units	58,647,358	-	45,607,279	104,254,637	73,479,001	30,775,636	70%
Other grants and transfers	51,129,522	-	20,492,003	71,621,525	56,011,143	15,610,382	78%
Acquisition of Assets	12,000,000	103,969	-	12,103,969	13,108,901	(1,004,932)	108%
Un-allocated fund	3,000,000	-	2,500,000	5,500,000	-	5,500,000	0%
TOTAL	137,088,879	104,029	69,367,724	206,560,632	156,006,941	50,553,691	76%
Surplus/Deficit	-	-	-	-	6,364,812	(6,364,812)	

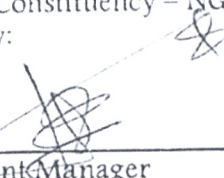
***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

Commentary on Budget utilization

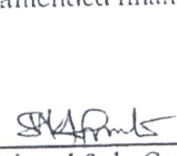
- i. Underutilization in transfers from NGCDF Board by 21% was due to non-disbursement of funds by the Board.
- ii. Over expenditure in use of goods and services by 6% was due to an error in workings.
- iii. Underutilization of transfers to other Government units budget by 30% and other grants and transfers budget by 24% was because 21% of the expected funds were not received.
- iv. Over expenditure in acquisition of assets by 8% was due to an error in budget workings
- v. Changes in the final budget is due to additions from un utilized funds of the previous financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs)
Budget utilization difference totals	50,553,691
Less undisbursed funds receivable from the Board as at 30th June 2021	44,188,879
	6,364,812
Add Accounts payable	613,264
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	6,978,076

The Borabu Constituency – NGCDF amended financial statements were approved on 17th May 2022 and signed by:

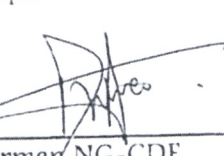

Fund Account Manager

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17/05/22
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BORABU SUB COUNTY


Chairman NG-CDF Committee

Name: Duncan Ondari

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30 JUNE 2021

Programme/Subprogramme	Original Budget (a)		Adjustments (b)		Final Budget (c = a+b)		Actual on comparable basis (d)		Budget utilization difference (e = c-d)		% of Utilisation (f=d/c %)
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2020/2021	Kshs	2020/2021	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent											
1.1 Compensation of employees	3,160,000		60	958,885	4,118,945		3,947,348	171,597		96%	
1.2 Committee allowances	2,565,332		-	(47,937)	2,517,395		2,584,000	(66,605)		103%	
1.3 Use of goods and services	2,474,000		-	38,579	2,512,579		2,575,571	(62,992)		103%	
SubTotal	8,199,332		60	949,527	9,148,919		9,106,919	42,000		100%	
2.0 Monitoring and evaluation											
2.1 Capacity building	800,000		-	(96,000)	704,000		894,000	(190,000)		127%	
2.2 Committee allowances	1,812,666		-	(84,969)	1,727,697		1,814,000	(86,303)		105%	
2.3 Use of goods and services	1,500,000		-	(116)	1,499,884		1,592,977	(93,093)		106%	
Sub-Total	4,112,666		-	(181,085)	3,931,581		4,300,977	(369,396)		109%	
3.0 Emergency											
3.10 Jonny (K) Services			-	-			918,040				
3.11 Pelaco Construction Ltd			-	-			1,000,000				
3.12 Fast Fleet Ltd			-	-			589,998				
3.13 Jonny (K) Services			-	-			1,263,448				
3.14 Umstus Labcare Ltd			-	-			150,000				
3.15 Amas General Construction & Supplies Ltd			-	-			1,100,000				
3.16 Biego DOK Primary School			-	-			300,000				
3.17 Emboye DEB Primary School			-	-			250,000				
3.18 Pelaco Construction Ltd			-	-			350,000				
3.19 Kitaru DOK Primary School			-	-			300,000				
3.20 Bon Joh General Contractors			-	-			1,256,324				
Sub-Total	7,192,207		-	368,041	7,560,248		7,477,810	82,438		99%	
4.0 Bursary and Social Security											
4.1 Secondary Schools	8,000,000		-	648,419	8,648,419		8,654,000	(5,581)		100%	
4.2 Tertiary Institutions	20,183,760		-	6,230,148	26,413,908		26,293,633	120,275		100%	

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

Programme/Subprogramme	Original Budget (a)	Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021	Kshs	Kshs	2020/2021	2020/2021	Kshs	
4.3 Social Security	1,020,000	-	2,020,000	3,040,000	-	3,040,000	0%
Sub-Total	29,203,760	-	8,898,567	38,102,327	34,947,633	3,154,694	92%
5.0 Sports							
5.1 Sports	2,741,778	-	761,976	3,503,754	3,492,000	11,754	100%
Sub-Total	2,741,778	-	761,976	3,503,754	3,492,000	11,754	100%
6.0 Environment							
6.1 Kenyoro Primary School	-	-	320,000	320,000	320,000	-	100%
6.2 Demo Contractors Services Ltd	-	-	480,000	480,000	480,000	-	100%
6.3 Masterpiece Investments Ltd	1,200,000	-	-	1,200,000	1,200,000	-	100%
6.4 Pelawico Agencies Ltd	930,078	-	-	930,078	900,000	30,078	97%
6.5 Bon Joh General Contractors	419,700	-	56,000	475,700	475,700	-	100%
6.6 FAM Borabu	192,000	-	-	192,000	192,000	-	100%
Sub-Total	2,741,778	-	856,000	3,597,778	3,567,700	30,078	99%
7.0 Primary Schools Projects							
7.1 Havepach Enterprises Ltd	947,811	-	-	947,811	947,810	1	100%
7.2 Havepach Enterprises Ltd	1,947,811	-	1,000,000	2,947,811	2,947,811	-	100%
7.3 Alvida Investments Ltd	900,000	-	-	900,000	1,000,000	(100,000)	111%
7.4 Kituru Primary School	300,000	-	-	300,000	-	300,000	0%
7.5 Magombo Primary School	500,000	-	-	500,000	-	500,000	0%
7.6 Kahawa Primary School	400,000	-	-	400,000	-	400,000	0%
7.7 Mecheo Primary School	500,000	-	-	500,000	-	500,000	0%
7.8 Kineni Primary School	300,000	-	-	300,000	300,000	-	100%
7.9 Rianyanno Primary School	300,000	-	-	300,000	-	300,000	0%
7.10 Megliff Ltd	242,240	-	-	242,240	242,240	-	100%
7.11 Saiga Ngiya Primary School	1,200,000	-	-	1,200,000	-	1,200,000	0%
7.12 Endemu Primary School	300,000	-	-	300,000	300,000	-	100%
7.13 Nyansakia Primary School	300,000	-	-	300,000	300,000	-	100%
7.14 Nyandoche II Primary School	300,000	-	-	300,000	-	300,000	0%
7.15 Nyaronde Primary School	300,000	-	-	300,000	-	300,000	0%
7.16 Keringa Primary School	400,000	-	-	400,000	400,000	-	100%
7.17 Gesibei Primary School	900,000	-	-	900,000	-	900,000	0%

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

Programme/Subprogramme	Original Budget (a)	Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AJA	Previous years Outstanding Disbursements				
	2020/2021	Kshs	Kshs	2020/2021	2020/2021	Kshs	
7.18 Nyanjiongo DOK Primary School	300,000	-	400,000	700,000	800,000	(100,000)	114%
7.19 Nyanjiongo DEB Primary School	400,000	-	-	400,000	-	400,000	0%
7.20 Ribaita Primary School	300,000	-	-	300,000	-	300,000	0%
7.21 St Andrews Kagga Primary School	300,000	-	-	300,000	-	300,000	0%
7.22 Nyankongo Primary School	600,000	-	-	600,000	600,000	-	100%
7.23 Amakura Primary School	1,500,000	-	-	1,500,000	-	1,500,000	0%
7.24 Riensune Primary School	1,500,000	-	-	1,500,000	-	1,500,000	0%
7.25 Omonono Primary School	1,200,000	-	-	1,200,000	-	1,200,000	0%
7.26 Kerema Primary School	300,000	-	-	300,000	-	300,000	0%
7.27 Nyagware Primary School	300,000	-	-	300,000	300,000	-	100%
7.28 Mokomoni Primary School	700,000	-	-	700,000	700,000	-	100%
7.29 Rianyakang'i Primary School	300,000	-	-	300,000	300,000	-	100%
7.30 Nyangoge Primary School	100,000	-	-	100,000	-	100,000	0%
7.31 Nsicha Primary School	1,200,000	-	-	1,200,000	-	1,200,000	0%
7.32 Nyaramba Primary School	400,000	-	-	400,000	400,000	-	100%
7.33 Emboye primary school	1,000,000	-	-	1,000,000	-	1,000,000	0%
7.34 Ninety Degrees Engineering Co. Ltd	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.35 Ibara Junction-Ibara Boarding primary -Ibara Secondary School /Ibara Day Secondary School road 1.5Km	1,500,000	-	-	1,500,000	1,466,027	33,973	98%
7.36 Erandi Junction -Kerema Primary School/Secondary School Road	1,500,000	-	-	1,500,000	1,500,000	-	100%
7.37 Riamanoti Primary School	300,000	-	300,000	600,000	-	600,000	0%
7.38 Ensoko Primary School	-	-	300,000	300,000	300,000	-	100%
7.39 Riensune Primary School	-	-	500,000	500,000	500,000	-	100%
7.40 Viongozi Centre - Nyageita Primary School Road	-	-	220,112	220,112	188,500	31,612	86%
7.41 Nyankono Primary School	-	-	200,000	200,000	200,000	-	100%
7.42 Magombo Primary School	-	-	500,000	500,000	500,000	-	100%
7.43 Mecheo Primary School	-	-	300,000	300,000	-	300,000	0%
7.44 Ensakia Primary School	-	-	300,000	300,000	300,000	-	100%

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

Programme/Subprogramme	Original Budget (a)	Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021	Kshs	Kshs	2020/2021	2020/2021	Kshs	
7.45 Saiga Ngiya Primary School	-	-	500,000	500,000	-	500,000	0%
7.46 Kebuse Primary School	-	-	200,000	200,000	-	200,000	0%
7.47 Ensinyo Primary School	-	-	1,000,000	1,000,000	1,000,000	-	100%
7.48 Chinche Primary School	-	-	400,000	400,000	400,000	-	100%
7.49 Ekige Primary School	-	-	400,000	400,000	400,000	-	100%
7.50 Borabu Primary School	-	-	400,000	400,000	400,000	-	100%
7.51 Riango'ombe Primary School	-	-	400,000	400,000	400,000	-	100%
7.52 Chesilson Engineering Ltd	-	-	500,000	500,000	500,000	-	100%
7.53 Endemu Primary School	-	-	500,000	500,000	500,000	500,000	0%
7.54 Riango'ombe Adventist Primary School	-	-	500,000	500,000	500,000	-	100%
7.55 Nyandoche II Primary School	-	-	300,000	300,000	-	300,000	0%
7.56 Riamanoti Primary School	-	-	400,000	400,000	-	400,000	0%
7.57 Gesibei Primary School	-	-	1,000,000	1,000,000	-	1,000,000	0%
7.58 Danokem Ltd	1,450,000	-	-	1,450,000	1,528,108	(78,108)	105%
7.59 Simbauti Primary School	-	-	500,000	500,000	500,000	-	100%
7.60 Nyageita Primary School	-	-	300,000	300,000	300,000	-	100%
7.61 Mokomoni DOK Primary School	-	-	300,000	300,000	300,000	-	100%
7.62 Mekenene Primary School	-	-	300,000	300,000	300,000	-	100%
7.63 Nyamori Primary School	-	-	300,000	300,000	-	300,000	0%
7.64 Jobana General Supplies Ltd	200,000	-	900,000	1,100,000	600,000	500,000	55%
7.65 Kerema Primary School	-	-	400,000	400,000	-	400,000	0%
7.66 Nsicha Primary School	-	-	1,000,000	1,000,000	-	1,000,000	0%
7.67 Ibara Boarding Primary School	-	-	500,000	500,000	500,000	-	100%
7.68 Ibara Day Primary School	-	-	400,000	400,000	400,000	-	100%
7.69 Nyaramba Primary School	-	-	300,000	300,000	300,000	-	100%
7.70 Egentubi Primary School	-	-	(24,290)	(24,290)	-	(24,290)	0%
7.71 Omonono Primary School	-	-	300,000	300,000	-	300,000	0%
7.72 St Albert Boys Primary School	-	-	500,000	500,000	-	500,000	0%
7.73 Riosumo Water Springs	-	-	240	240	-	240	0%
7.74 Nderema Primary School	-	-	300,000	300,000	300,000	-	100%

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

Programme/Subprogramme	Original Budget (a)	Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AJA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
7.75 Havepach Enterprises Ltd					2020/2021	(2,000,000)	
Sub-Total	26,887,862	-	16,796,062	43,683,924	26,620,496	17,063,428	61%
8.0 Secondary Schools Projects							
8.1 Egentubi Secondary School	500,000	-	-	500,000	-	500,000	0%
8.2 AIC Gietai Girls Secondary School	300,000	-	-	300,000	-	300,000	0%
8.3 Omonayo Secondary School	1,500,000	-	-	1,500,000	1,500,000	-	100%
8.4 Mecheo Secondary School	400,000	-	-	400,000	-	400,000	0%
8.5 St James Nyaronde Secondary School	600,000	-	-	600,000	-	600,000	0%
8.6 Tindereti Secondary School	600,000	-	-	600,000	-	600,000	0%
8.7 Kiabonyoru Girls Secondary School	7,200,000	-	-	7,200,000	-	7,200,000	0%
8.8 Nyamiranga Secondary School	1,000,000	-	-	1,000,000	-	1,000,000	0%
8.9 Omonono Secondary School	550,000	-	-	550,000	540,350	9,650	98%
8.10 Biego Secondary School	1,200,000	-	-	1,200,000	-	1,200,000	0%
8.11 Endiba Secondary School	500,000	-	-	500,000	-	500,000	0%
8.12 Nyansiongo Boys Secondary School	300,000	-	-	300,000	-	300,000	0%
8.13 Nsicha Secondary School	250,000	-	-	250,000	-	250,000	0%
8.14 Jonny (K) Services	-	-	958,378	958,378	805,300	153,078	84%
8.15 Nyangoge Secondary School	-	-	300,000	300,000	300,000	-	100%
8.16 Mwangori High School	-	-	2,500,000	2,500,000	2,500,000	-	100%
8.17 Egentubi Secondary School	-	-	1,000,000	1,000,000	1,000,000	-	100%
8.18 Nsicha Secondary School	-	-	500,000	500,000	500,000	-	100%
8.19 Nyamiranga Secondary School	-	-	1,500,000	1,500,000	1,500,000	-	100%
8.20 St Patrick's Kahawa Secondary School	-	-	500,000	500,000	500,000	-	100%
8.21 Kimamika Multipurpose Suppliers	-	-	1,667,280	1,667,280	1,500,000	167,280	90%
8.22 Amas General Construction & Suppliers Ltd	-	-	310,456	310,456	310,000	456	100%
8.23 Davkenn Investment Ltd	-	-	1,500,000	1,500,000	1,500,000	-	100%
8.24 Ibara Mixed Secondary School	-	-	500,000	500,000	500,000	-	100%
8.25 Onsando Girls Secondary School	-	-	500,000	500,000	500,000	-	100%

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

Programme/Subprogramme	Original Budget (a)	Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021	Kshs	Kshs	2020/2021	2020/2021	Kshs	
8.26 Nyansingo Boys High School	-	-	4,900,000	4,900,000	4,900,000	-	100%
8.27 Menyanya Secondary School	-	-	1,000,000	1,000,000	1,000,000	-	100%
8.28 Keringa Secondary School	-	-	500,000	500,000	500,000	-	100%
8.29 Mecheo Secondary School	-	-	100,000	100,000	-	100,000	0%
8.30 Eronge SDA Secondary School	-	-	500,000	500,000	500,000	-	100%
8.31 Mote Ogiuto Secondary School	-	-	500,000	500,000	500,000	-	100%
8.32 Rigoko Secondary School	-	-	500,000	500,000	500,000	-	100%
8.33 Endiba Secondary school	-	-	1,000,000	1,000,000	-	1,000,000	0%
8.34 St Mathias Mulumba Secondary School	400,000	-	-	400,000	400,000	-	100%
8.35 Frevic Engineering Limited	-	-	-	-	250,000	(250,000)	#DIV/0!
8.36 St Thomas Moore Secondary School	1,200,000	-	-	1,200,000	1,200,000	-	100%
Sub-Total	16,500,000		20,736,114	37,236,114	23,205,650	14,030,464	62%
9.0 Tertiary institutions Projects							
9.1 Stem Investments Ltd	6,346,479	-	1,714,090	8,060,569	8,252,420	(191,851)	102%
9.2 Borabu TTC - Underground Tank	1,000,000	-	-	1,000,000	400,000	600,000	40%
9.3 Grey Joy Ltd	2,100,000	-	-	2,100,000	3,593,339	(1,493,339)	171%
9.4 Oceanbays Investments & General Supplies Ltd	3,900,000	-	-	3,900,000	3,989,800	(89,800)	102%
9.5 Borabu TTI - Lorry canter	-	-	3,300,000	3,300,000	3,000,000	300,000	91%
9.6 Borabu TTI - Motorcycle	-	-	400,000	400,000	-	400,000	0%
9.7 Brazen Alley LTD	-	-	1,570,889	1,570,889	1,557,296	13,593	99%
9.8 Borabu TTC Kitchen	-	-	265,124	265,124	260,000	5,124	98%
9.9 Borabu TTC Pit Latrine	-	-	825,000	825,000	700,000	125,000	85%
9.10 Kimamika Multipurpose Suppliers	1,913,018	-	-	1,913,018	1,900,000	13,018	99%
Sub-Total	15,259,497		8,075,103	23,334,600	23,652,855	(318,255)	101%
10.0 Security Projects							
10.1 Kiabonyoru Assistant County Commissioner's office	150,000	-	50,000	200,000	-	200,000	0%
10.2 Nyansingo Chief's Office	100,000	-	-	100,000	-	100,000	0%

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

Programme/Subprogramme	Original Budget (a)		Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
10.3 Cool Air Management	1,900,000	-	300,000	-	2,200,000	1,526,000	674,000	69%
10.4 Ensakia Chiefs Office	300,000	-	-	-	300,000	-	300,000	0%
10.5 Mecheo Chief's Office	200,000	-	-	-	200,000	-	200,000	0%
10.6 Saiga Ngiya Administration Police Post	1,400,000	-	-	-	1,400,000	-	1,400,000	0%
10.7 Manga Police Station	1,000,000	-	-	-	1,000,000	-	1,000,000	0%
10.8 Memisi Anti Stock Theft Unit	1,300,000	-	-	-	1,300,000	-	1,300,000	0%
10.9 Kahawa Administration Police Post	300,000	-	-	-	300,000	-	300,000	0%
10.10 Bonyarande Administration Police Line	300,000	-	-	-	300,000	-	300,000	0%
10.11 Kiabonyoru Police Station	1,500,000	-	-	-	1,500,000	-	1,500,000	0%
10.12 Mokomoni Police Post	800,000	-	-	-	800,000	800,000	-	100%
10.13 Memisi Anti Stock Theft Unit	-	-	-	700,000	700,000	-	700,000	0%
10.14 Kiangeni Division Headquarters	-	-	-	300,000	300,000	300,000	-	100%
10.15 Tinderet Police Station	-	-	-	100,000	100,000	-	100,000	0%
10.17 Borabu Sub -County Head quarters	-	-	-	300,000	300,000	-	300,000	0%
10.18 Tinderet Police Station	-	-	-	500,000	500,000	-	500,000	0%
10.19 Ensinyo AP Post	-	-	-	357,417	357,417	-	357,417	0%
10.20 Kebabuse Anti Stock Theft Unit	-	-	-	700,000	700,000	-	700,000	0%
10.21 Nyaramba AP Post	-	-	-	300,000	300,000	-	300,000	0%
10.22 Rinyoni AP Post	-	-	-	500,000	500,000	-	500,000	0%
10.23 Menyonya Assistant Chief's Office	-	-	-	500,000	500,000	500,000	-	100%
10.24 Matutu Assistant Chiefs Office	-	-	-	500,000	500,000	500,000	-	100%
10.25 Ekerubo Chief's Office	-	-	-	500,000	500,000	500,000	-	100%
10.26 Nyangoge Assistant Chief's Office	-	-	-	500,000	500,000	500,000	-	100%
10.27 Isoge AP Line	-	-	-	200,000	200,000	-	200,000	0%
10.28 Nyageita AP Post	-	-	-	300,000	300,000	300,000	-	100%
10.29 Esise Chief's Office	-	-	-	100,000	100,000	-	100,000	0%
10.30 Mogusii AP Line	-	-	-	300,000	300,000	-	300,000	0%
10.31 Nyansongo/Gesima Assistant Chief's Office	-	-	-	100,000	100,000	100,000	-	100%
10.32 Getare Ap Line	-	-	-	500,000	500,000	-	500,000	0%

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

Programme/Subprogramme	Original Budget (a)	Adjustments (b)		Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021	Kshs	Kshs	2020/2021	2020/2021	Kshs	
10.33 Manga Police Station	-	-	1,000,000	1,000,000	-	1,000,000	0%
10.34 Kiabonyoru Police Station			1,000,000	1,000,000	1,500,000	(500,000)	150%
Sub-Total	9,250,000		9,607,417	18,857,417	6,526,000	12,331,417	35%
11.0 Acquisition of assets							
11.2 Construction of NG-CDF office	12,000,000	3,969	-	12,003,969	13,108,901	(1,104,932)	109%
11.3 Purchase of furniture and equipment	-	100,000	-	100,000	-	100,000	0%
	12,000,000	103,969	-	12,103,969	13,108,901	(1,004,932)	108%
12.0 unallocated fund							
12.1 Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000	0%
12.2 Electricity	1,000,000	-	2,500,000	3,500,000	-	3,500,000	0%
Sub-Total	3,000,000	-	2,500,000	5,500,000	-	5,500,000	0%
Grand Total	137,088,879	104,029	69,367,724	206,560,632	156,006,941	50,553,691	76%

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-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.

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM NGCDF BOARD

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	B096938	18,000,000	-
Normal Allocation	B104587	26,000,000	-
	B104795	18,167,724	-
	B104875	5,200,000	-
	B104996	9,000,000	-
	B128357	7,000,000	-
	B119756	13,000,000	-
	B119746	6,900,000	-
	B124901	10,000,000	-
	B138770	13,000,000	-
	B138771	6,000,000	-
	B138772	10,000,000	-
	B 105174	2,000,000	-
	B 140501	12,000,000	-
	B 140502	6,000,000	-
	B047141		400,000
	B047126		1,400,000
	B047316		4,532,000
	B047375		4,000,000
	B041445		20,000,000
	B047864		9,000,000
	B049238		19,000,000
	B104250		16,000,000
TOTAL		162,267,724	74,332,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,066,938	2,026,151
Gratuity-contractual employees	1,683,928	-
Employer Contributions Compulsory national social security schemes	196,482	134,904
Total	3,947,348	2,161,055

3. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	1,490,765	1,532,453
Electricity	-	35,000
Communication, supplies and services	443,675	345,634
Domestic travel and subsistence	408,112	322,154
Printing, advertising and information supplies & services	408,765	373,452
Training expenses	744,000	608,765
Hospitality supplies and services	456,325	355,234
Other committee expenses	1,800,876	1,845,367
Committee allowance	900,543	865,483
Office and general supplies and services	1,001,000	1,023,453
Fuel , oil & lubricants	772,345	823,765
Bank service commission and charges	46,488	105,000
Routine maintenance - vehicles and other transport equipment	987,654	787,432
Routine maintenance- other assets	-	410,345
Total	9,460,548	9,433,538

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	26,620,496	9,768,330
Transfers to Secondary Schools	23,205,650	9,363,622
Transfers to Tertiary Institutions	23,652,855	17,873,621
Total	73,479,001	37,005,573

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary	8,654,000	6,351,581
Bursary - Tertiary	26,293,633	12,474,918
Security Projects	6526000	1,400,000
Sports Projects	3,492,000	2,879,800
Environment Projects	3,567,700	1,544,000
Emergency Projects	7,477,810	6,830,200
Total	56,011,143	31,480,499

6. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2020 - 2021	2019 - 2020
	Kshs	Kshs
Construction of Buildings	13,008,901	8,896,031
Purchase of office furniture and General Equipment	100,000	-
Total	13,108,901	8,896,031

7. CASH BOOK BANK BALANCE

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank, Keroka Branch. Borabu NG-CDF A/C no.1240261392623</i>	6,978,076	104,029
Total	6,978,076	104,029

8. GRATUITY

	2020-2021	2019-2020
	Kshs	Kshs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	1,683,928	-
Gratuity paid during the Year (C)	1,070,664	-
Closing Gratuity as at 30 th June D= A+B-C	613,264	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	104,029	14,748,725
Total	104,029	14,748,725

10. OTHER IMPORTANT DISCLOSURES

10.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	458,121	3,610,776
Total	458,121	3,610,776

10.2: PENDING STAFF PAYABLES

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	164,370
Total	-	164,370

10.3: UNUTILIZED FUND (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	171,597	958,945
Use of goods and services	(498,992)	(190,443)
Amounts due to other Government entities (see attached list)	30,775,636	45,607,279
Amounts due to other grants and other transfers (see attached list)	18,110,382	22,992,003
Acquisition of assets	(1,004,932)	103,969
Funds pending approval	3,000,000	-
Total	50,553,691	69,471,753

17.4: PMC ACCOUNT BALANCES (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances	10,221,812	1,998,905
Total	10,221,812	1,998,905

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount (Kshs)	Date Contracted	Amount Paid To-Date (Kshs)	Outstanding Balance (Kshs)		Comments
				2020-2021	2019-2020	
	a	b	c	d=a-c		
Construction of Buildings						
4. Stem Investments Ltd	3,112,604		3,112,604	-	3,112,604	
5. Getare Gets Joint Construction Ltd	498,172		40,051	458,121	498,172	
Total	3,610,776		3,152,655	458,121	3,610,776	

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ANNEX 2 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
		Kshs	Kshs	
Compensation of employees		171,597	768,502	
Use of goods & services		(498,993)	-	
Amounts due to other Government entities				
Alvida Investments Ltd		(100,000)		
Amakura Primary School	Equipping of borehole	1,500,000		
Danokeim Ltd		421,892		
Egentubi Primary School		(24,290)		
Emboye primary school	Construction of an administration block	1,000,000		
Endemu Primary School				
Gesibei Primary School	Renovation of class rooms	900,000		
Gesibei Primary School	Renovation of 15 class rooms	1,000,000		
Havepach Enterprises Ltd		(2,000,000)		
Ibara Junction -Ibara Boarding primary - Ibara Secondary School /Ibara Day Secondary School road 1.5Km	Rehabilitation of a road	33,973		
Jobama General Supplies Ltd	Rehabilitation of a road	500,000		
Kahawa Primary School	Renovation of class rooms	400,000		
Kebuse Primary School	Renovation of a classroom	200,000		
Kerema Primary School	Renovation of class rooms	300,000		
Kerema Primary School	Renovation of class rooms	400,000		
Kitaru Primary School	Construction of a pit latrine	300,000		
Magombo Primary School	Renovation of an administration block	500,000		
Mecheo Primary School	Renovation of class rooms	500,000		
Mecheo Primary School	Renovation of class rooms	300,000		
Nsicha Primary School	Construction of two class rooms	1,200,000		
Nsicha Primary School	Construction of two class rooms	1,000,000		
Nyamori Primary School	Construction of two class rooms	300,000		
Nyandoche II Primary School	Renovation of two class rooms	300,000		
Nyandoche II Primary School	Renovation of class rooms	300,000		

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
Nyangoge Primary School	Completion of a pit latrine	100,000		
Nyansiongo DEB Primary School	Renovation of class rooms	400,000		
Nyansiongo DOK Primary School		(100,000)		
Nyaronde Primary School	Construction of a pit latrine	300,000		
Omonono Primary School	Construction of two class rooms	1,200,000		
Omonono Primary School	Construction of a pit latrine	300,000		
Riamanoti Primary School	Renovation of class rooms	600,000		
Riamanoti Primary School	Renovation of class rooms	400,000		
Riaryaemo Primary School	Construction of a pit latrine	300,000		
Ribaita Primary School	Construction of a pit latrine	300,000		
Riensune Primary School	Equipping of borehole	1,500,000		
Riosumo Water Springs	Completion of a water spring	240		
Saiga Ngiya Primary School	Construction of two class rooms	1,200,000		
Saiga Ngiya Primary School	Construction of one classroom	500,000		
St Albert Boys Primary School	Renovation of class rooms	500,000		
St Andrews Kaggwa Primary School	Construction of a pit latrine	300,000		
Viongozi Centre - Nyageita Primary School Road	Rehabilitation of a road	31,612		
Secondary Schools Projects				
AIC Gietai Girls Secondary School	Construction of a pit latrine	300,000		
Amas General Construction & Suppliers Ltd	Rehabilitation of road	457		
Biego Secondary School	Completion of a tuition block	1,200,000		
Egentubi Secondary School	Completion of a dormitory	500,000		
Endiba Secondary School	Equipping of borehole	500,000		
Endiba Secondary school	Equipping of borehole	1,000,000		
Jomny (K) Services		153,078		
Kiabonyoru Girls Secondary School	Purchase of a school bus	7,200,000		
Kimamika Multipurpose Suppliers		167,280		
Mecho Secondary School	completion of a staff house	400,000		
Mecho Secondary School	Construction of staff house	100,000		
Nsicha Secondary School	Completion of a class room	250,000		
Nyamiranga Secondary School	Completion of a dormitory	1,000,000		

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
Nyansongo Boys Secondary School	Purchase of a school bus	300,000		
Omonono Secondary School	Construction of a pit latrine	9,650		
St James Nyaronde Secondary School	Construction of a class room	600,000		
Tindereti Secondary School	Construction of a class room	600,000		
Frevic Engineering Limited		(250,000)		
Tertiary institutions Projects				
Stem Investments Ltd		(191,851)		
Borabu TTC - Underground Tank		600,000		
Grey Joy Ltd		(1,493,339)		
Oceanbays Investments & General Supplies Ltd		(89,800)		
Borabu TTI - Lorry canter		300,000		
Borabu TTI - Motorcycle		400,000		
Brazen Alley LTD		13,593		
Borabu TTC Kitchen		5,124		
Borabu TTC Pit Latrine		125,000		
Kimamika Multipurpose Suppliers		13,018		
Sub-Total		30,775,637	46,375,782	
Amounts due to other grants and other transfers				
Emergency	To cater for unforeseen occurrences	82,438		
Secondary Schools Bursaries	Bursary for tertiary institutions	(5,581)		
Tertiary Institutions Bursaries	Bursary for tertiary institutions	120,275		
Social Security	Social security programs NHIF	3,040,000		
Sports		11,754		
Environment - Pelawico Agencies Ltd	Cater for constituency environmental activities	30,078		
Security Projects				
Kiabonyoru Assistant County Commissioner's office	Construction of an office block	200,000		
Nyansingo Chief's Office	Construction of an office block	100,000		
Esise DO's office	Construction of an office block	674,000		
Ensakia Chiefs Office	Construction of a pit latrine	300,000		

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
Mecheo Chief's Office	Construction of a pit latrine	200,000		
Saiga Ngiya Administration Police Post	Construction of an office block	1,400,000		
Manga Police Station	Construction of an office block	1,000,000		
Memisi Anti Stock Theft Unit	Completion of staff house	1,300,000		
Kahawa Administration Police Post	Construction of an office block	300,000		
Bonyarorande Administration Police Line	Completion of staff house	300,000		
Memisi Anti Stock Theft Unit	Completion of staff house	700,000		
Tinderet Police Station	Construction of a pit latrine	100,000		
Borabu Sub -County Head quarters	Construction of a pit latrine	300,000		
Tinderet Police Station	Construction of an office block	500,000		
Ensinyo AP Post	Completion of an office	357,417		
Kebuse Anti Stock Theft Unit	Construction of staff house	700,000		
Nyaramba AP Post	Construction of office block	300,000		
Rinyoni AP Post	Construction of a staff house	500,000		
Isoge AP Line	Construction of a pit latrine	200,000		
Esise Chief's Office	Construction of office block	100,000		
Mogusii AP Line	Construction of office block	300,000		
Getare Ap Line	Construction of office block	500,000		
Manga Police Station	Construction of office block	1,000,000		
Kiabonyoru Police Station		1,000,000		
Sub-Total		15,610,381	22,992,002	
Acquisition of assets		-	103,969	
	Construction of NG-CDF office	(1,104,932)		
	Purchase of furniture and equipment	100,000		
Sub-Total		(1,004,932)		
Funds pending approval			-	
Strategic Plan	Development of a strategic plan	2,000,000		
Electricity	Installation of Electricity Transformers	3,500,000		
Sub-Total		5,500,000		
Grand Total		50,553,690	69,471,753	

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ANNEX 3 – SUMMARY OF FIXED ASSETS REGISTER AS AT 30 JUNE 2021

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)	2019/20			(Kshs)	2020/21
Buildings and structures	9,773,031	9,773,031	13,008,901	-	22,781,932	
Transport equipment	6,000,000	6,000,000	-	-	6,000,000	
Office equipment, furniture and fittings	1,335,000	1,335,000	100,000	-	1,435,000	
ICT Equipment, Software and Other ICT Assets	458,000.00	458,000.00	-	-	458,000	
Intangible assets	25,000	25,000	-	-	-	
Total	17,591,031	17,591,031	13,108,901	-	30,674,932	

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ANNEX 4 – PMC BANK BALANCES AS AT 30 JUNE 2021

PMC	Bank	Account number	Ban2020/21k Balance (Kshs)	Ban2019/20k Balance (Kshs)
Magombo DEB Primary School	Equity	1240262379266	2,270	
Kijauri Level 4 Hospital	Equity	1240267244631	999,550	
Kineni Mixed Secondary School	Equity	1240269805491	8,958	
Riang'ombe DOK Primary School	Equity	1240280115715	5,685	
Riensune DEB Primary School	Equity	1240280115897	4,392	
Ensakia DEB Primary School	Equity	1240280118844	8,318	
Kiang'eni Division Head Quarters	Equity	1240280120242	2,677	
Ekiye DEB Primary School	Equity	1240280132154	129,326	730
Kenयो SDA Primary School	Equity	1240280171449	2,360	
Nyansiongo/Gesima Sub- Location Assistant Chiefs office	Equity	1240280186387	1,001	
Keginga DEB Primary School	Equity	1240280782286	84,122	
Nyansakia DEB Primary School	Equity	1240280835626	5,127	
Matatutu Sublocation Office	Equity	1240280843349	499,550	
Nyansiongo DOK Primary School	Equity	1240280988776	59,630	
Ensinyo Primary School	Equity	1240280988776	1,000,000	
Endernu DOK Primary School	Equity	1240178944432	580	
Menyenya Assistant Chiefs office	Equity	1840280818579	2,975	
Mekenene DEB Primary School	Equity	1840280839421	6,657	
Ekerubo Chiefs Office	Equity	1840280851437	133,616	
Nyaramba Assistant Chiefs office	Equity- Nyamira	520277660349		80
St. Joseph's Lietago Mixed Secondary School	Equity - Keroka	1240278993321		-
Tindereti DEB Primary School	KCB- Keroka	1169056679		2,912
Kenयो SDA Primary School	Co-operative Bank Keroka	1139363497000		1,621
Egentubi Secondary School	KCB-Nyamira	1110008791	7,090	-
Omosocho SDA Primary School	Equity - Keroka	1240278902195		-
Nyansiongo High School	KCB- Keroka	1151744697	6,900,000	1,993,564
Rigoko Secondary School	KCB- Keroka	1154219461	19,139	
Ribaita Secondary School	KCB- Keroka	1152855972	2,314	
St Patricks Kahawa Secondary School	KCB- Keroka	1257762036	314,519	
St Thomas Moore Secondary School	KCB- Keroka	1200399684	21,960	
Total			10,221,812	1,998,906

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the Auditor-General in the Financial Year 2019/2020, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON THE FINANCIAL STATEMENTS				
Basis for Qualified Opinion				
1.	<p>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 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.</p>			
2.	<p>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,</p>	The respective copies of payment vouchers and schedules have been attached for review.	- Resolved	- Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>routine maintenance, hospitality supplies and services, domestic travel subsistence and printing and advertising.</p> <p>Unaccounted Bursaries</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> - We acknowledge the anomaly as the receipts file had been misplaced. - Kindly find attached an assortment of receipts for bursary payments. - We are making effort to collect other receipts as some institutions delay in sending receipts after receiving the cheques. 	<ul style="list-style-type: none"> - Working on the matter 	<ul style="list-style-type: none"> - In 2 months' time
Other Matter	<p>Budgetary controls and performance</p> <p>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.</p> <p>Similarly, the Fund spent Kshs.88,976,696 against an approved budget of Kshs.158,448,449 resulting to an</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>under expenditure of Kshs.69,471,753 or 44% of the approved budget.</p> <p>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.</p> <p>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.</p>			
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Basis for Conclusion				
1.1	Transfer to Other Government Entities			
1.2	Unauthorized Reallocation of Funds			
	<p>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</p>	<p>- The scope of works did not change. The school built one classroom on the side of the side of the storied classroom which is ongoing.</p> <p>- Due to the limited space at the school, the school requested to do a storied classroom.</p>	- Resolved	- Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.3	<p>allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.</p> <p>Construction of Borabu Teachers Training College</p> <p>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.</p> <p>In the circumstances, the regularity and value for money of the expenditure of Kshs.13,894,634 could not be confirmed.</p>	<p>- Delays in works have partly been caused by climatic changes especially heavy rainfall. There were also changes in design at the early stages of construction.</p> <p>- There have also been delays in disbursement of funds by the Government in the recent times hence causing delays in completion. At the close of the financial year the NGCDFC Committee had not received Ksh 69,471,753.00 for projects hence causing delayed implementation.</p> <p>- The final allocation for pending works has been allocated in</p>	<p>- Resolved</p>	<p>- Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>Irregular Tendering - Construction of Office Block for Borabu Constituency</p> <p>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:</p> <ul style="list-style-type: none"> 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. <p>The omission and separate tendering could have resulted to splitting of the tender contrary to</p>	<p>Financial year 2020/21 for completion of the project.</p> <p>- The total variations for the project involving the ground beam, retaining wall and other additional preliminaries are Kshs 7,294,189.00 which is 20% of initial project cost.</p> <p>- Mechanical and electrical services are all included in the original cost of the project and no other variation has been done.</p> <p>- See attached an award letter for original contract and variations.</p> <p>- Partly the speed of works has been affected by heavy rainfall and slow rate of disbursement of funds from the NGCDF Board.</p>	- Resolved	- Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>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.</p> <p>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.</p> <p>In the circumstances, the regularity and value for money of the expenditure of Kshs.8,896,031 could not be confirmed.</p>	<p>- An amount of Kshs 12,000,000.00 has been allocated during financial year 2020/21 and we are hopeful that the project shall be completed in time.</p>		
3.1	Other Grants and payments			
3.2	Irregular Expenditure for Opening of Access Roads			
	<p>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</p>	<p>- The roads done were emergency works done after destruction of heavy rains and connected security offices and schools and were considered as security or schools emergency projects.</p>	<p>- Resolved</p>	<p>- Resolved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>unforeseen need as prescribed by Section 8(3) of the Act.</p> <p>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.</p> <p>Under the circumstances, the regularity of the expenditure of Kshs.5,504,000 could not be confirmed.</p>			



 Fund-Account Manager
 Name: Edwin Lecha



 Chairman NG-CDF Committee
 Name: Duncan Ondari