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**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

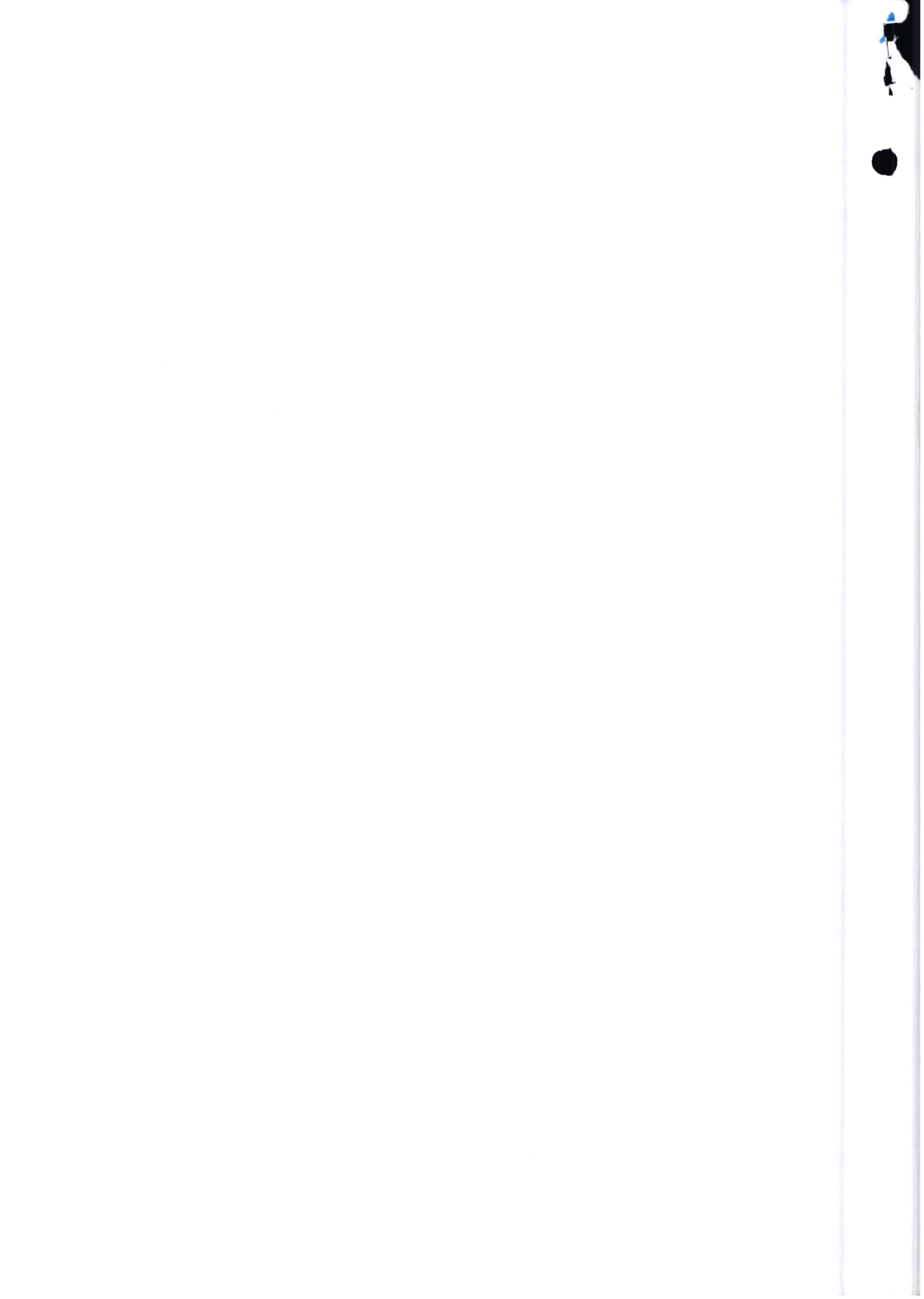
<b>REPORT</b>	
THE NATIONAL ASSEMBLY	
DATE: 01 MAR 2022	REV. TUE
TABLED BY: OF	LOM
CLERK-AT-THE-TABLE:	G. Chebet.

**THE AUDITOR-GENERAL**

**ON**

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

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





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

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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

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# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR CONSTITUENCY

## Reports and Financial Statements

For the year ended June 30, 2020

### I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

#### (a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

#### Mandate

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

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

#### Vision

Equitable Socio-economic development countrywide

#### Mission

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

#### Core Values

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

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**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	A.I.E holder	Merisia Krop Musa
2.	Sub-County Accountant	Stanley Mutai
3.	Chairman NGCDFC	Christopher Ng'oleruk
4.	Member NGCDFC	Nicholas Molo

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF SIGOR Constituency Headquarters**

NG-CDF Office Building  
P.O. Box 1-30603  
WEI WEI KENYA





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**(f) NGCDF SIGOR Constituency Contacts**

Telephone: (254) 0704668788

E-mail: [cdfsigor@ngcdf.go.ke](mailto:cdfsigor@ngcdf.go.ke)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF SIGOR Constituency Bankers**

1. Equity Bank  
Account No 1070296968337  
Kapenguria Branch

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



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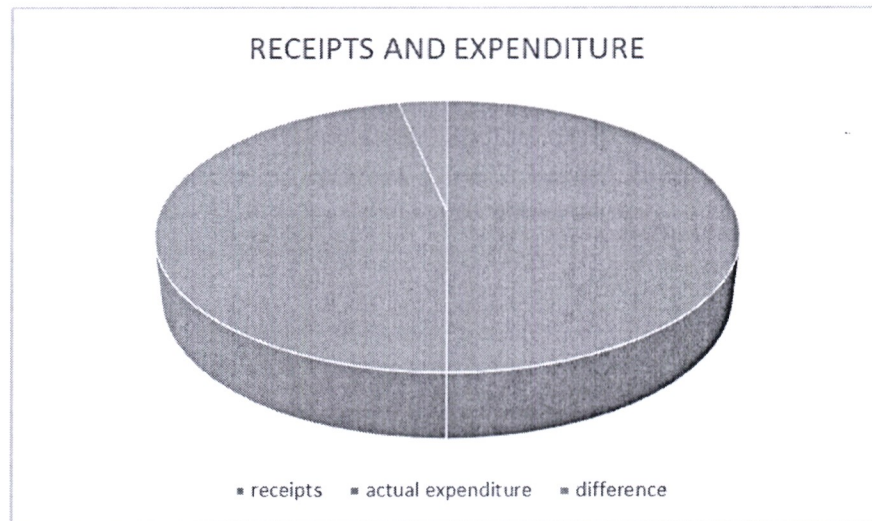
**Reports and Financial Statements  
For the year ended June 30, 2020**

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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

Guided by the vision of Sigor Constituency, which is to be a leading Constituency in the effective and efficient management of the fund. Sigor NG CDF has continued to implement in a well-organized and coordinated manner the various projects which follows clearly set performance indicators and time frame, under each of the four strategic priorities namely: education infrastructure and bursary, security, environment and sports through equity and sustainable development in poverty eradication at community level.

Sigor NG- CDF has made significant progress in its budget especially on the completion rates of the funded projects. The financial statement details the performance and financial position of Sigor NG CDF for financial year 2019/2020. Receipts of all the funds Sigor NG-CDFC received from the NG-CDF Board amounts to kshs 123,040,876 in financials year 2019/2020 and a total of Ksh 12,604,625 carried forward from the previous financial year 2018/2019 bringing the total amount of available funds for the financial year under review to ksh 136,184,298.77. The total expenditure in the financial year under review amounted to ksh 130,465,316.14. This represented 93% absorption of total receipts in the year under review. The total budget for the year under review is Ksh 208,921,713. This comprises of the constituency allocation of kshs. 137,367,724.14 in the FY 2019-2020 and a balance brought forward from the previous financial year 2018/19 of kshs 71,553,989.



The Budget utilisation was fairly good considering that a huge amount of Kshs 71,553,989.00 has not been disbursed to the constituency by the Board.



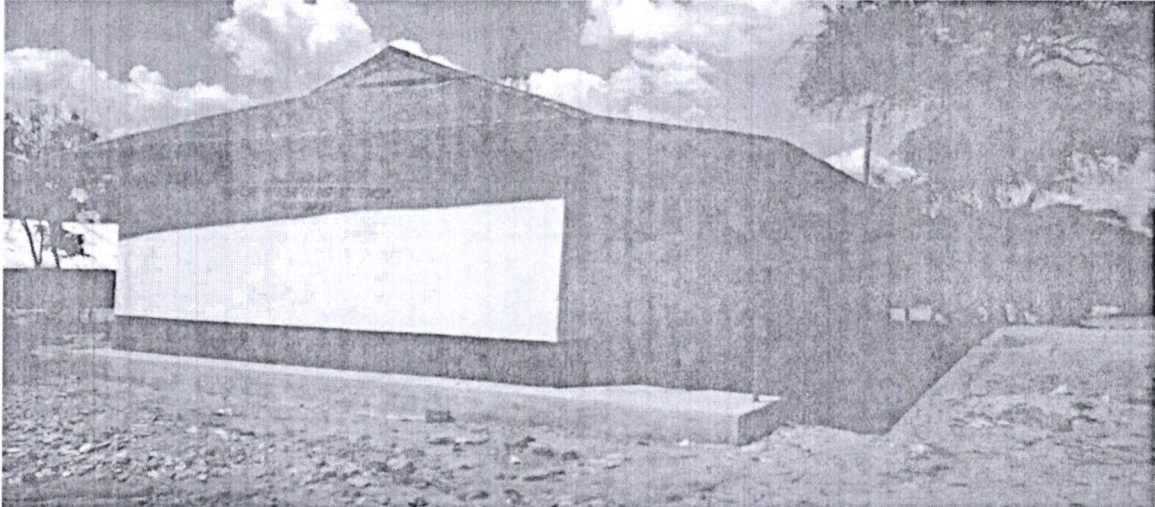
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR  
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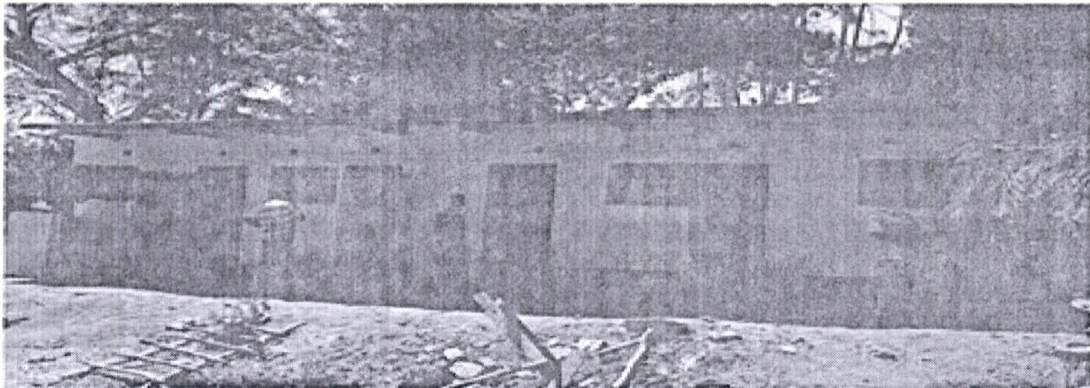
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**ACHIEVEMENTS**

The Sigor NGCDF achieved a lot during the financial year under review. Just to mention a few, Sigor NGCDF managed to sponsor over 6000 students by awarding them bursary. Some of the achievements are as illustrated below.



*Lomut Primary School CSO's Office*

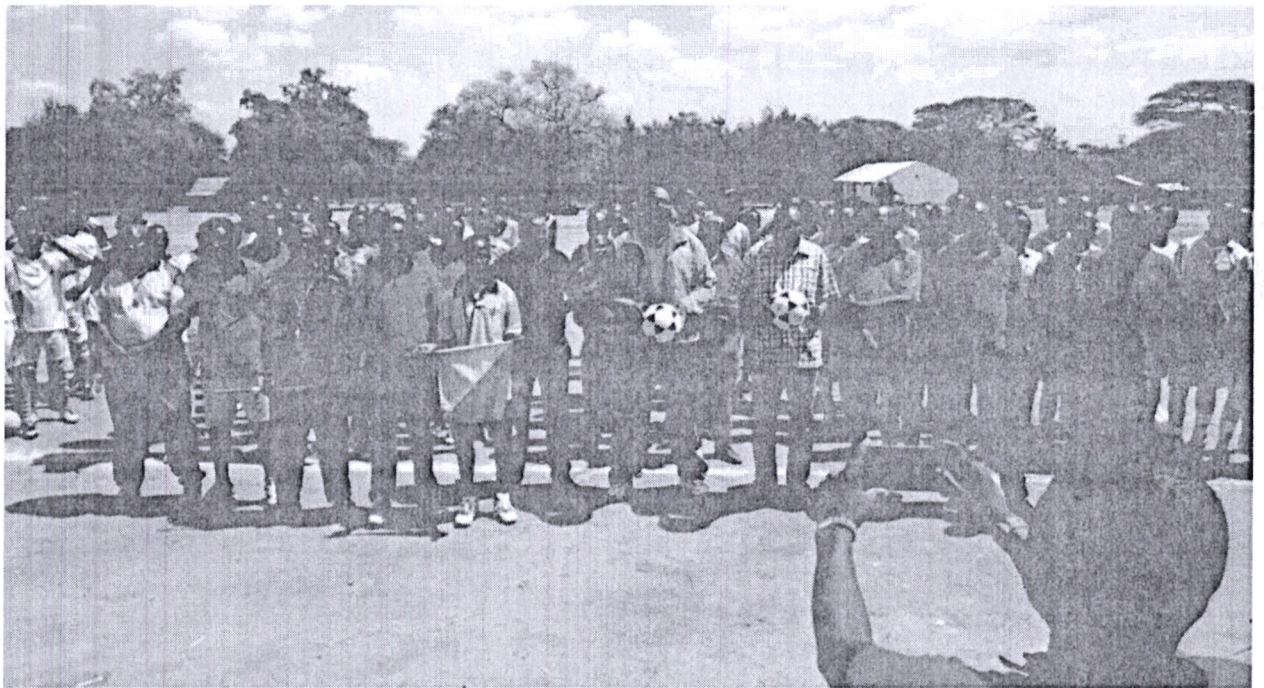
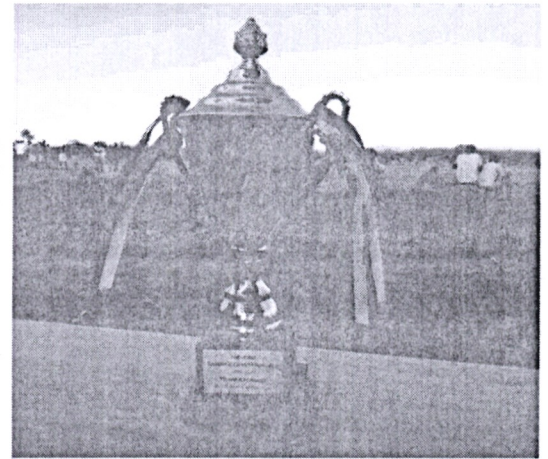
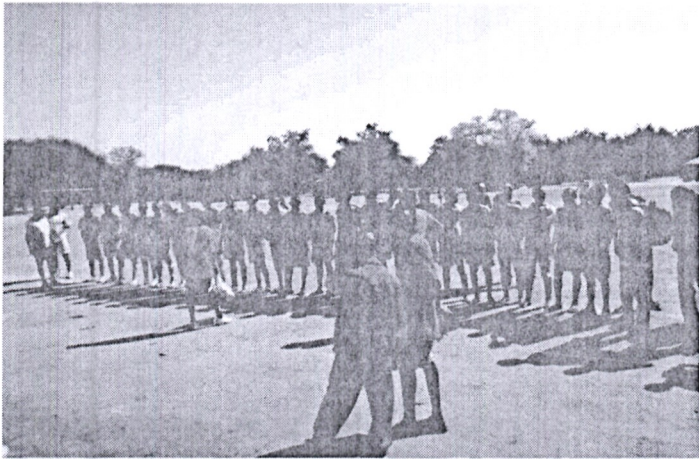


*Chesezon Police Post (Successful border project that was implemented through community engagement)*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR  
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NGCDF Youth sports tournament 2019-2020

Sign

CHAIRMAN NGCDF COMMITTEE





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR  
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**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 NGCDF-SIGOR Constituency's 2018-2023 plan are to:**

<b>Strategic Issues</b>	<b>Strategic Objectives</b>	<b>Strategies</b>
<b>Education</b>	<ul style="list-style-type: none"><li>• To improve access to quality Education</li></ul>	<ul style="list-style-type: none"><li>• Improve on infrastructural development</li><li>• Strengthening and supporting students programmes</li></ul>
<b>Security</b>	<ul style="list-style-type: none"><li>• To strengthen security in the Constituency</li></ul>	<ul style="list-style-type: none"><li>• Improve security facilities</li><li>• Strengthen community policing</li></ul>
<b>Environment</b>	<ul style="list-style-type: none"><li>• To combat the effect of environmental degradation</li></ul>	<ul style="list-style-type: none"><li>• Establish environmental sustainable programmes</li><li>• Enhance protection of water catchment areas</li></ul>
<b>Youth and Sports</b>	<ul style="list-style-type: none"><li>• To harness youths talents and support sport development</li></ul>	<ul style="list-style-type: none"><li>• Establish and support local youths Teams</li><li>• Campaign against drug use and substance abuse</li></ul>
<b>Communication &amp; Dissemination of information</b>	<ul style="list-style-type: none"><li>• To enhance effective communication and sharing of Information</li></ul>	<ul style="list-style-type: none"><li>• Enhance engagement with all relevant stakeholders</li><li>• Enhance media relation to reach out to the public</li></ul>
<b>Database Management System</b>	<ul style="list-style-type: none"><li>• To improve data storage, integration and sharing Information</li></ul>	<ul style="list-style-type: none"><li>• Developing database management System</li><li>• Develop capacity of the staffs</li></ul>

**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:



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Constituency				
Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide Conducive Learning environment for children	Number of usable Physical infrastructure built in primary, secondary, and tertiary institutions	Number of classrooms increased from 427 to 504
			Number of bursary beneficiaries at all levels	Number of laboratories increased from 10 to 17 Number of dormitories increased from 8 to 18 Number of administration blocks increased from 13 to 22
Water and Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools and public facilities with Sanitation Facilities	Number of sanitation facilities built in primary and secondary	Number of sanitation facilities increased from 20 to 42
			Number of trees Planted	
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and Enhance Provincial Administration and other security organs infrastructure to enhance service Delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 1 to 5
				Number of police lines increased from 2 to 3
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through Sports	Number of youth groups benefitting from the sports programs	Number of youth groups benefitting from the sports programme increased from 5 to 10



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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

**1. Sustainability strategy and profile –**

Kenya has always aligned its development agenda with the global development agenda particularly the Sustainable Development Goals (SDGs). NG-CDF Sigor have goals and targets that have a number of areas of focus that include; eradicating extreme poverty, universal primary education, promoting gender equality, environmental sustainability, improve social security and efficient service delivery to the people. The relevance of this is attributed to our vision, mission and core values as provided for in our strategic plan.

<b>Vision</b>	Equitable resource distribution for socio-economic development in the Constituency.
<b>Mission</b>	To provide ground for community participation in project identification, monitor selection process and prioritization of projects to enhance efficiency and effective management of public resources in the constituency.
<b>Core Values</b>	Based on its mandate and function, the constituency will be guided by the following core values: <b>Teamwork:</b> The committee is committed to work as a cohesive team and work with others like minded partners to achieve its vision <b>Integrity :</b> The committee is committed to embrace moral and ethical principles in all its undertakings <b>Accountability and Transparency:</b> The committee shall take responsibility of all its operation in an open and accountable manner. <b>Responsiveness:</b> The committee shall respond to the needs and priority projects by the stakeholder <b>Inclusiveness:</b> The committee is committed to public participation and people driven projects

In pursuit of the strategic plan, the plan expects the involvement of the programs and projects geared towards achieving these goals. Education is a critical area of concern, particularly in our constituency.



# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR CONSTITUENCY

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

The sector requires intervention to ensure quality education is accessible to many school-going children. Climate change continues to impact the world negatively and therefore, sustainable programs on environmental conservation should be embraced in the constituency.

### 2. Environmental performance

The communities in Sigor constituency derive their livelihood from the environment. Food, water, pasture for livestock's among others, are acquired from the environment that ought to be protected. However, the constituency experiences environmental challenges and concerns that eventually have great and negative impact to people's livelihood. Some of the environmental challenges include: deforestation for settlement, land for cultivation and burning charcoal. Destroying the environment has a negative impact on the climate change leading to ice melting hence raising global temperatures. The impact of the climate change is evident in the constituency in the quest for pasture, water and dwindled agricultural yields. Measures are required in the constituency to mitigate the impact of the climate change and environmental concerns. These measure may include;

- Establishing other sources of fuel other than charcoal and firewood is critical in conserving environment against degradation.
- Need to support sustainable development project in the constituency.
  - Need for the constituency to practise agro-forestation, re-afforestation and afforestation to combat issues on climate change and harsh weather environment in the Region
- Establish environmental sustainable programmes
  - Enhance protection of water catchment areas

Other than the effects mentioned above, the constituency is also blessed with mountainous ecosystem which covers almost 40% of the constituency. This Mountainous ecosystems exist in both lowlands and highlands and are particularly fragile and highly susceptible to erosion and landslides. They are especially important for biodiversity conservation since many harbour unique assemblages of plants and animals, including high levels of endemic species. Mountains are an important source of water. For example Mt. Mtelo, Mt. koghogh, Nasolot hills, Lelan Highlands and Cherangani Hills.

These mountain ecosystems have been subjected to a variety of uses and in the process have been exposed to degradation. The main drivers of mountain ecosystems degradation are;

- i. deforestation,
- ii. illegal logging,
- iii. poaching of wild plants and animals,
- iv. fires and mining,
- v. uncontrolled grazing,
- vi. Encroachment and the effects of climate change.

### Organization's policy

The organisation will;





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR  
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1. Generate and strengthen knowledge about the ecology and sustainable management of mountain ecosystems.
2. Develop and implement strategies and action plans for sustainable management of mountain ecosystems.
3. Promote integrated watershed management and alternative livelihood opportunities to enhance community participation and empowerment in the conservation and management of mountain ecosystems.
4. Adopt appropriate land use planning and watershed management practices for sustainable development of mountain ecosystems.
5. Ensure all water catchment areas are zoned and managed as protected areas and free from excision.
6. Involve and empower communities in the management of mountain ecosystems.

**3. Employee welfare**

Employee welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms.

**Terms of Employment**

To ensure effective implementation of Sigor NG-CDF projects, the NG-CDFC has expanded the human resources capacity through proper and competitive recruitment, training and development to meet the needs of the institution's mandate in operation and service delivery. A mix taking into consideration gender ratio at the constituency office is critical to enhance capacity development and compliment. So far the gender ratio of men and women is 3:1. Some of the staffs at the office include; Fund Manager, clerks, secretary, assistant accountant, support staff and drivers.

The NG-CDF Sigor offers employment to NGCDFC staff on a 3 years contract that is renewable. Employees are eligible for employee benefits in line with the statutory requirements.

Some of the measures taken to improve skills of the employees are;

- Motivation and fostering good working environment
- Better remuneration
- Career development opportunities
- Social & Health security covers

**Employee Welfare Benefits**

The statutory welfare benefits schemes given by NGCDF Sigor to its employees include the following provisions: Drinking Water, Facilities for sitting, First aid appliances, Latrines and Urinals, Lighting, Washing places, Changing rooms, Maternity & Adoption Leave.

**4. Market place practices-**



## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SIGOR CONSTITUENCY

### Reports and Financial Statements

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Kenya's current competition law aims to protect the process of competition. It emphasises reducing entry barriers and restrictive business practices irrespective of which groups they affect. NGCDF fund was designed to improve lives and livelihood of the people at the grassroots and ensure that equitable distribution of resources is achieved across all the constituencies in Kenya. It is in this spirit that Sigor NGCDF is determined in ensuring that best market practices are adhered to in the constituency for the effective implementation of National Government projects at the grass root level.

#### *a) Responsible competition practice.*

Section 37. of NGCDF Act 2016 states that All works and services relating to projects under this Act shall be procured in accordance with the provisions of the Public Procurement and Disposal Act, 2015 (Cap. 412A). Therefore during the implementation of PMC projects and NGCDFC projects and supply of goods and services we strive to promote competitive procurement process.

#### *b) Responsible Supply chain and supplier relations*

Awarding of tenders through competitive process, notifying the bidders on the outcome of the tendering process and awarding the successful bidders within the stipulated time.

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

##### *practices*

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders. This will ensure that quality service from qualified bidders is offered to the people.

#### *d) Product stewardship*

In order to safeguard consumer rights and interests, the Sigor NG-CDF came up with a service charter, complaints handling policy, principles and procedures brochure and corruption mitigation policy. The service charter points out our commitment in ensuring that we provide quality services to our people. Whereas complaints handling policy, exhibits our commitment to continuously provide fair and transparent resolution of complaints in the shortest time possible. While corruption mitigation policy enables our people to get services in a high integrity environment with the promise of free and fair service delivery.

### **5. Community Engagements -**

The showed great commitment in the process of project identification and subsequent implementation of the projects. There was 100% participation of the members of the community in Sigor Constituency giving their views and assisting contractors during implementation of various projects.

There has also been engagement with community members on projects that are close to border points owing to the insecurity incidences that have led to delay in project implementation.

### **6. Youth and Sports**

Young people are significant component of the society. Their existence depicts the future and posterity of that society. They carry along life and lineage of any society anywhere. Young people have diverse talents and abilities that ought to be exploited for their own advantages. Sigor Constituency is endowed with talented youths. However, this population of youth is mostly ignored and could pose a great risk to the constituency security if not engaged.

Engaging them in sports provides an effective avenue to hew them from social voices such as drug and substances abuse, cattle rustling, theft among other criminal activities. Sports become important activities for youths in the Sigor Constituency to engage in a more meaningful way. Sports act as a tool to help the youths develop positive character traits and life values that are useful for the society. It's therefore important to initiate sport and recreation program to engage youths positively in the constituency.



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


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

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

**Approval of the financial statements**

The NGCDF-SIGOR Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2020.

  
\_\_\_\_\_  
Fund Account Manager  
Name:

  
\_\_\_\_\_  
Sub-County Accountant  
Name:  
ICPAK Member Number:





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*Enhancing Accountability*

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Sigor Constituency set out on pages 16 to 57, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### Basis for Qualified Opinion

##### 1.0 Inaccuracies in the Financial Statements

##### 1.1 Unsupported Prior Year Adjustment

The statement of assets and liabilities reflects prior year adjustment figure of Kshs.458,848 which increased opening bank balances of Kshs.123,040,876 to Kshs.123,499,724 as disclosed in Note 14 to the financial statements. However, the opening bank balance is Kshs.12,604,625. Further, justification for adjustment has not been provided for audit review.

Consequently, accuracy of prior year adjustment of Kshs.458,848 could not be confirmed.

### 1.2 Inaccurate Comparative Balances

Comparative figures reflected in statements of receipts and payments, statement of assets and liabilities and statement of cash flow are not in agreement with the correct arithmetic amounts as summarized below:

Item	Financial Statements	Reported amount (Kshs)	Correct Arithmetic Amount (Kshs.)	Variance (Kshs.)
Total payments	Receipts and payments	100,433,463	96,509,295	3,924,168
Net financial position	Assets and liabilities	12,604,625	13,454,914	(850,289)
Total operating payments	Cash flow	96,509,295	92,585,127	3,924,168

Consequently, the accuracy of respective comparative figures could not be confirmed.

### 1.3 Inaccurate Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects bank balance of Kshs.5,718,983 as at 30 June, 2020. Bank reconciliation statement reflects unrepresented cheques amounting to Kshs.6,229,153, which includes cheques amounting to Kshs.684,415 which had become stale as at 30 June, 2020. At the time of audit in March, 2021, there was no evidence of reversal and replacement of the stale cheques.

Further, the bank reconciliation statement reflects bank charges of Kshs.660 while bank statement for the year ended 30 June, 2020 revealed total bank charges incurred during the year amounted to Kshs.102,470. These bank charges were not recorded in the cash book and charged in the statement of receipts and payments.

Consequently, the accuracy of the bank balance of Kshs.5,718,983 could not be confirmed.

### 1.4 Unsupported Bank Balances

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.782,367 as at 30 June, 2020 held in eleven (11) bank accounts. However, cash books, bank reconciliation statements, certificates of bank balance and bank statements for the eleven (11) bank accounts were not provided for audit review. Further, during the year, a total of Kshs.61,611,262 was disbursed to seventy-nine (79) projects an indication of non-disclosure of some PMCs' bank balances as at 30 June, 2020.

Consequently, the accuracy, completeness and existence of the Project Management Committee bank balances amounting to Kshs.782,367 could not be confirmed.



## 1.5 Inconsistent Fixed Assets Balances

Annex 4 to the financial statements - summary of fixed assets register reflects total assets amounting to Kshs.37,597,570 as at 30 June, 2020. However, the amounts in summary of fixed assets register are not in agreement with corresponding figures in the assets register resulting to unexplained or unreconciled variance of Kshs.30,968,535 as summarized below;

<b>Asset</b>	<b>Cost as per Fixed Assets Register (Kshs)</b>	<b>Cost as per Summary of Fixed Assets Register (Kshs)</b>	<b>Variance (Kshs)</b>
Buildings and Structure	37,000,000	22,098,570	14,901,430
Transport Equipment	14,747,606	10,330,000	4,417,606
office Equipment, Furniture and Fittings	462,500	2,510,000	(2,047,500)
ICT Equipment, Software and Other ICT Assets	115,999	878,000	(762,001)
Other Machinery and Equipment	16,240,000	1,781,000	14,459,000

Consequently, the accuracy and completeness of total fixed assets figure of Kshs.37,597,570 could not be confirmed.

## 2.0 Unsupported Expenditure

The statement of receipts and payments and as disclosed in Note 6 reflects transfers to other government units amounting to Kshs.61,611,262. This amount comprises of transfers to primary and secondary schools amounting to Kshs.28,124,512 and Kshs.33,486,750, respectively. However, approved work plans, procurement plans, expenditure returns and Project Management Committees (PMCs) reports were not provided. Further, actual expenditure returns and acknowledgement letters from institutions that received the funds were not provided for audit verification.

Consequently, the accuracy and completeness of the expenditure amounting to Kshs.61,611,261 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 - Sigor Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.205,013,224 and Kshs.130,465,316 respectively resulting to an under-funding of Kshs.74,547,908 or 36% of the budget. Similarly, the Fund expended Kshs.130,465,316 against an approved budget of Kshs.205,013,224 resulting to an under-expenditure of Kshs.74,547,908 or 36% of the budget.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Irregular Construction of Constituency Development Fund (CDF) Office**

As reported in the previous year, a contract was awarded to a construction firm in the 2015/2016 financial year at a contract sum of Kshs.13,710,381 for construction of a CDF office at Sigor. Available information indicates that the contractor was paid a total of Kshs.12,332,012 or about 90% of the contract sum as at 30 June, 2019. Later, the contractor vacated site without completing the work. Subsequently, the fund Management opted for direct procurement of materials and labour totalling Kshs.11,066,635 to bring total cost of the project to Kshs.23,398,647 as at 30 June, 2019. During the year ended 30 June, 2020, no additional payments were made towards the project.

A physical verification of the project confirmed that the project is complete and in use. However, the following anomalies were noted;

- i. The procurement records such as tender advertisement, opening minutes, evaluation, award of tender minutes and contract document were not provided for audit review.
- ii. The payment vouchers were also not supported by minutes of site meeting and interim certificates. It was further noted that the contractor abandoned the project after payment of 90% of the contract sum.
- iii. The Management did not explain why the contractor was paid without certificates of completion and evidence of work done.
- iv. Further, the Management did not provide evidence that the direct procurement of labour and materials was done competitively as per the provisions of Public Procurement and Asset Disposal Act, 2015.

Consequently, the Management was in breach of the law.

## **2.0 Irregular Payment of Bursary**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.45,643,406 which includes bursary to secondary schools and tertiary institutions amounting to Kshs.11,942,400 and Kshs.2,229,000, respectively. However, the following anomalies were noted;

- i. There was no evidence to show that vetting, identification and categorizing of needy students was done by the bursary subcommittee that should include area education officer or a representative from the Ministry of Education contrary to CDF Board circular reference VOL1/111 dated 13 September, 2010 which requires formation of a subcommittee of Constituency Development Fund to manage the bursary scheme, which subcommittee should include two co-opted members one who must be an education officer or an officer seconded from Ministry of Education.
- ii. Evidence of acknowledgement in form of receipts and acknowledgement letters from the various institutions that received funds to support the bursary payments were not provided for audit review.
- iii. The Fund does not maintain a current/updated database of secondary schools, colleges and universities as registered by the Ministry of Education to ascertain whether the students who applied for the and received bursary are undertaking their studies in institutions registered.
- iv. Further, it was observed that the Ward Education Fund Appraisal committees did not establish from the learning institutions if the bursary applicants had received funding from other sources.

Consequently, the Management was in breach of the law.

### **3.0 Irregular Payment of Emergency Projects**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments and reflects other grants and other payments amounting to Kshs.45,643,406 which includes emergency projects payments of Kshs.7,250,000. During the year under review, emergency payments of Kshs.7,250,000 was made to eighteen (18) projects which included security projects, secondary and primary schools.

However, no evidence was provided to show that the payments met the emergency criteria in accordance with Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which states that, emergency shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

Further, there was no evidence to confirm that the Constituency Committee reported to the Board within thirty days of occurrence of emergency contrary to Regulation 20(2) of National Government Constituencies Development Fund Regulations, 2016 which states that utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

Consequently, the Management was in breach of the law.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

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


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 February, 2022


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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>123,040,876</b>	<b>108,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,899,622	3,062,507
Use of goods and services	5	8,215,126	7,359,296
Transfers to Other Government Units	6	61,611,262	26,181,595
Other grants and transfers	7	45,643,406	52,389,337
Acquisition of Assets	8	12,015,950	3,924,168
Other Payments	9	-	3,592,392
<b>TOTAL PAYMENTS</b>		<b>130,385,366</b>	<b>100,433,463</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(7,344,490)</b>	<b>8,351,020</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SIGOR Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name:

  
\_\_\_\_\_  
National Sub-County Accountant  
Name:  
ICPAK Member Number:

SIGOR CONSTITUENCY DEVELOPMENT FUND  
FUND ACCOUNT MANAGER  
**13 APR 2021**  
Sign:.....  
P.O. Box 1 - 30603, WEIWEI





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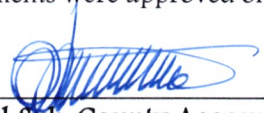
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
SIGOR CONSTITUENCY**  
Reports and Financial Statements  
As at June 30, 2020

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	5,718,983	12,604,625
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>5,718,983</b>	<b>12,604,625</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>5,718,983</b>	<b>12,604,625</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>5,718,983</u></b>	<b><u>12,604,625</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	12,604,625	4,253,605
Prior year adjustments	14	458,848	850,289
Surplus/Defict for the year		(7,344,490)	8,351,020
<b>NET FINANCIAL POSITION</b>		<b><u>5,718,983</u></b>	<b><u>12,604,625</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SIGOR Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

  
Fund Account Manager  
Name:

  
National Sub-County Accountant  
Name:  
ICPAK Member Number:





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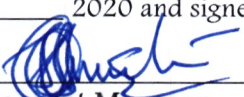
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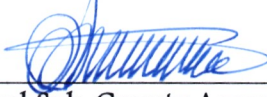
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
SIGOR CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3	-	-
<b>Total receipts</b>		<b>123,040,876</b>	<b>108,784,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,899,622	3,062,507
Use of goods and services	5	8,215,126	7,359,296
Transfers to Other Government Units	6	61,611,262	26,181,595
Other grants and transfers	7	45,643,406	52,389,337
Other Payments	9	-	3,592,392
<b>Total payments</b>		<b>118,369,416</b>	<b>96,509,295</b>
<b>Total Receipts Less Total Payments</b>		<b>4,671,460</b>	<b>12,275,188</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	458,848	-
<b>Net cash flow from operating activities</b>		<b>5,130,308</b>	<b>12,275,188</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	12,015,950	3,924,168
<b>Net cash flows from Investing Activities</b>		<b>(12,015,950)</b>	<b>(3,924,168)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(6,885,642)</b>	<b>8,351,020</b>
Cash and cash equivalent at BEGINNING of the year	13	12,604,625	4,253,605
Cash and cash equivalent at END of the year		<u>5,718,983</u>	<u>12,604,625</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SIGOR Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name:

  
\_\_\_\_\_  
National Sub-County Accountant  
Name:  
ICPAK Member Number:

SIGOR CONSTITUENCY DEVELOPMENT FUND  
FUND ACCOUNT MANAGER  
**13 APR 2021**  
Sign: .....18  
P.O. Box 1 - 30603, WEIWEI



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

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	67,645,500	205,013,224	130,465,316	74,547,908	63.6%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts			0	-	-	0.0%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>67,645,500</b>	<b>205,013,224</b>	<b>130,465,316</b>	<b>74,547,908</b>	<b>63.6%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,809,940	1,309,535	4,119,475	2,899,622	1,219,853	70.4%
Use of goods and services	8,838,155	258,487	9,096,642	8,295,076	801,566	91.2%
Transfers to Other Government Units	61,047,354	33,492,331	94,539,685	61,611,262	32,928,424	65.2%
Other grants and transfers	63,957,274	19,768,995	83,726,269	45,643,406	38,082,863	54.5%
Acquisition of Assets	715,000	12,408,544	13,123,544	12,015,950	1,107,594	91.6%
Other Payments	0	407,608	407,608	-	407,608	0.0%
<b>TOTAL</b>	<b>137,367,724</b>	<b>67,645,500</b>	<b>205,013,224</b>	<b>130,465,316</b>	<b>74,547,908</b>	<b>63.6%</b>

The percentage utilisation of the 2019-2020 budget stood at 63.6%. This was as a result of delayed funding of the 2019-2020 budget by the NGCDF board..

At the close of the 2019-2020 financial year, Kshs. 74,547,908 for Sigor Constituency NG CDF was yet to be disbursed from the Board.

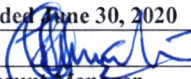
The underutilisation of Other grants and transfers was as a result of low disbursement of bursary funds due to the closure of learning institutions resulting from the COVID pandemic

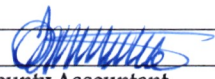
The increase in the original budget is represented by the unutilised funds carried forward from the previous financial year.

The NGCDF-SIGOR Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

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

---

  
Fund Account Manager  
Name:

  
Sub-County Accountant  
Name:  
ICPAK Member Number:

SIGOR CONSTITUENCY DEVELOPMENT FUND  
FUND ACCOUNT MANAGER  
**13 APR 2021**  
Sign:.....  
P.O. Box 1 - 30603, WEIWEI

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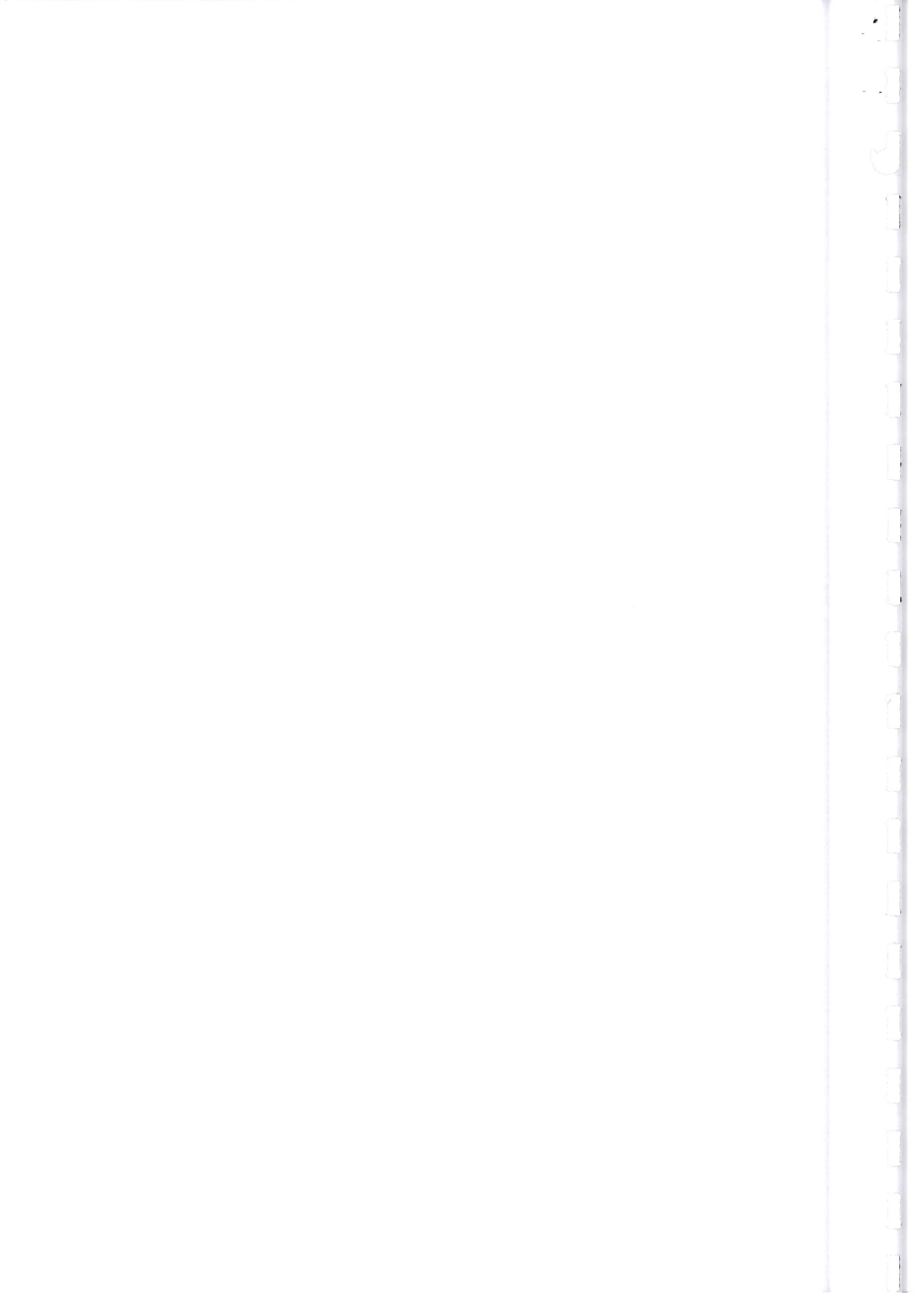
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**XI. DGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	2,809,940.00	1,309,535.00	4,119,475.00	2,899,622.00	1,219,853.00
1.2 Committee allowances	1,748,000.00	70,794.00	1,818,794.00	1,541,020.00	277,774.00
1.3 Use of goods and services	2,969,123.44	61,049.00	3,030,172.44	3,017,546.02	12,626.42
	<b>7,527,063.44</b>	<b>1,441,378.00</b>	<b>8,968,441.44</b>	<b>7,458,188.02</b>	<b>1,510,253.42</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,000,000.00	25,126.00	1,025,126.00	614,696.00	410,430.00
2.2 Committee allowances	1,500,000.00	-	1,500,000.00	1,382,464.00	117,536.00
2.3 Use of goods and services	1,621,031.72	101,517	1,722,548.72	1,666,900.00	55,648.72
	<b>4,121,031.72</b>	<b>126,643.00</b>	<b>4,247,674.72</b>	<b>3,664,060.00</b>	<b>583,614.72</b>
<b>3.0 Emergency</b>					
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
<b>4.0 Bursary and Social Security</b>	<b>7,198,241.38</b>	<b>1,576,925</b>	<b>8,775,166.38</b>	<b>7,200,000.00</b>	<b>1,575,166.38</b>
4.1 Primary Schools					
4.2 Secondary Schools	35,011,678.64	726765	35738443	11,942,400.00	23796043

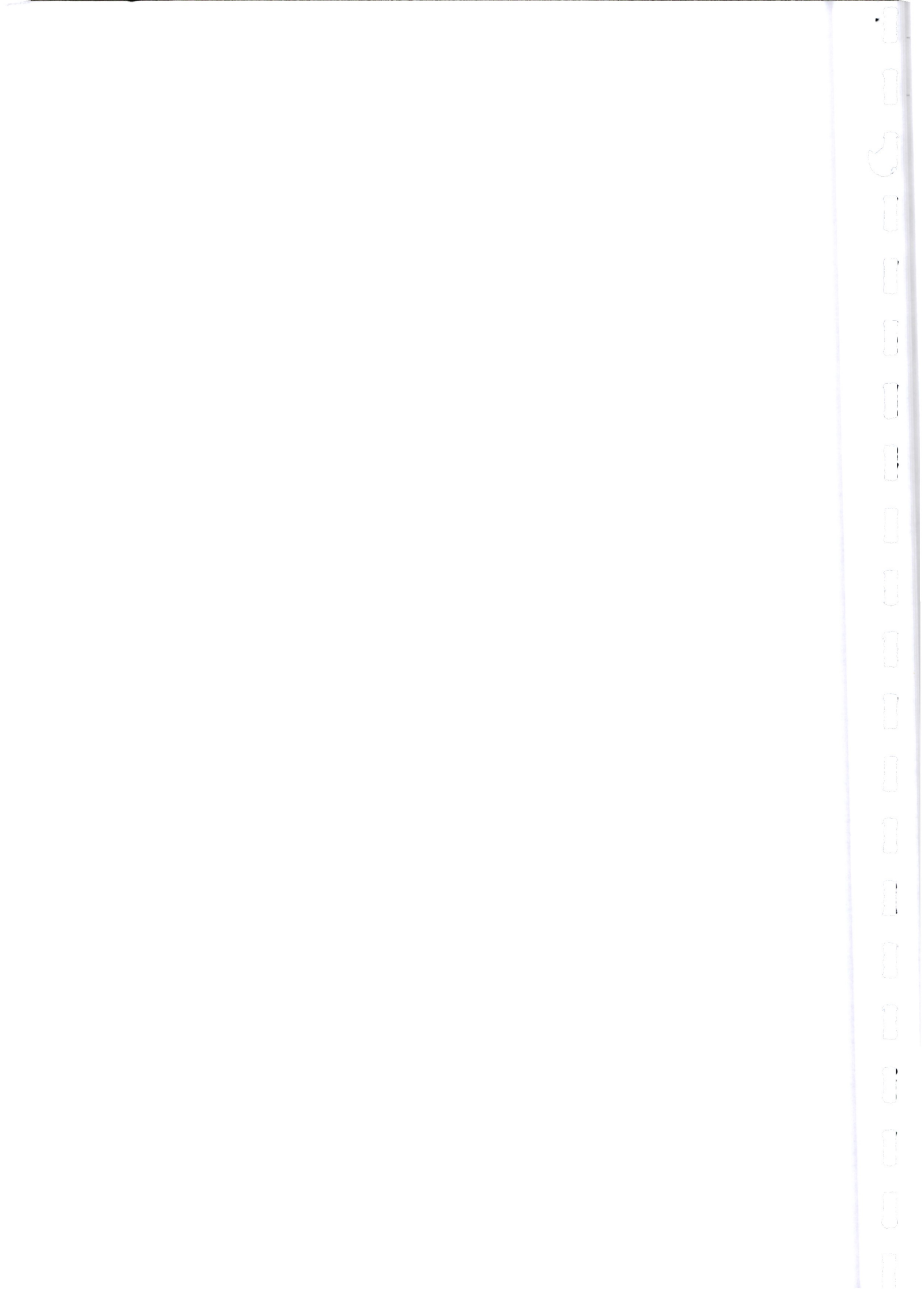


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
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**For the year ended June 30, 2020**

4.3 Tertiary Institutions	8,000,000.00	407,707	8,407,707.00	2,229,000.00	6,178,707.00
4.4 Universities					
4.5 Social Security					
<b>5.0 Sports</b>	<b>2747354</b>	<b>15354</b>	<b>2762708</b>	<b>247000</b>	<b>15708</b>
5.1					
5.2					
5.3					
<b>6.0 Environment</b>					
6.1	0	865218	865218	797,979.00	67,239.00
6.2					
6.3					
<b>7.0 Primary Schools Projects (List all the Projects)</b>					
Kapatet Primary School	2,500,000.00				
Arpollo Primary School	1,000,000.00				
Parkino Primary School	1,500,000.00				
Kokwositot Primary School	1,400,000.00				
RCEA Marich Pass Primary School	4,000,000.00				
Chemalei Primary school	500,000.00				
Cheptokol Primary School	500,000.00				
Molos Primary School	800,000.00				
Marus Primary School	800,000.00				
Toghomo Primary School	800,000.00				
Mariny Primary School	800,000.00				
Mbara Primary School	7,162,250.00				
Kiwakan Primary School	1,000,000.00				
Chorwa Primary School	800,000.00				
Orwa Primary School	700,000.00				
Sigor Girls Primary Secondary	551,000.00				
Sigor mixed primary School	1,500,000.00				
Yawyaw Primary School	2,000,000.00				
Kaporon Primary school	1,000,000.00				
Lokarkar Primary School	800,000.00				
Kokwokochiy Primary school	800,000.00				
Simbol Primary School	800,000.00				
Soka primary school	1,000,000.00				
Parek primary school	400,000.00				



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	33,113,250.00	17,992,331	51105581	28,124,512.00	22981069
<b>8.0 Secondary Schools Projects (List all the Projects)</b>					
Akiriame Secondary school	4,000,000.00				
Chesta Girls Secondary school	2,000,000.00				
Kokwotendwo Secondary School	662,250.00				
Sostin Secondary School	1,000,000.00				
Paroo secondary school	7,162,250.00				
Kokworitit Secondary School	1,500,000.00				
Cheptulel Boys Secondary School	662,250.00				
Katugh Secondary School	1,000,000.00				
Sangat secondary school	800,000.00				
Lomut Mixed Secondary School	1,947,354.48				
Wakor Secondary School	2,800,000.00				
Akiriame secondary school	400,000.00				
Nyangaita Secondary school	4,000,000.00				
	27,934,104.48	15500000	43,434,104.48	33,486,750.00	9,947,354.48
8.2					
8.3					
8.4					
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>					
<b>10.0 Security Projects</b>					
Chepkokogh Chiefs Office	4,500,000.00				
Sekerot Chiefs Office	4,500,000.00				
Pokot Central Police station	2,000,000.00				
10.1	11,000,000.00	16177027	27,177,027.00	<b>20,677,027.00</b>	6,500,000.00
10.2					
10.3					
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles (including motorbikes)	0	10400000	10400000	10,330,000.00	70,000.00
11.2 Construction of CDF office		1,951,709	1,951,709	1,685,950.00	265,759.00
11.3 Purchase of furniture and equipment	715,000.00	56835	771,835.00	72,450.00	699,385.00
11.4 Purchase of computers					
11.5 Purchase of land					
<b>12.0 Others</b>					
12.1 Strategic Plan		407608	407608		407,608
12.2 Innovation Hub					
<b>TOTAL</b>	<b>137,367,723.28</b>	<b>67,645,500</b>	<b>205,013,224</b>	<b>130465316</b>	<b>74547908</b>



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**For the year ended June 30, 2020**

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





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

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**XII. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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



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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

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

**Other receipts**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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



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CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**SIGNIFICANT ACCOUNTING POLICIES**

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**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
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**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
CONSTITUENCY**

**Reports and Financial Statements  
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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	1		44,384,483.15
AIE NO	2		10,000,000.00
AIE NO	3		12,000,000.00
AIE NO	4		8,000,000.00
AIE NO	5		11,000,000.00
AIE NO	6		10,400,000.00
AIE NO	7		13,000,000.00
AIE NO	1	49,040,875.50	
AIE NO	2	4,000,000.00	
AIE NO	3	6,000,000.00	
AIE NO	4	20,000,000.00	
AIE NO	5	6,000,000.00	
AIE NO	6	15,000,000.00	
AIE NO	7	15,000,000.00	
AIE NO	8	8,000,000.00	
<b>TOTAL</b>		<b>123,040,876</b>	<b>108,784,483</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
CONSTITUENCY**

**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,899,622	2,915,771
Personal allowances paid as part of salary		
Pension and other social security contributions (Gratuity)		
Employer Contributions Compulsory national social security schemes		146,736
<b>Total</b>	<b>2,899,622</b>	<b>3,062,507</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2019- 2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,730,164	2,675,400
Utilities, supplies and services	45,000	55,000
Communication, supplies and services	63,800	66,000
Domestic travel and subsistence	-	167,500
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	614,696	1,146,100
Hospitality supplies and services	-	195,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	3,083,674	1,367,013
Fuel oil and lubricants	931,440	300,000
Other operating expenses	72,271	143,759
Routine maintenance – vehicles and other transport equipment	674,081	1,063,124
Routine maintenance – other assets	-	180,400
<b>Total</b>	<b>8,215,126</b>	<b>7,359,296</b>



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

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	28,124,512	19,186,206
Transfers to secondary schools (see attached list)	33,486,750	6,995,389
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>61,611,262</b>	<b>26,181,595</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,942,400	30,633,000
Bursary – tertiary institutions (see attached list)	2,229,000	6,273,500
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	20,677,027	1,450,000
Sports projects (see attached list)	2,747,000	3,917,237
Environment projects (see attached list)	797,979	1,315,600
Emergency projects (see attached list)	7,250,000	8,800,000
<b>Total</b>	<b>45,643,406</b>	<b>52,389,337</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,685,950	3,002,568
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	10,330,000	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	921,600
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>12,015,950</b>	<b>3,924,168</b>

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,592,392
ICT Hub	-	-
	-	<b>3,592,392</b>





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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Account No.</i>	5,718,983	12,604,625
<b>Total</b>	<b>5,718,983</b>	<b>12,604,625</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
<b>Total</b>	-	-

**12B. GRATUITY DEPOSITS**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Add as appropriate		
<b>Total</b>		

**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	12,604,625	4,253,605



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
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Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>12,604,625</b>	<b>4,253,605</b>

**14. PRIOR YEAR ADJUSTMENTS**

Description of the error	Balance b/f FY 2018/2019 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances	123,040,876	458,848	123,499,724
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
	<b>123,040,876</b>	<b>458,848</b>	<b>123,499,724</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST\***

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

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

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



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

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	1,659,120	829,560
Others ( <i>specify</i> )	-	-
	1,659,120	829,560

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,219,853	1,652,623
Use of goods and services	801,566	258,487
Amounts due to other Government entities (see attached list)	32,928,424	32,492,331
Amounts due to other grants and other transfers (see attached list)	38,082,863	15,748,880
Acquisition of assets	1,107,594	12,408,544
Others ( <i>specify</i> )	407,608	5,084,635
	74,547,908	67,645,500





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
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**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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**17.4: PMC account balances (See Annex 5)**

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	<b>782,366.97</b>	<b>6,141</b>

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	B	C	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
11.					
12.					
Sub-Total					
Grand Total					



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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	B	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
Sub-Total						
<b>Middle Management</b>						
4.						
5.						
6.						
Sub-Total						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
Sub-Total						
<b>Others (specify)</b>						
10	SAMICH KIRACHOLIA LINUS	74,400.00			74,400.00	
11	DESMOND POWON	148,800.00			148,800.00	



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

**Reports and Financial Statements**

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

12	CHRISTINE JEPTOCH LOYEYE	148,800.00			148,800.00	
13	JOEL JILAKOU	74,400.00			74,400.00	
14	EMMANUEL OWON KWANGAYER	96,720.00			96,720.00	
15	RITEE PKIENY NGORIATUKEI	74,400.00			74,400.00	
16	JOSPHAT DOMOKWANG	74,400.00			74,400.00	
17	NYANGAITA ABRAHAM MERIKEL	74,400.00			74,400.00	
18	DAVID LOPEINGOLE	74,400.00			74,400.00	
19	DOMOCHOLIA APETOLE	74,400.00			74,400.00	
20	PAULINE CHEPAR LOSIKAPEL	74,400.00			74,400.00	
21	JOEL LOKOU	74,400.00			74,400.00	
22	LORITA KAPTUM LOROT	74,400.00			74,400.00	
23	PURITY	74,400.00			74,400.00	
24	CAROLINE CHEPTUM	148,800.00			148,800.00	
25	NEWTON RUTO LITA	148,800.00			148,800.00	
26	DENNIS LOYON APALOKAPEL	148,800.00			148,800.00	
	<b>Sub-Total</b>	<b>1,659,120.00</b>			<b>1,659,120.00</b>	
	<b>Grand Total</b>					









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

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	-	-	-
Buildings and structures	20,412,620	1,685,950	-	22,098,570
Transport equipment	-	10,330,000	-	10,330,000
Office equipment, furniture and fittings	3,281,841	-	-	2,510,000
ICT Equipment, Software and Other ICT Assets	878,000	-	-	878,000
Other Machinery and Equipment	1,781,000	-	-	1,781,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>26,353,461</b>	<b>12,015,950</b>	<b>-</b>	<b>37,597,570</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR  
CONSTITUENCY**

**Reports and Financial Statements  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

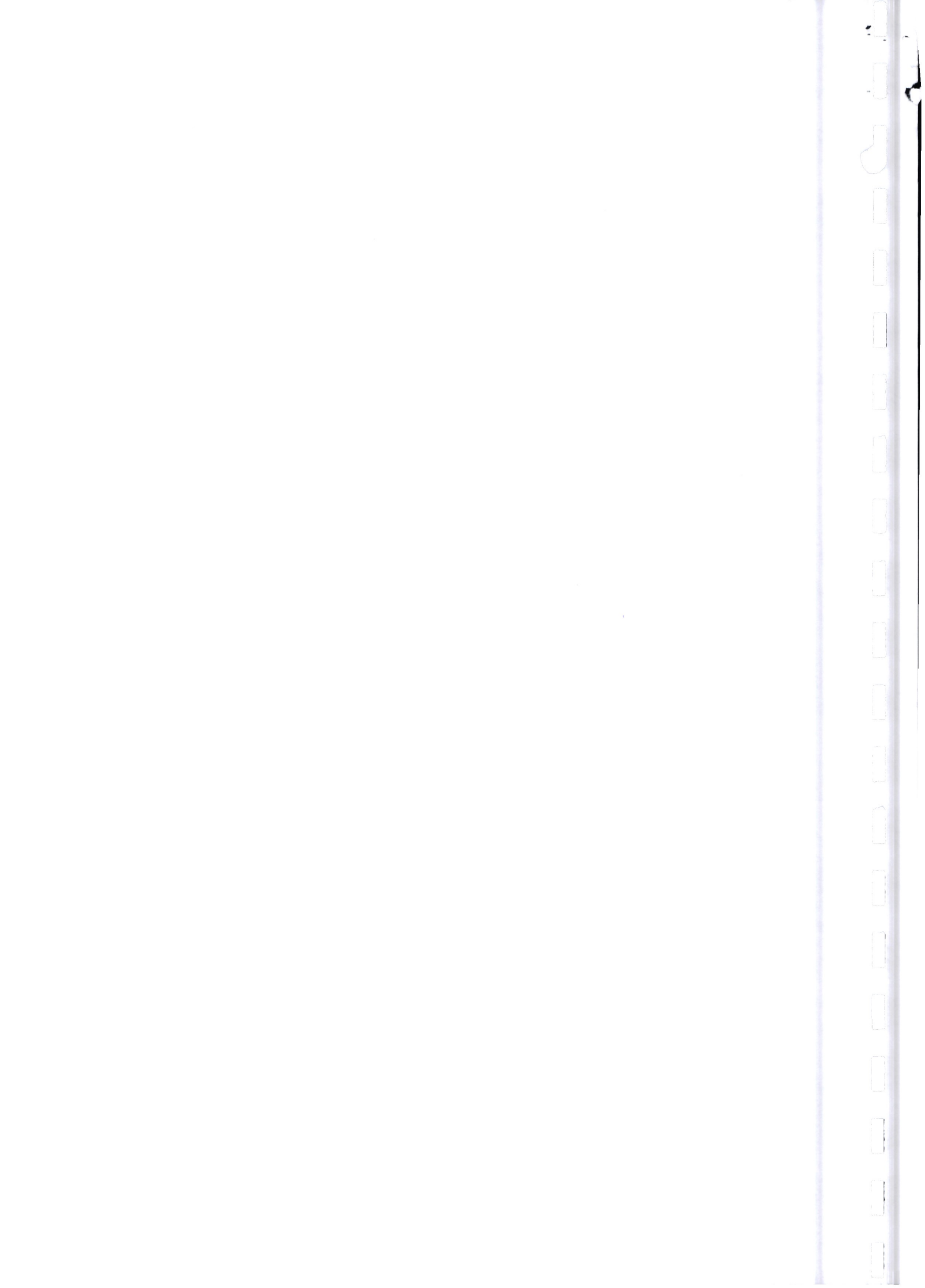
PMC	Bank	Account number	Bank Balance 2019/20
Onoch Girls Sec sch	Equity	107027930661 1	365.50
Psakas Primary School	Equity	107016255682 4	1229.55
Emboghat Primary School	Equity	107016249509 0	463,461.9 2
Sakata Primary School	Equity	107027931349 7	550.00
Orolwo Primary School	Equity	107017747098 6	2510.00
Katinot Primary School	Equity	107027926994 9	169,460.0 0
Kale Primary school	Equity	107027931216 9	70.00
Tortoy Primary School	Equity	107027931169 5	0.00
Komugh Primary School	Equity	107027928771 2	0.00
Silip Primary School	Equity	107027930971 3	142,880.0 0
Tinwa Primary School	Equity	107027931368 0	1840.00
<b>TOTAL</b>			<b>782,366.9 7</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY2018/2019	<p>The statement of cashflows is incomplete since it does not reflect the cash and cash equivalents balance as at 30 June 2019. Further, the financial statements presented for audit review do not include the Summary Statement of Appropriation: Recurrent and Development combined. In addition, note VIII on Budget Execution by programmes and sub-programmes does not have the total figures. Moreover, some of the figures in the statement do not agree with figures in the rest of the financial statements</p> <p>In the circumstances, the financial statements do not comply with International Public Sector</p>	The Financial statement has since been amended.	FAM	Not resolved	30/10/2020



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Accounting Standards.				
FY 2018/2019	The statement of financial assets as at 30 June 2019 reflects bank balances figure of Kshs.12,604,624. However, the balance was not supported with a bank reconciliation statement and a certificate of bank balance.	The bank reconciliation statement and a certificate of bank balance were availed for audit review and are hereby attached for your perusal.	FAM	Not resolved	
FY 2018/2019	The financial statements discloses Project Management Committee bank account balances amounting to Kshs.6,141 held in various banks as at 30 June 2019 in respect of funds which remained unutilized. However, management did not avail bank reconciliation statements, bank statements, certificates of bank balance and cash books for audit review.  Consequently, the accuracy, validity and	Management has availed bank reconciliation, bank statements, certificate of bank balance and cash book for audit review	FAM	Not resolved	30/10/2020





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>existence of the disclosed Project Management Committee balance of Kshs.6,141 as at 30 June 2019 could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Sigor Constituency in accordance with ISSAI 30 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.</p>				



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)										
FY 2018/2019	<p>Sigor CDF approved budget for 2018/2019 amounted to Kshs.168,078,965. During the year, the Fund incurred expenditure of Kshs.96,509,295 or 57.4% of the approved budget resulting to under-expenditure of Kshs.71,569,670 or 42.6 % of the approved budget as detailed below:</p> <table border="1"> <thead> <tr> <th>Receipt/Expense Item</th> <th>Final Budget</th> <th>Actual on Comparable Basis</th> <th>Budget Utilisation Difference</th> <th>% of Under-Utilisation</th> </tr> </thead> <tbody> <tr> <td>Receipts</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Under-Utilisation	Receipts					<p>The management has agreed to work towards 100% utilization of allocated funds in a financial year and also liaise with the NGCDF Board to release funds on time to ensure that all the projects and service which were planned to be implemented through CDF funds should be done according to the budget and in the correct financial year to avoid delay of services to the people of Sigor constituency.</p>	FAM	Not resolved	30/10/2020
Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Under-Utilisation											
Receipts															



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor					Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Transfers from CDF Board	168,078,965	108,784,483	59,294,482	35.28%				
	<b>Total Receipts</b>	<b>168,078,965</b>	<b>108,784,483</b>	<b>59,294,482</b>	<b>35.28%</b>				
	<b>Payments</b>								
	Compensation of Employees	4,372,042	3,062,507	1,309,535	29.95%				
	Use of goods and services	7,777,223	7,359,296	417,927	5.37%				
	Transfers to Other Government	59,673,926	26,181,595	33,492,331	56.13%				



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
**Reports and Financial Statements**  
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Reference No. on the external audit Report	Issue / Observations from Auditor					Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Units								
	Other grants and transfers	71,389,794	52,389,337	19,000,457	26.62%				
	Acquisition of Assets	16,188,953	3,924,168	12,264,785	75.76%				
	Other Payments	8,677,027	3,592,392	5,084,635	58.60%				
	<b>Total</b>	<b>168,078,965</b>	<b>96,509,295</b>	<b>71,569,670</b>	<b>42.58%</b>				
	Failure to utilize funds as budgeted is an indication that programs or activities are not being implemented as planned thus not achieving the intended objectives of								





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)									
	improving service delivery to the people of Sigor constituency.													
FY 2018/2019	<p>Sigor CDF approved budget for 2018/2019 amounted to Kshs.168,078,965. Out of this budget, an amount of Kshs. 64,997,532 was allocated to development projects. Further, out of this an amount of Kshs. 3,400,000 was earmarked for four projects to be implemented within the financial year, However, the projects were not implemented yet they had been budgeted for and the funds disbursed.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Project Name</th> <th>Amount Allocated (Kshs)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Cheptamas Primary School</td> <td>500,000</td> </tr> <tr> <td>2.</td> <td>Amoler Primary</td> <td>400,000</td> </tr> </tbody> </table>	No	Project Name	Amount Allocated (Kshs)	1.	Cheptamas Primary School	500,000	2.	Amoler Primary	400,000	<p>There is always delay in disbursement of funds from the NGCDF Board which greatly impact on implementation of approved budgets. The management is working with the board to ensure that project funds are disbursed on time for effective implementation of approved projects. Other projects that their funds have been released have been implemented. This include Cheptamas primary school, Amoler Primary School, Iyoon primary</p>	FAM	Not resolved	30/10/2020
No	Project Name	Amount Allocated (Kshs)												
1.	Cheptamas Primary School	500,000												
2.	Amoler Primary	400,000												



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																								
	<table border="1"> <tr> <td></td> <td>School</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td>Iyoon Primary School</td> <td>500,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>4.</td> <td>Chesta chief's office</td> <td>2,000,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>TOTAL</b></td> <td><b>3,400,000</b></td> <td></td> <td></td> <td></td> </tr> </table>		School					3.	Iyoon Primary School	500,000				4.	Chesta chief's office	2,000,000					<b>TOTAL</b>	<b>3,400,000</b>				school and chesta chief's office. These projects are ongoing.			
	School																												
3.	Iyoon Primary School	500,000																											
4.	Chesta chief's office	2,000,000																											
	<b>TOTAL</b>	<b>3,400,000</b>																											
FY 2018/2019	<p><b>Bursary Disbursement</b></p> <p>The statement of receipts and payments as at 30 June 2019 reflects other grants and transfers figure of Kshs.52,389,337 as disclosed in note 7 to the financial statements which include total bursaries amount of Kshs.36,906,500 comprising of disbursements of Kshs.30,633,000 to</p>	Minutes appointing bursary committee, Receipts and acknowledgement letters have since been submitted for audit review	FAM	Not resolved	30/10/2020																								



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>secondary schools and Kshs.6,273,500 to tertiary institutions. However, the minutes of the bursary sub-committee indicating how the beneficiaries were identified and evidence that two members of whom one should be area education officer or officer seconded from the Ministry of Education were co-opted as required by the CDF Board circular Ref. CDF Board circulars/Vol 1/111 dated 13 September 2010 were not provided for audit review.</p> <p>Consequently, the management is in breach of the law and propriety of the bursary disbursement of Kshs.36,906,500 for the year ended 30 June 2019 could not be</p>				



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
**Reports and Financial Statements**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	confirmed.				
FY 2018/2019	<p><b>1.2 Construction of CDF office</b></p> <p>As previously reported in the year 2017/2018, an amount of Kshs. 20,336,979 had been incurred on the construction of the CDF Office at Sigor. As previously reported, the initial contract was awarded to a construction firm in the financial year 2015/2016 at a contract sum of Kshs.13,710,381. Available information revealed that the contractor was paid a total of Kshs.12,332,012 or about 90% of the contract sum. However, the procurement records such as tender advertisement,</p>	All the procurement files and certificate of completion was availed for audit review.	FAM	Not resolved	30/10/2020



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>opening minutes, evaluation, award of tender minutes and contract document were not availed for audit review. The payment vouchers were also not supported by minutes of site meeting and interim certificates. It was further noted that the contractor abandoned the project after payment of 90% of the contract sum. The management did not explain why the contractor was paid without certificates of completion and evidence of work done.</p> <p>Available information revealed that after the contractor vacated the site, the CDF management opted to directly procure materials and labour totalling</p>				



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.5,000,140 in the financial year 2016/2017. However, the management did not provide evidence that the procurement was done competitively as per the provisions of Public Procurement and Asset Disposal Act, 2015.</p> <p>Though a physical verification of the project on 27 February 2019 confirmed that the project is complete and in use, the propriety of the total expenditure of Kshs.20,336,079 on construction of the CDF office for the year ended 30 June 2018 could not be confirmed.</p> <p>The audit was conducted in accordance with</p>				



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timeframe: ( <i>Put a date when you expect the issue to be resolved</i> )
	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.				

