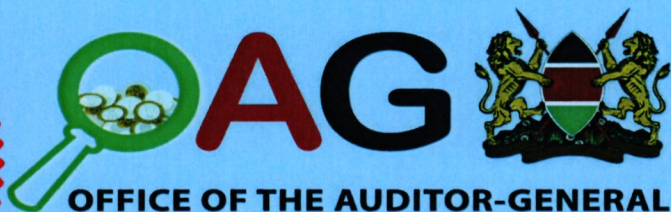


REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PADOGETAIO

DATE: 01 DEC 2022

DAY:

Thursday

TABLED  
BY:

LOM

CLERK  
THE

REPORT Tracy Chebet

PARLIAMENT  
OF KENYA  
LIBRARY

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND - BOBASI CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2021





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**BOBASI CONSTITUENCY**

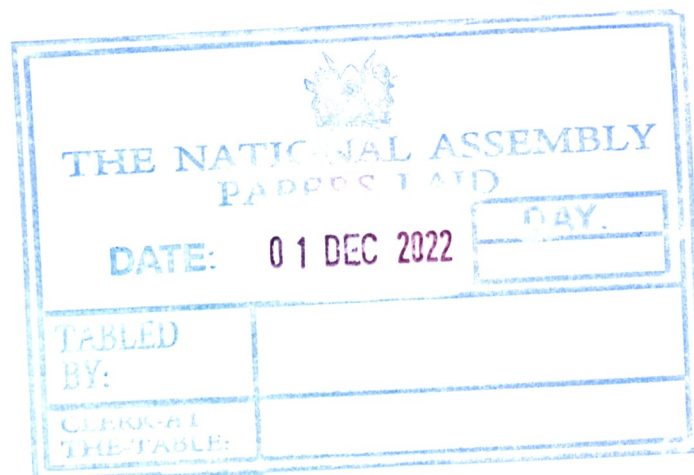
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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





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

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

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

### **Mandate**

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

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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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



**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	<b>Daniel John Ogutu Oteri</b>
2.	Sub-County Accountant	<b>Ambrose Maina</b>
3.	Chairman NGCDFC	<b>Samuel Karuru Mariaka</b>
4.	Member NGCDFC	<b>Naftal Mbaka</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Bobasi Constituency NGCDF. 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) Bobasi Constituency NGCDF Headquarters**

Bobasi Constituency Development Fund.  
P.O BOX 98-40204  
Opposite DCC's Offices,  
Hospital Road,  
Nyamache, KENYA.



**(f) Bobasi Constituency NGCDF Contacts**

Telephone: (254) 723540344  
E-mail: cdfbobasi@cdf.go.ke

**(g) Bobasi Constituency NGCDF Bankers**

1. Kenya Commercial Bank  
Account Name: Bobasi NG-CDF Account  
Kisii west branch  
1237909678

**(h) Independent Auditors**

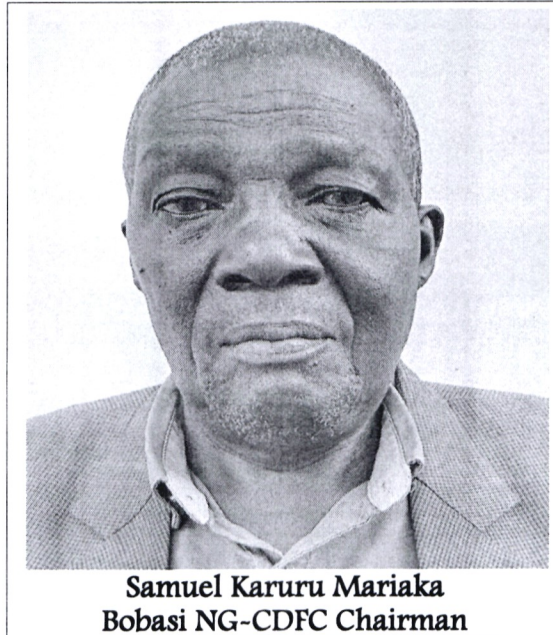
Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

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



## II. NG-CDFC CHAIRMAN'S REPORT



**Samuel Karuru Mariaka**  
**Bobasi NG-CDFC Chairman**

The NG-CDFC wishes to have in summary the budget performance against actual amounts for the current financial year based on economic classification and programmes. The NG-CDFC have improved in their budget performance despite the challenges encountered during the year following the COVID 19 pandemic that hit the country and the whole world as well. The performance in all the sectors i.e. Education, Security, Bursary and other projects implemented as per the Act achieved a desirable percentage in terms of utilization.

During the financial year under review, the Bobasi NG-CDFC received a total of Kshs 158,907,724 from the NG-CDF Board. Of the total allocation of 137,088,879.31, the excess funding of Kshs. 21,818,853 formed part of the previous financial years' balances formerly owed by the NG-CDF Board. However, the NG-CDFC managed to implement a number of key projects as per the proposal including disbursement of Bursary funds to needy students in various institutions, construction of chiefs' offices and also construction of classrooms in various institutions. By closure of the financial year, the NG-CDFC had remained with a balance of 16,835,863 which translates to 10% of the total funding for the year.

The Bobasi NG-CDFC's disbursement of funds was purely guided by the budget proposal and the approved codelists attached to AIEs as sent to us from time to time. The entire proposal for the Bobasi NG-CDFC could be broadly classified as follows;

1. Compensation of Employees
2. Use of goods and services
3. Transfers to Other Government Units
4. Other grants and transfers
5. Acquisition of Assets
6. Other Payments

**COMPENSATION OF EMPLOYEES**

The Bobasi NG-CDFC had allocated a total of Kshs. 3,479,360 towards salaries and remuneration of contractual employees during the year. Added to this was a sum of Kshs. 786,044 being the outstanding disbursement from the NG-CDF Board, thus, totalling to Kshs. 4,265,404. The NG-CDFC staff received salaries for the whole year leaving a balance of Kshs. 613,800 being Gratuity outstanding. This translated to a budget utilization of 85.6% for the year.

**USE OF GOODS AND SERVICES**

The Bobasi NG-CDFC had allocated a total of Kshs. 8,858,639 to cater for Communication, supplies and services, Printing, advertising and information supplies & services, Training expenses, Committee allowance and other committee expenses, Office and general supplies and services, Fuel , oil & lubricants, and Routine maintenance - vehicles and other transport equipment.

During the year under review, in addition to the said allocation, the committee had Kshs. 923,100 and Kshs. 2,434,988 being the balance brought forward and outstanding disbursement from NG-CDF Board respectively that they subjected to expenditure. This translated to a total of Kshs.12,216,727 out of which an expense of Kshs. 11,394,928 was incurred leaving a balance of Kshs. 821,799.

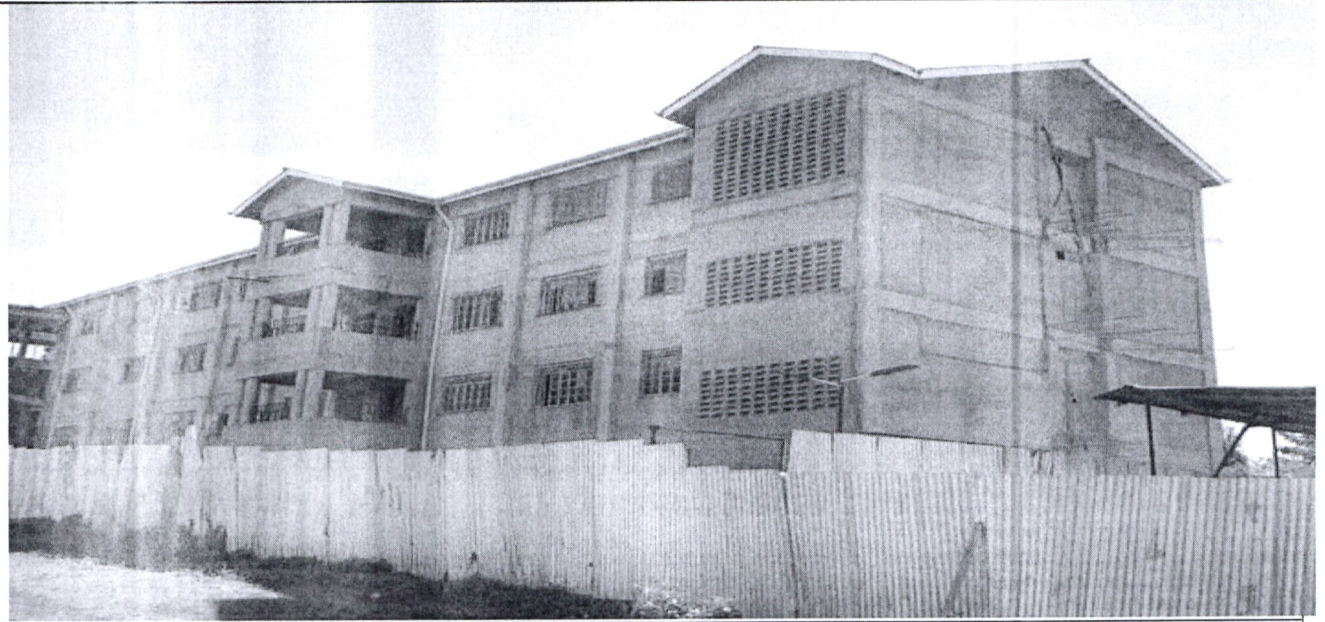
**TRANSFERS TO OTHER GOVERNMENT UNITS**

This is a composition of funds allocated to Primary schools, secondary schools and Tertiary institutions. During the year 2020/2021, the Bobasi NG-CDFC had allocated a total of Kshs. 56,085,650.60, Kshs. 25,345,000 and Kshs. 2,000,000 towards various project activities falling under Primary schools, secondary schools and Tertiary institutions respectively. , in addition to the said allocation, the committee had Kshs. 1,820,000 and Kshs. 28422975.52 being the balance brought forward and outstanding disbursement from NG-CDF Board respectively. This added up to a total of Kshs. 89,936,986 that they subjected to expenditure.

On implementation, The NG-CDFC utilized a total of Kshs.83,430,651 on 53 primary schools projects, 29 secondary school projects and 1 tertiary institution for various activities as proposed and approved in the codelist leaving a balance of Kshs. 6,506,335 . this translated to 92.8% of the budget utilization.

Below is a list of sampled projects funded during the financial year 2020/2021.



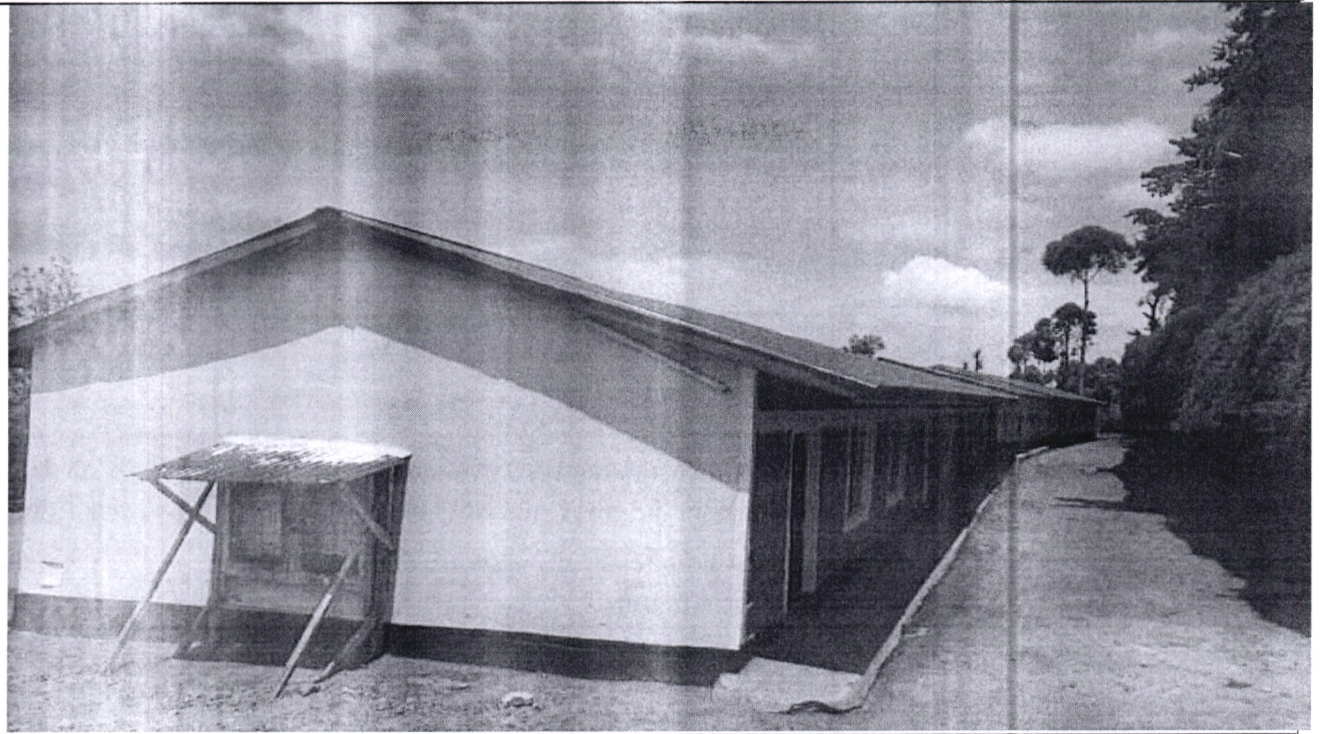


**BISHOP MOGENDI GIRLS DORMITORY UNDER CONSTRUCTION**

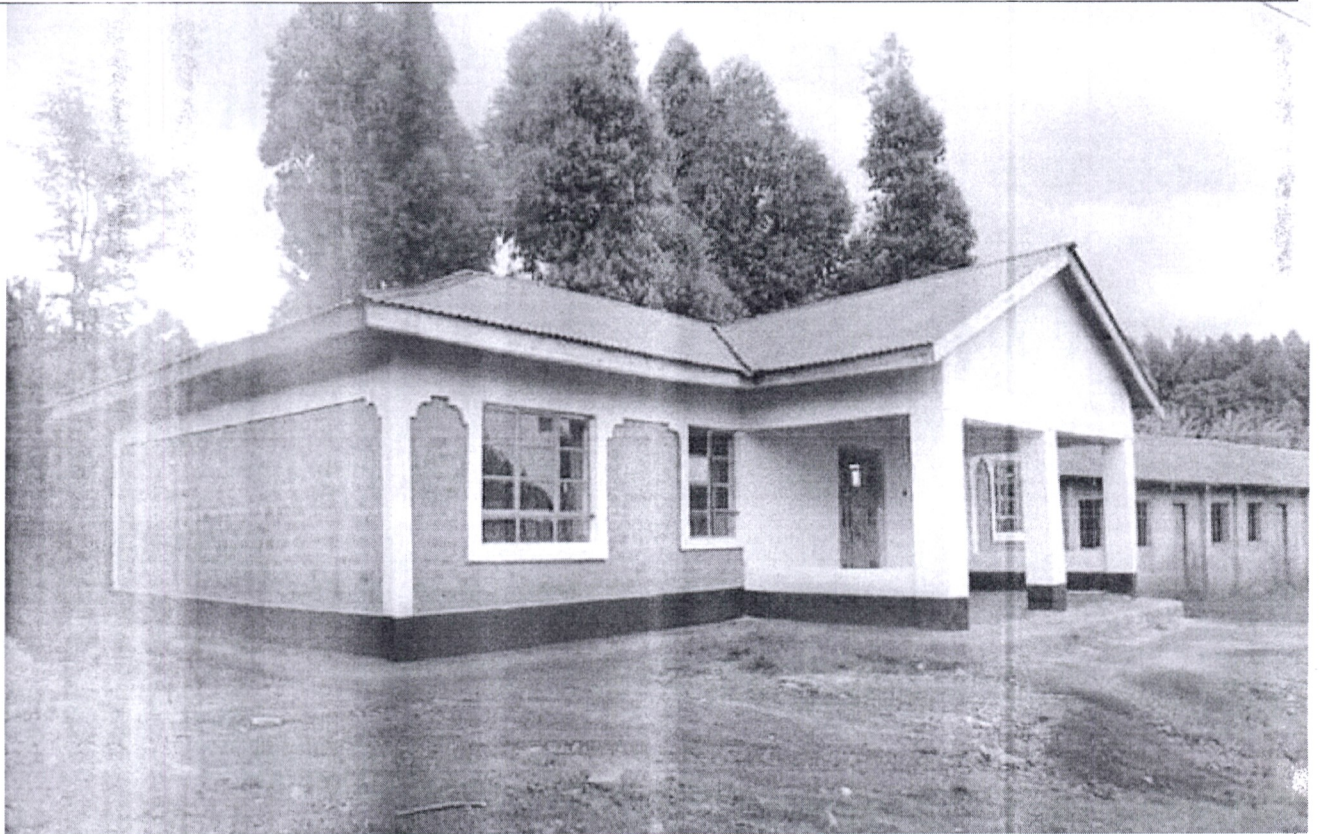


**BISHOP MOGENDI GIRLS SECONDARY STORREY BUILDING**





**IGOMA SECONDARY SCHOOL - CLASSROOMS CONSTRUCTION**



**OBUYA PRIMARY SCHOOL – CONSTRUCTION OF ADMINISTRATION BLOCK**





**TUKIAMWANA PRIMARY SCHOOL – CONSTRUCTION OF 2 CLASSROOMS**



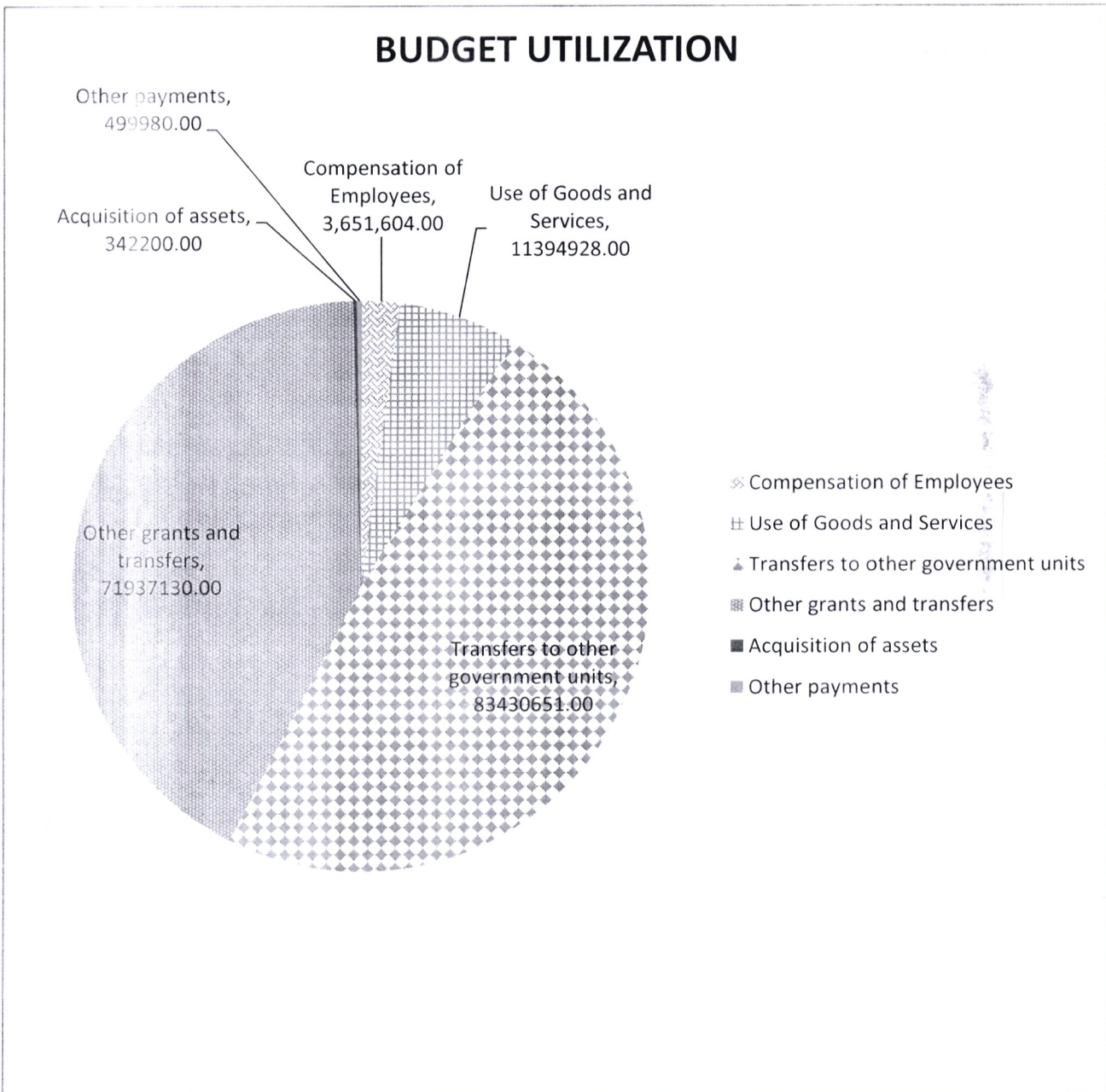


**RUSINGA PRIMARY SCHOOL COMPLEX**

**OTHER GRANTS AND TRANSFERS**

This is a classification comprised of education bursary for both secondary and tertiary institutions, Environmental projects, Security projects, Emergency allocations and sports. The allocations per category were utilized properly representing an overall utilization of 62% of the total allocation.

In summary, out of a total of Kshs. 238,167,435 meant for use this year, a sum of of Kshs. 171, 256,493 has been spent during the year under review as shown in the chart below;



However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project

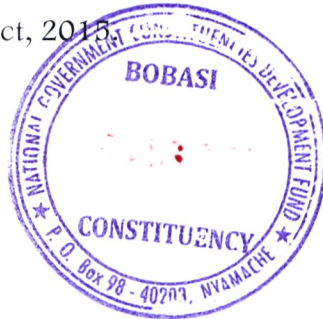


*Bobasi Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

implementation process is the late disbursement of funds, late approval of proposals and reallocations.

Finally, the Bobasi NG-CDF Committee wish to thank the NG CDF Board and all other stake holders who have made it easy for them to be able to deliver services to the constituents of Bobasi within the precincts of the NG-CDF Act, 2015.

Signed



**CHAIRMAN NGCDF COMMITTEE**

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

#### Introduction

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

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

- a) To empower the youths and harness their talent through youth and sports funding.
- b) To cater for any unforeseen occurrences in the constituency through emergency funding.
- c) To promote environmental sustainability through environmental funding
- d) To enhance security in the constituency through security funding.
- e) To promote performance management and smooth running of NG-CDF office through institutional strengthening

#### Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	Improve performance and increase 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 bursary beneficiaries at all levels	This financial year NG-CDF Bobasi allocated funds for construction of a total of 125 classrooms, 3 laboratories, 6 dormitories, 8 administration blocks, and 1 school bus. Some of these projects are complete while others are still under the implementation process as the rest



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

<b>Constituency Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
				await for funding after disbursement of funds from NG-CDF Board
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 infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	3 chief's offices received funds for construction. All are under the implementation process.
Environment	Create a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools and public facilities with sanitation	Number of sanitation facilities built in primary and secondary	1 primary school received funds for construction of toilets. The rest awaits funding after disbursement from NG-CDF Board
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Effects of COVID 19 affected proper implementation of sports activities.
Emergency	Cater for unforeseen urgencies	Reduced emergencies		PMCs for 4 projects received funding, the projects are still under implementation

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

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

##### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Bobasi NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

##### **2. Environmental performance**

In this policy statement Bobasi NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;



- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

### **3. Employee welfare**

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

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

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

### **4. Market place practices-**

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

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

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

NGCDF has put in efforts to ensure:

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

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

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

**Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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



**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

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

The Accounting Officer in charge of the NGCDF-Bobasi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Bobasi Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NGCDF- Bobasi Constituency financial statements were approved and signed by the Accounting Officer on 25-08- 2021.

  
\_\_\_\_\_  
Chairman NGCDF Committee

Name: Samuel Karum



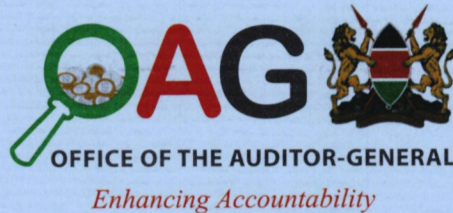
  
\_\_\_\_\_  
Fund Account Manager

Name: Daniel B. Oden



# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BOBASI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bobasi Constituency set out on pages 19 to 68, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of



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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund– Bobasi Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.238,167,435 and Kshs.187,478,556 respectively resulting to an under funding of Kshs.50,688,879 or 21% of the budget. Similarly, the Fund spent Kshs.170,642,693 against an approved budget of Kshs.238,167,436 resulting to an under expenditure of Kshs.67,524,743 or 28% of the budget.

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

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to implement the audit recommendations.



# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Unauthorised Construction of Classrooms at Magonga Secondary School**

Review of expenditure records established that Kshs.1,000,000 was disbursed for construction of two (2) classrooms at Mogonga secondary school instead of co-funding the construction of a 100 bed dormitory as approved in the budget.

Management did not provide for audit an approved request for change of the project activity in line with Regulation 54(1) of the Public Finance Management Regulations (National Government, 2015) which provides that an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

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

### **2. Incomplete Primary and Secondary Schools Projects**

Review of documents and physical inspection in the month of April, 2022 revealed that four (4) projects in respect of completion of a library at a secondary school and renovation of classrooms in one secondary and two primary schools costing Kshs.3,682,975 remained incomplete. This was despite the respective Project Management Committee having exhausted the allocated funds.

In the circumstances, the public may not get the value for money on the Kshs.3,682,975 incurred on the implementation of the four projects.

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



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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to 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 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 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**

**23 September, 2022**

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

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

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	158,907,724	135,240,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	31,000
<b>TOTAL RECEIPTS</b>		<b>158,907,724</b>	<b>135,271,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,037,804	2,553,300
Use of goods and services	5	11,394,928	17,699,250
Transfers to Other Government Units	6	83,430,651	42,355,000
Other grants and transfers	7	71,937,130	50,050,457
Acquisition of Assets	8	342,200	11,884,156
Other Payments	9	499,980	
<b>TOTAL PAYMENTS</b>		<b>170,642,693</b>	<b>124,542,163</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(11,734,969)</b>	<b>10,729,713</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Bobasi Constituency financial statements were approved on 25-08-2021 and signed by:



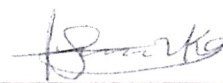
Fund Account Manager

Name: Daniel J. O. Ochi



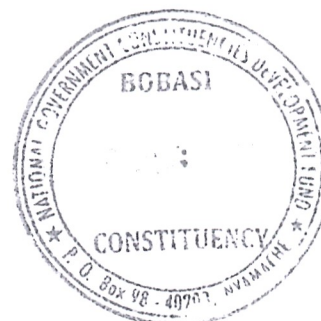
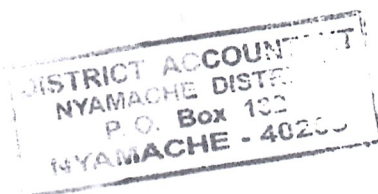
National Sub-County  
Accountant

Name: Abraham W. Munda  
ICPAK M/No: 18003



Chairman NG-CDF  
Committee

Name: Samuel Karuru Muriuki






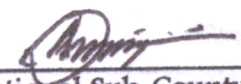
**Bobasi Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

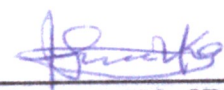
**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	16,835,864	28,570,832
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>16,835,864</b>	<b>28,570,832</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>16,835,864</b>	<b>28,570,832</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>			
<b>NET FINANCIAL ASSETS REPRESENTED BY</b>		<b>16,835,864</b>	<b>28,570,832</b>
Fund balance b/fwd		28,570,833	10,711,100
Prior year adjustments	14	-	7,130,020
Surplus/Deficit for the year		(11,734,969)	10,729,713
<b>NET FINANCIAL POSITION</b>		<b>16,835,864</b>	<b>28,570,833</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Bobasi Constituency financial statements were approved on 25-08-2021 and signed by:

  
Fund Account Manager  
Name: Daniel T.O. Odeni

  
National Sub-County Accountant  
Name: Amarachi H. Manda  
ICPAK M/No: 18009

  
Chairman NG-CDF Committee  
Name: Samuel M. Mwangi

DISTRICT ACCOUNTANT  
NYAMACHE DISTRICT  
P. O. Box 132  
NYAMACHE - 40200  
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**Bobasi Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2021**

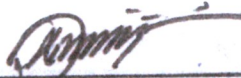
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	158,907,724	135,240,876
Other Receipts	3	-	31,000
<b>Total receipts</b>		<b>158,907,724</b>	<b>135,271,876</b>
Payments for operating activities			
Compensation of Employees	4	3,037,804	2,553,300
Use of goods and services	5	11,394,928	17,699,250
Transfers to Other Government Units	6	83,430,651	42,355,000
Other grants and transfers	7	71,937,130	50,050,457
Other Payments	8	499,980	-
<b>Total payments</b>		<b>170,300,493</b>	<b>112,658,007</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>(11,392,769)</b>	<b>22,613,869</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(342,200)	11,884,156
<b>Net cash flows from Investing Activities</b>		<b>(342,200)</b>	<b>(11,884,156)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(11,734,969)</b>	<b>10,729,713</b>
Cash and cash equivalent at BEGINNING of the year	10	28,570,833	17,841,120
Cash and cash equivalent at END of the year		16,835,864	28,570,833

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Bobasi Constituency financial statements were approved on 25-08-2021 and signed by:



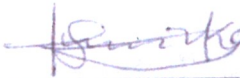
**Fund Account Manager**

Name: Daniel S. O. Oreni



**National Sub-County Accountant**

Name: Amadi M. Muma  
 ICPAK M/No: 18003



**Chairman NG-CDF Committee**

Name: Samuel Karum M

**DISTRICT ACCOUNTANT**  
**NYAMACHE DISTRICT**  
 P. O. Box 132  
 NYAMACHE - 40200





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

**IX. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	Kshs	b	Kshs				
RECEIPTS	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	Kshs	
Transfers from NGCDF Board	137,088,879.31		28,570,832	72,507,724	238,167,435	187,478,556	50,688,879	79%
Proceeds from Sale of Assets	-		-	-	-	-	-	0.0%
Other Receipts	-		-	-	-	-	-	0.0%
<b>TOTALS</b>	<b>137,088,879</b>		<b>28,570,832</b>	<b>72,507,724</b>	<b>238,167,435</b>	<b>187,478,556</b>	<b>50,688,879</b>	<b>79%</b>
<b>PAYMENTS</b>								
Compensation of Employees	3,479,360		0	786,044	4,265,404	3,037,804	1,227,600	71.2%
Use of goods and services	8,858,639		923,100	2,434,988	12,216,727	11,394,928	821,799	93.3%
Transfers to Other Government Units	59,694,010		1,820,000	29,222,976	90,736,986	83,430,651	7,306,336	91.9%
Other grants and transfers	62,056,870		18,400,705	36,063,717	116,521,291	71,937,130	44,584,161	61.7%
Acquisition of Assets	3,000,000		350,000	3,500,000	6,850,000	342,200	6,507,800	5.0%
Other Payments	-		7,077,027.2	500,000	7,577,027	499,980	7,077,047	6.6%
Funds pending approval**	-		0	-	-	-	-	
<b>TOTALS</b>	<b>137,088,879</b>		<b>28,570,832</b>	<b>72,507,725</b>	<b>238,167,436</b>	<b>170,642,693</b>	<b>67,524,743</b>	<b>71.6%</b>

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

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

The difference in Budget utilization is as a result of the outstanding balances previously owed by the NG-CDF Board and reallocations undertaken within the financial year under review.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	67,524,743
Less undischursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	50,688,879
Add Accounts payable	613800
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	16,835,864

The NGCDF-Bobasi Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

<b>Fund Account Manager</b> Name: _____	<b>National Sub-County Accountant</b> Name: _____ ICPAK M/No: _____
_____	<b>Chairman NG-CDF Committee</b> Name: _____



**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2020/2021	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,479,360			3,479,360	3,479,360	-	100
1.2 Committee allowances	3,245,973		1,110,090	4,356,063	4,356,063	(0)	100
1.3 Use of goods and services	1,500,000	923,100	785,244	3,208,344	3,208,344	-	100
<b>Total</b>	<b>8,225,333</b>	<b>923,100</b>	<b>1,895,334</b>	<b>11,043,767</b>	<b>11,043,767</b>	<b>(0)</b>	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,500,000			1,500,000	1,500,000	-	100
2.2 Committee allowances	2,000,000		472,099	2,472,099	2,266,784	205,315	92
2.3 Use of goods and services	612,666		835,599	1,448,265	-	1,448,265	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)	
Total	4,112,666	-	1,307,698	5,420,364	3,766,784	1,653,580	
3.0 Emergency							
3.1 Primary Schools	1,795,000	729,241	2,000,000	4,524,241	3,935,000	589,241	87
3.2 Secondary schools	1,590,000			1,590,000		1,590,000	-
3.3 Tertiary institutions	400,000			400,000		400,000	-
3.4 Security projects	150,000			150,000		150,000	-
3.5 Unutilised	3,257,207			3,257,207		3,257,207	-
Total	7,192,207	729,241	2,000,000	9,921,447	3,935,000	5,986,447	
4.0 Bursary and Social Security							
4.1 Secondary Schools	15,000,000			15,000,000	6,603,500	8,396,500	44
4.2 Tertiary Institutions	32,981,108	8,810,915	30,516,362	72,308,385	57,683,630	14,624,755	80
4.3 Social Security							
4.4 Special Needs							
Total	47,981,108	8,810,915	30,516,362	87,308,385	64,287,130	23,021,255	74
5.0 Sports							
5.1	2,741,778	113,195	2,747,354	5,602,327	5,497,941	104,386	98
Total	2,741,778	113,195	2,747,354	5,602,327	5,497,941	104,386	98
6.0 Environment							



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
Getunwa pri		200,000	200,000		200,000	-
Getenga pri		200,000	200,000		200,000	-
Rianchore Primary		200,000	200,000		200,000	-
Ebigogo Primary		200,000	200,000		200,000	-
Kiobegi primary		200,000	200,000		200,000	-
Mosobeti Primary School		200,000	200,000	200,000	-	100
Nyambunwa Primary School		200,000	200,000		200,000	-
Keera Primary School		200,000	200,000		200,000	-
Kiombwori Primary School		200,000	200,000		200,000	-
Riontomwa Spring Protection		227,355	227,355		227,355	-
Rianyandoro Spring Protection		220,000	220,000		220,000	-
Mogonchoro Spring Protection		500,000	500,000		500,000	-
Nyamaruma Primary School		1,000,000	1,000,000		1,000,000	-
6.1Nyamaruma primary school	341,778		341,778		341,778	-
6.2Nyagiki community spring	300,000		300,000		300,000	-
6.3Mosasa Primary school	300,000		300,000		300,000	-
6.4 Nyabiosi primary school	200,000		200,000		200,000	-

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
6.5 Nyachekei spring (Getionko)	200,000		200,000		200,000	-
6.6 NG-CDF Office	400,000		400,000		400,000	-
6.7 Gekongo primary school	200,000		200,000		200,000	-
6.8 Ebigogo Sec school	200,000		200,000		200,000	-
6.9 Enchoro PEFA primary school	200,000		200,000		200,000	-
7 Sameta boys boarding primary	200,000		200,000		200,000	-
7.1 Inani primary school	200,000		200,000		200,000	-
<b>Total</b>	<b>2,741,778</b>	<b>2,947,355</b>	<b>6,489,133</b>	<b>200,000</b>	<b>6,289,133</b>	<b>3</b>
<b>7.0 Primary Schools Projects</b>						
Bendere pri			800,000	800,000	-	100
BIRONGO FAG PRIMARY SCHOOL			1,000,000.00	1,000,000	-	100
Bonyancha primary			800,000	800,000	-	100
BOSANSA PRIMARY SCHOOL			500,000.00	500,000	-	100
Ebiosi primary			800,000	800,000	-	100
EKENYORU PRIMARY SCHOOL			600,000.00	600,000	-	100
ekenyoru pry	600,000		1,200,000	600,000	600,000	50
EMENWA FRL SCHOOL	800,000		800,000	800,000	-	100



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
Enchoro Emma	500,000		1,000,000	1,000,000	-	100
Gesure Primary School	594,010		594,010	594,010	0	100
Getai Pri			800,000	800,000	-	100
GETENGA PRIMARY SCHOOL			500,000	500,000	-	100
Getome primary school	800,000		800,000	800,000	-	100
GETUNWA PRIMARY SCHOOL			940,975	940,975	-	100
IGOMA PRI. SCHOOL	800,000		800,000	800,000	-	100
INANI PRIMARY SCHOOL			400,000	400,000	-	100
IRONGO PRIMARY SCHOOL			500,000	500,000	-	100
Itumbe primary school	1,000,000		1,000,000	1,000,000	-	100
KEERA PRI. SCHOOL	800,000		800,000	800,000	-	100
Kegochi PAG primary	1,000,000		1,000,000	1,000,000	-	100
KEIGAMERE PRI. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
Kenyoro Primary School	1,000,000		1,000,000	1,000,000	-	100
KIOMBWORI PRI. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
KIONDUSO PAG PRI. SCHOOL	1,000,000		1,000,000	1,000,000	-	100

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
KIONGETI PRL. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
KIONGONGI PRIMARY SCHOOL			1,000,000	1,000,000	-	100
Maji mazuri			1,100,000	1,100,000	-	100
MOKONGE PRL. SCHOOL			800,000	800,000	-	100
Nyabigonkoru Primary School	1,000,000		1,000,000	1,000,000	-	100
NVABISIA PRL. SCHOOL	800,000		800,000	800,000	-	100
NVABITE PRL. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
NVACHEKI MISSION PRIMARY SCHOOL			1,000,000	1,000,000	-	100
NVAGUKU PRIMARY SCHOOL			2,000,000	2,000,000	-	100
NVAINEKE PRIMARY SCHOOL			500,000	500,000	-	100
NVAKEGOGI PRL. SCHOOL	800,000		800,000	800,000	-	100
NVAKONDIERE PRIMARY SCHOOL			500,000	500,000	-	100
NVAMACHE PRIMARY SCHOOL			500,000	500,000	-	100
NVAMAGWA MIXED PRL. SCHOOL			1,400,000	1,400,000	-	100
NVAMAGWA MIXED PRL. SCHOOL			600,000	600,000	-	100
NYAMBUUNDE PRIMARY SCHOOL			1,000,000	1,000,000	-	100
Nyamnonema Primary School	1,000,000		1,000,000	1,000,000	-	100



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
Nyamuya primary school	1,000,000		1,000,000	1,000,000	-	100
Nyamware primary school	800,000		800,000	800,000	-	100
NYANGOSO PRIMARY BOARDING		300,000	300,000	300,000	-	100
NYANTIRA PRI. SCHOOL	800,000		800,000	800,000	-	100
Omokonge Primary School	800,000		800,000	800,000	-	100
riambase primary		1,000,000	1,000,000	1,000,000	-	100
RIONGONCHO PRIMARY SCHOOL		500,000	500,000	500,000	-	100
RIYABO PRIMARY SCHOOL		500,000	500,000	500,000	-	100
Rusinga Primary School	8,000,000		10,000,000	8,048,706	1,951,294	80
SIMITI PRIMARY SCHOOL			1,000,000	1,000,000	-	100
SUGUBO PRIMARY SCHOOL		1,000,000.00	1,000,000	1,000,000	-	100
Nyamaruma Primary School		1,000,000	1,000,000	1,000,000	-	100
<b>Total</b>	<b>27,894,010</b>	<b>-</b>	<b>54,334,985</b>	<b>51,783,691</b>	<b>2,551,295</b>	<b>95</b>
<b>8.0 Secondary Schools Projects</b>						
Birongo Secondary School	500,000		500,000	500,000	-	100
Boitangare sec		820,000	820,000		820,000	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
BO-RANGI PAG SEC. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
Ebigogo Secondary School	1,000,000		1,000,000	1,000,000	-	100
Emenwa Secondary School	2,000,000		2,000,000	2,000,000	-	100
Getai Secondary School	1,000,000		1,000,000	1,000,000	-	100
Gionsaria Secondary School	1,000,000		1,000,000	1,000,000	-	100
GIONSFRI SFC. SCHOOL			1,000,000	1,000,000	-	100
KENYERERE DOK SEC. SCHOOL	800,000		800,000	800,000	-	100
Kenyere Secondary School	800,000		800,000	800,000	-	100
Kenyoro Secondary School	500,000		500,000	500,000	-	100
Mosora Secondary School	7,200,000		7,200,000		7,200,000	-
NYOERA SEC. SCHOOL	500,000		500,000	500,000	-	100
NYABETE SECONDARY SCHOOL	1,000,000		1,000,000	1,000,000	-	100
Nyaboterere Secondary School	1,000,000		1,000,000	1,000,000	-	100
NYACHEKI SECONDARY SCHOOL	500,000		500,000	500,000	-	100



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
NYACHENGE SECONDARY SCHOOL	800,000		800,000	800,000	-	100
NYACHOGOCHOGO SEC. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
Nyagancha Secondary School	1,000,000		1,000,000	1,000,000	-	100
Nyamakorobo Secondary School	1,000,000		1,000,000	1,000,000	-	100
NYOERA SEC. SCHOOL	1,000,000		1,000,000	1,000,000	-	100
Orogare Secondary School	1,000,000		1,000,000	1,000,000	-	100
Proposed Riosugo Girls Secondary School	2,000,000		2,000,000		2,000,000	-
Riobara Secondary School	1,000,000		1,000,000	1,000,000	-	100
RIONTWEKA SEC. SCHOOL		2,000,000	2,000,000	2,000,000	-	100
St. Charles Kabeco Secondary School	500,000		500,000	500,000	-	100
St. pauls Nyacheki secondary school	500,000		500,000	500,000	-	100
Suguta Girls Secondary School	1,000,000		1,000,000	1,000,000	-	100
Turwa Secondary School	1,000,000		1,000,000	1,000,000	-	100
<b>Total</b>	<b>30,600,000</b>		<b>34,420,000</b>	<b>24,400,000</b>	<b>10,020,000</b>	<b>71</b>

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
9.0 Tertiary institutions Projects						
Orogare TIVET	400,000		400,000	400,000	-	100
<b>Total</b>	<b>400,000</b>	<b>820,000</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>	<b>100</b>
10.0 Security Projects						
NVABITE CHIEFS OFFICE	200,000		200,000	200,000	-	100
NVAMAGWA CHIEFS OFFICE	200,000		200,000	200,000	-	100
OMOSARIA CHIEFS OFFICE	400,000		400,000	400,000	-	100
igare police station		5,800,000	5,800,000	800,000	5,000,000	14
Bassi central chiefs office	1,000,000		1,000,000	-	1,000,000	-
Sameta sub-county head quarters	400,000		400,000	-	400,000	-
<b>Total</b>	<b>2,200,000</b>	<b>5,800,000</b>	<b>8,000,000</b>	<b>1,600,000</b>	<b>6,400,000</b>	<b>20</b>
11.0 Acquisition of assets						
11.1 Construction of CDF office			3,500,000	3,500,000	-	100
11.2 Purchase of Motor cycle		350,000	350,000	342,200	7,800	98
11.3 Purchase of furniture and equipment	3,000,000		3,000,000	-	3,000,000	-
<b>Total</b>	<b>3,000,000</b>	<b>350,000</b>	<b>3,500,000</b>	<b>3,842,200</b>	<b>3,007,800</b>	<b>56</b>



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## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

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

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

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

#### *Unutilized Funds from PMCs.*

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

#### **External Assistance**

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



**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8.**

**9. Accounts Payable**

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

Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

**10. Pending Bills**

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

**11. 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

**12. Budget**

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

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

**13. Comparative Figures**

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

**14. 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 2021

**15. Errors**

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

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

**16. Related Party Transactions**

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



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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
2018/2018/1458			
2018/2019/1539	1		13,000,000
2018/2019/1569			20,000,000
2019/2020/013			34,240,876
2019/2020/396			4,000,000
2019/2020/700			20,000,000
2019/2020/903			6,000,000
2019/2020/1200			14,000,000
2019/2020/1483			15,000,000
B041441		20,000,000	
B104790		33,000,000	
B104533		12,867,724	
B124895		8,500,000	
B104988		9,000,000	
B119700		12,000,000	
B119740		6,900,000	
B128332		1,040,000	
B128550		7,000,000	
B132095		6,000,000	
B138763		12,000,000	
B126348		11,600,000	
B105193		12,000,000	
B126059		7,000,000.00	
<b>TOTAL</b>		<b>158,907,724</b>	<b>135,240,876</b>

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	0
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,327,164	1,878,900
<b>Personal allowances paid as part of salary</b>		
House Allowance	-	-
Transport Allowance		-
Leave allowance	-	-
Gratuity to contractual employees	613,800	595,200
Employer Contributions Compulsory national social security schemes	96,840	79,200
<b>Total</b>	<b>3,037,804</b>	<b>2,553,300</b>



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	-	9,813,700
Utilities, supplies and services	-	-
Communication, supplies and services	9,450	9,450
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	253,344	-
Rentals of produced assets	-	-
Training expenses	1,270,000	-
Hospitality supplies and services	-	-
Other committee expenses	2,349,800	-
Committee allowance	5,919,800	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	734,200	407,600
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	48,500
Routine maintenance – other assets	213,112	-
Other committee expenses	-	6,278,000
Fuel , oil & lubricants	645,222	1,142,000
<b>Total</b>	<b>11,394,928</b>	<b>17,699,250</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	56,085,651	19,700,000
Transfers to secondary schools (see attached list)	25,345,000	21,655,000
Transfers to tertiary institutions (see attached list)	2,000,000	1,000,000
<b>TOTAL</b>	<b>83,430,651</b>	<b>42,355,000</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	6,603,500	14,522,100
Bursary – tertiary institutions (see attached list)	57,683,630	18,402,500
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	800,000	-
Sports projects (see attached list)	2,715,000	4,901,000
Environment projects (see attached list)	200,000	1,180,817
Emergency projects (see attached list)	3,935,000	11,044,040
<b>Total</b>	<b>71,937,130</b>	<b>50,050,457</b>



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	342,200	11,884,156
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>342,200</b>	<b>11,884,156</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	499,980	
ICT Hub	-	-
	<b>499,980</b>	

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10: CASH BOOK BANK BALANCE**

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

<b>Name of Bank, Account No. &amp; currency</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Kenya Commercial Bank, Kisii west Branch . Bobasi NG-CDF</i>		
<i>Account No. 1237909678</i>	<b>16,835,864</b>	<b>28,570,832</b>
<b>Total</b>	<b>16,835,864</b>	<b>28,570,832</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<i>[Provide cash count certificates for each]</i>		



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Total</i>				0

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

**12A. RETENTION**

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	0	0

*[Provide short appropriate explanations as necessary.]*

**12B. GRATUITY**

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	0	0

**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	16,835,864	17,841,120
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>84,955,449</b>	<b>17,841,120</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Fund Balance	10,711,100	7,130,020	17,841,120
Fixed Asset Register	20,345,986	8,192,268	28,538,254
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>TOTAL</b>	<b>31,057,086</b>	<b>15,322,268</b>	<b>46,379,374</b>

*\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)*

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

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
<b>closing accounts in account receivables D= A+B-C</b>	<b>-</b>	<b>-</b>

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

	2020-2021	2019-2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
<b>closing account payables D= A+B-C</b>	<b>-</b>	<b>-</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

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

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<b>0</b>	<b>0</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0	613,800
Others ( <i>specify</i> )	0	
	<b>0</b>	<b>613,800</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	613,800	<b>1,217,100</b>
Use of goods and services	821,799	<b>4,320,035</b>
Amounts due to other Government entities (see attached list)	7,306,336	<b>63,933,599</b>
Amounts due to other grants and other transfers (see attached list)	44,584,161	<b>23,290,795</b>
Acquisition of assets	6,507,800	<b>3,850,001</b>
Office Administration	7,077,047	3,427,027
	<b>66,910,943</b>	<b>100,038,557</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
KCB Bank	2,665,778	0
Cooperative Bank	524,684	4581
	3,190,462	4,581



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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					

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
	Sub-Total			
	Grand Total			



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	staff salaries	613,800		staff Gratuity yet to be paid
Use of goods & services	Admin & M&E	821,799	923,100	funds to be spent on administration and M&E
<b>Sub-Total</b>		1,435,599	923,100	
<b>Amounts due to other Government entities</b>				
Boitangare sec	Construction of 2 classrooms		1,000,000	
Ebigogo Secondary School	Construction of classroom		820,000	
Kenyerere primary school	Construction of 2 classrooms		800000	Funds to be spent on the specified activity once received. Project to be implemented
Rusinga Primary School	Construction of storey building block	623,718		
Nyakenyerere Primary school	Construction of 2 classrooms	800,000		Project to be implemented on receipt of funds
Ebigogo Secondary School	Construction of 100 capacity dormitory	420,000		Project to be implemented
Mosora Secondary School	purchase of 51 seater bus	7,200,000		Project to be implemented
Proposed Riosugo Girls Secondary School	Construction of 4 new classrooms	2,000,000		Project to be implemented
NYABITE CHIEF'S OFFICE	Construction of a chief's office		200,000	
NYAMAGWA CHIEF'S OFFICE	Construction of a chief's office		200,000	
OMOSARIA CHIEF'S OFFICE	Construction of a chief's office		400,000	
Igare police station	Construction of a chief's office		5,000,000	
Igare police station	Construction of a proposed police station	5,000,000		Police station to be constructed

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	administration block			
Bassi central chief's office	Construction of a 3 roomed chief's office	1,000,000		Chief's office to be constructed
Sameta sub-county head quarters	Fencing of 4 acre land	400,000		FMC to receive funds and fencing be done to completion
<b>Sub-Total</b>		<b>16,643,718</b>	<b>63,464,625</b>	
<b>Amounts due to other grants and other transfers</b>				
4.1 Bursary Secondary Schools	Payment of bursary to needy students	8,396,500		Students to be allocated funds immediately on receipt of the same from NG-CDF Board
4.2 Bursary Tertiary Institutions	Payment of bursary to needy students	14,624,755	8,810,915	Students to be allocated funds immediately on receipt of the same from NG-CDF Board
sports	Facilitating sports and tournament activities across the constituency	104,386	113,195	Remaining activities to be done on sports
Getunwa pri	Environmental conservation	200,000	729,241	Project to receive funds and be implemented fully
Getenga pri	Environmental conservation	200,000		Project to receive funds and be implemented fully
Rianchore Primary	Environmental conservation	200,000		Project to receive funds and be implemented fully
Ebigogo Primary	Environmental conservation	200,000		Project to receive funds and be implemented fully
Kiobegi primary	Environmental conservation	200,000	200,000	Project to receive funds and be implemented fully
Mosobeti Primary School	Environmental conservation	200,000	200,000	Project to receive funds and be implemented fully
Nyambunwa Primary School	Environmental conservation	200,000	200,000	Project to receive funds and be implemented fully
Keera Primary School	Environmental conservation	200,000	200,000	Project to receive funds and be implemented fully



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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Kiombwori Primary School	Environmental conservation	200,000	200,000	Project to receive funds and be implemented fully
Riontomwa Spring Protection	Environmental conservation	227,355	227,355	Project to receive funds and be implemented fully
Rianyandoro Spring Protection	Environmental conservation	220,000	220,000	Project to receive funds and be implemented fully
Mogonchoro Spring Protection	Environmental conservation	500,000	500,000	Project to receive funds and be implemented fully
Nyamaruma Primary School	Environmental conservation	200,000	1,000,000	Project to receive funds and be implemented fully
6.1Nyamaruma primary school	Environmental conservation	341,778		Project to receive funds and be implemented fully
6.2Nyangiki community spring	Environmental conservation	300,000		Project to receive funds and be implemented fully
6.3Mosasa Primary school	Environmental conservation	300,000		Project to receive funds and be implemented fully
6.4 Nyabiosi primary school	Environmental conservation	200,000		Project to receive funds and be implemented fully
6.5 Nyacheiki spring (Cetionko)	Environmental conservation	200,000		Project to receive funds and be implemented fully
6.6 NG-CDF Office	Environmental conservation	400,000		Project to receive funds and be implemented fully
6.7 Gekongo primary school	Environmental conservation	200,000		Project to receive funds and be implemented fully
6.8 Ebigogo Sec school	Environmental conservation	200,000		Project to receive funds and be implemented fully
6.9 Enchoro PEFA primary school	Environmental conservation	200,000		Project to receive funds and be implemented fully
7 Sameta boys boarding primary	Environmental conservation	200,000		Project to receive funds and be implemented fully
7.1 Inani primary school	Environmental conservation	200,000		Project to receive funds and be implemented fully
3.1 Primary Schools	construction of toilets	589,241		Project to receive funds and be implemented fully
3.2 Secondary schools	construction of toilets	1,590,000		Project to receive funds and be implemented fully
3.3 Tertiary institutions	construction of toilets	400,000		Project to receive funds and be implemented fully

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
3.4 Security projects	construction of toilets	150,000		Project to receive funds and be implemented fully
3.5 Unutilised	construction of toilets	3,257,207		Project to receive funds and be implemented fully
Igare police station	Construction of a proposed police station administration block	5,000,000		Project to receive funds and be implemented fully
Bassi central chief's office	Construction of a 3 roomed chief's office	1,000,000		Project to be implemented
Sameta sub-county head quarters	Fencing of 4 acre land	400,000		Project to be implemented
<b>Sub-Total</b>		<b>6,400,000</b>	<b>28,573,805</b>	
<b>Acquisition of assets</b>				
11.1 Construction of CDF office	Extension of NG-CDF office	3,500,000		Office to be completed
11.2 Purchase of Motor cycle	Purchase of NG-CDF Motorbike	7,800	350,000	Balance to be reallocated
11.3 Purchase of furniture and equipment	First time purchase of furniture for a newly constructed office	2,545,000		Furniture to be purchased
<b>sub-total</b>		<b>6,507,800</b>		
<b>Others (specify)</b>				
Innovation hubs		4,677,027	4,677,027.20	Balance to be Reallocated
Strategic plan		1,900,020	2,400,000	Balance to be on successful implementation
Audit fee		500,000	0	
<b>Sub-Total</b>		<b>7,077,047</b>	<b>7,077,027.2</b>	
<b>Funds pending approval</b>				
11.3 Purchase of furniture and equipment	First time purchase of furniture for a	455,000		<b>Funds Awaiting approval</b>



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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	newly constructed office			
	Sub-Total	455,000		
	Grand Total	66,910,943	100,038,557	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	0
Buildings and structures	20,511,305	-	-	20,511,305
Transport equipment	5,400,000	342,200	-	5,742,200
Office equipment, furniture and fittings	1,164,749	-	-	1,164,749
ICT Equipment, Software and Other ICT Assets	1,462,200	-	-	1,462,200
Other Machinery and Equipment	-	-	-	0
Heritage and cultural assets	-	-	-	0
Intangible assets	-	-	-	0
<b>Total</b>	<b>28,538,254</b>	<b>-</b>	<b>-</b>	<b>28,880,454</b>



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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
BIRONGO PAG PRIMARY SCHOOL	KCB	1276105185	24	
BOITANGARE PRIMARY SCHOOL	KCB	1261621549		2,000
Bonyancha primary school	Co-op Bank	01139017529500	8,593	-
BORANGI PAG PRIMARY SCHOOL	KCB	1267860650		12,409
BORANGI SDA PRIMARY SCHOOL	KCB	1263070353		1000
Bosansa primary school	Co-op Bank	01139017094901	2,899	-
CHIRONGE PRIMARY SCHOOL	KCB	1261182928		874
EBIGOGO PRIMARY SCHOOL	KCB	1235739090	1,182	1,182
EKENYORU PRIMARY SCHOOL	KCB	1261101294	-	5,094.3
EKEONGA PRI. SCHOOL	KCB	1269388983	100	
Emenwa DOK Primary School	KCB	1269388983	974	
ENCHORO EMMA PRIMARY SCHOOL	KCB	1272651738	501,823	
GEKONGO SECONDARY SCHOOL	KCB			532
Gesure primary school	Co-op Bank	01139016651801	104,230	-
GETAI PRIMARY	KCB	1276300433	81	0
GETARE PRIMARY SCHOOL	KCB	1261413482		2,000
Getenga primary school	Co-op Bank	01141017532900	1,706	-
GIONSARIA SECONDARY SCHOOL	KCB			11334
IKENYE SEC. SCHOOL	KCB	1281496316	1,833	
INANI PRIMARY SCHOOL	KCB	1278921184	94	
IRONGO PRIMARY SCHOOL	KCB	1279769408	2,180	
ISENA MISSION GIRLS	KCB	1276104693		0
ISENA PAG MIXED SECONDARY SCHOOL	KCB			629
ITIBO ERAMANI PRIMARY SCHOOL	KCB	1261584562		500

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
ITIBONGE PRIMARY SCHOOL	KCB	1261499271		640
Itumbe primary school	Co-op Bank	01139019711101	199,620	-
Keera Primary School	KCB	1272639029		880
Kegochi primary school	Co-op Bank	01141019709600	559,135	-
KEGOCHI SECONDARY SCHOOL	KCB	1234823624		45
Kiombwori Primary School	KCB	1272640078		1,280
KIONDUSO PAG PRI. SCHOOL	KCB	1274868955	1,015	
KIONGONGI PRIMARY SCHOOL	KCB	1281048151	684	
Metengero DOK Primary School	KCB	1274916399		3,000
MOGONGA SEC SCHOOL	KCB	1276629613	814	
MOKARATE PRIMARY SCHOOL	KCB	1267488190		1,000
MOKONGE PRIMARY SCHOOL	KCB	1274891612		817
Nyabete primary school	Co-op Bank	01120016746100	468,550	-
NYABIGONKORU PRIMARY	KCB	1261192494		2,000
Nyabigonkoru primary school	Co-op Bank	01139017532801	620,053	17,845
Nyabisia primary school	Co-op Bank	01141019711600	4,355	-
NYABONGE PRIMARY SCHOOL	KCB	1267799323		1,000
NYABOTERERE SEC. SCHOOL	KCB	1287102158	-	-
NYACHENGE PRIMARY SCHOOL	KCB	1272009483		49,945
NYACHOGOCHOGO PRIMARY SCHOOL	KCB			0
NYAGUKU PRIMARY SCHOOL	KCB	1275802419	6,282	
Nyagwengi DEB Primary School	KCB	1271238446		375
NYAINEKE PRIMARY SCHOOL	KCB	1281048240	100	
NYAKONDIERE PRIMARY SCHOOL	KCB	1281048356	10	
Nyamache primary school	Co-op Bank	01141017086900	2,736	-



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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Nyamaruma Deb Primary School	KCB	1274640040		5,450
NYAMISARO PRIMARY SCHOOL	KCB	1274637929		2,254
Nyamonema SDA Primary School	KCB	1273211251	394	520
NYAMUYA PRI. SCHOOL	KCB	1272671526	330	
Nyamware DEB Primary School	KCB	1272326608		950
NYANGOSO PRIMARY BOARDING	KCB	1281369624	1,394	
NYANUGUTI PRIMARY SCHOOL	KCB	12533117550		845
Obuya primary school	Co-op Bank	01141017098900	2,865	-
OMOBONDO PRIMARY SCHOOL	KCB	1265323771		155
OROGARE PRIMARY SCHOOL	KCB	1261274679		129
Riakerongo DEB Primary School	KCB	1265590540		200
RIAMANONO PRIMARY SCHOOL	KCB	1181485347	1,898	
Rianchore primary school	Co-op Bank	01100017396800	3,850	-
RIANYACHUBA SECONDARY SCHOOL	KCB			1,001,619
Rigena SDA Primary School	KCB	1272622134		500
Riobara PAG Primary School	KCB	1270958771		1,110
RIOBARA SECONDARY SCHOOL	KCB			361,538
Riongoncho primary school	Co-op Bank	01139017529801	2,340	-
RIYABO PRIMARY SCHOOL	KCB	1281170259	749	0
ROGONGO SEC. SCHOOL	KCB	1208386638		2,989
Rusinga primary school	Co-op Bank	01141017090200	681,947	-
Rusinga primary school	Co-op Bank	01141017090200	2,899	-
SAMETA MIXED SECONDARY SCHOOL	KCB			7236.5
SIMITI PRIMARY SCHOOL	KCB	1106444213		1,718.5
SINDAGOGI PRIMARY SCHOOL	KCB	1261664825		2590

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
SINDAGOGI PRIMARY SCHOOL	KCB	1261664825		2,590
ST.CHARLES KABEO SECNDARY SCHOOL	KCB			219,053
SUGUBO PRIMARY SCHOOL	KCB	1261764021	1,873	



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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Bursary Disbursements</b> The statement of receipts and payments reflects under other grants and other payments expenditure of Kshs. 48,281,357 for the year ended 30 June 2020. The expenditure includes an amount of Kshs. 31,155,500 which was disbursed as bursaries to students in various learning institutions. However, out of the total bursary disbursements, an amount of Kshs. 1,229,000 was not supported by evidence of this amount being received by the relevant learning institutions. Consequently, the accuracy, validity and regularity of the expenditure of Kshs. 1,229,000 for the year ended 30 June 2020 could not be confirmed.</p>	<p>The NG-CDF Committee – Bobasi constituency adopted a system disbursing bursary funds to students by drawing individual cheques as opposed to institutional where in most cases cheques could be confirmed by students as having reached their institutions but there was inherent delays to have the cheques credited to the individual students’ fee accounts. While this method mitigates loss of bursary funds in various institutions, following up acknowledgements for individual beneficiaries from various institutions has been a uphill task with institutions claiming it is tedious for them to do acknowledgements for every individual beneficiary. Going forward, this committee has resolved to issue the beneficiary institutions with a list of students benefiting from our bursary scheme with the cheque details to enable them do a single acknowledgement letter for all the beneficiaries.</p>	Daniel J.O Oteri - FAM	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p align="center"><b>Other Matters</b></p> <p><b>Budget Performance Analysis</b></p> <p><b>Receipt Analysis</b></p> <p>Included in the statement of receipts and payments are 2019/2020 financial year transfers from NG- CDF Board totaling Kshs. 83,339,616 against approved budget amount of Kshs. 154,107,340 resulting in a revenue shortfall of Kshs. 70,767,724 or 45.92% under-funding in year under review. The residents of Awendo constituency did not receive the intended benefits due from budgeted funds worth Kshs. 70,767,724 for service delivery and approved programs due to partial disbursement of the budgeted allocation from the NG-CDF Board.</p>	<p><i>Copies of some of the acknowledgement letters and receipts so far received in our office are hereby attached for your review (ANNEX 1).</i></p>		
2		<p>The management concurs with the auditors' observation. However, we wish to state that low absorption rate resulted due to late disbursement of project funds from the NG-CDF Board.</p>	Daniel J.O Oreni - FAM	Resolved



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p><b>Expenditure Analysis</b></p> <p>The approved budget for Bobasi Constituency for the financial year 2019/2020 was Kshs. 224,580,720 out of which the NGCDF Board transferred a total of Kshs. 124,542,163 only or 44% of the approved budget, the funds received in the year under review was distributed to the projects as analyzed below;</p> <p>The total expenditure budget for the fund in the year under review was Kshs. 224,124,720 but due to partial disbursement of from the NG-CDF, the actual expenditure amounted to Kshs. 124,542,163 only, representing 44% absorption rate. The most affected vote being that of transfers to other government units with a budget of Kshs. 106,288,599</p>	<p>The management concurs with the auditors' observation. However, we wish to state that low absorption rate resulted due to late disbursement of project funds from the NG-CDF Board.</p>	Daniel J.O Oteri - FAM	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and absorption of Kshs. 44,124,100 only, representing 42.% absorption rate.The partial disbursement of funds from the NG-CDF Board indicate that the residents of Bobasi Constituency did not receive the services and approved programs worth Kshs. 100,038,557 which were not delivered, and therefore, the budget did not meet the intended objectives of improving service delivery to the constituents.			
4	<p align="center"><b>Unimplemented Projects</b></p> <p>The constituency was allocated Kshs. 3,507,770 for establishment of innovation hubs at St. Paul's Nyachekei Secondary School, Nyakegogi Secondary School and Rusinga Secondary School at Kshs. 1,169,256.80 each.The constituency committee has resolved to reallocate the funds to other projects due to lack of rooms for installation of the innovation hub projects expose their weaknesses in project implementation and management as they</p>	<p><i>The management confirms the true observation of the auditors that during the financial year 2017/2018, the constituency was allocated Kshs. 3,507,770 for establishment of innovation hubs at St. Paul's Nyachekei Secondary School, Nyakegogi Secondary School and Rusinga Secondary School each at Kshs. 1,169,256.80 and that despite that funds were provided, the activities had not been implemented as at the time of audit. The management wishes to state that the funds are intact in the NG-CDF Bobasi account since they were disbursed from the NG-CDF Board. However, the delay</i></p>	Daniel J.O Oreni - FAM	Resolved



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>should have allocated funds to the participating schools to construct computer labs where the equipment could have been installed. Consequently, the intended beneficiaries have been denied the intended benefits accruable from the innovation hubs.</p>	<p>in implementation is mainly due to lack of rooms for installation of innovation hubs in the said institutions. The NG-CDF committee intends to reallocate the funds to other viable projects.</p>		
5	<p><b>Construction of Dormitory at Rianyachuba Secondary School</b> Included in the transfers to other government units balance of Kshs. 44,124,100 are expenditures worth Kshs. 23,424,100 relating to transfers to Secondary Schools which in turn includes Kshs. 1,000,000 disbursed to Rianyachuba Secondary School in respect of completion of administration block. However, the funds were diverted to construction of a dormitory without the approval of NG-CDF board contrary to the provisions of Section 6(2) of NGCDF Act 2015. Consequently, the propriety and value for money could not be confirmed.</p>	<p>By the time NG-CDFC disbursed funds to the school, the PMC had completed the administration block through other source of funding. On receiving the NG-CDF funding, the PMC started construction of a dormitory without informing the NG-CDF committee of the change of project activity, due to high enrollment of students following 100% transition to secondary schools policy, changing the scope of the dormitory to a two storey building to accommodate influx of the students. The NG-CDF Committee has since undertaken capacity building for the PMCs to induct them on, among other issues, the procedure of making such changes in future.</p>	Daniel J.O Oteri - FAM	Resolved

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6	<p align="center"><b>Unauthorized Reallocation of Funds</b></p> <p>Included in the Transfers to other Government Entities figure of Kshs. 44,124,100 is an amount of Kshs. 19,700,000 in respect of Transfers to primary schools which in turn includes a total of Kshs. 3,500,000 in disbursements to Project Management Committees of some four (4) primary schools for construction of classrooms. However, audit site verification on 2<sup>nd</sup> February 2021 revealed that the funds disbursed to the four schools were diverted to renovation of classrooms without the approval of the NG-CDF Board as stipulated in the NG-CDF Act 2015. The funds were disbursed as below;</p> <p>Under the circumstances, the regularity and the realization of value for money from the expenditure of Kshs. 3,500,000 could not be confirmed.</p>	<p><i>By the time NG-CDFC disbursed funds to the school, the PMC had completed the administration block through other source of funding. On receiving the NG-CDF funding, the PMC started construction of a dormitory without informing the NG-CDF committee of the change of project activity, due to high enrollment of students following 100% transition to secondary schools policy, changing the scope of the dormitory to a two storey building to accommodate influx of the students. The NG-CDF Committee has since undertaken capacity building for the PMCs to induct them on, among other issues, the procedure of making such changes in future.</i></p>	Daniel J.O Oteri - FAM	Resolved
8	<p align="center"><b>Emergency Projects</b></p> <p>Included in other grants and other payments balance of Kshs. 50,050,457 are payments</p>	<p><i>Most PMCs undertake labour-based contracts due to limitation of funding. They are however supposed to procure materials competitively.</i></p>	Daniel J.O Oteri - FAM	Resolved



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	<p>worth Kshs. 11,044,040 relating to Emergency projects which in turn includes expenditures worth Kshs. 2,300,000 in respect of disbursements to some seven (7) schools for various projects, all of which were paid in cash. The payments for procurement of works for amounts between Kshs. 300,000 and Kshs. 500,000 exceeded the low value cash purchase limit of Kshs. 5,000 for entities in class "C" in which the CDF falls. Further, minutes from the CDF Board were not made available for audit review and therefore it is not possible to confirm that the projects met the criteria for emergency projects as specified under Section 8(3) of National Government Constituencies Development Fund Act, 2015.</p> <p>Consequently, the regularity and value for money of the expenditure of Kshs. 2,300,000 for the year ended 30 June 2020 could not be confirmed.</p> <p>A copy of the NG-CDFC minutes approving the emergency expenditure is hereby attached <b>(Annex 3)</b></p>	<p>The NG-CDFC has undertaken capacity building for the PMCs to ensure that they follow procurement laws strictly after receiving the NG-CDFC funding.</p>		

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9	<p>Construction of Laboratory Block at Enchoro PEFA Secondary School</p> <p>1. Included in transfer to other government units balance of Kshs. 42,355,000 in the statement of receipts and payments are payments worth Kshs. 21,655,000 relating to transfers to Secondary Schools which in turn includes a disbursement of Kshs. 600,000 to Enchoro PEFA Secondary School for completion of a laboratory block under the labour based contract method. However, physical verification revealed that the project stalled with various activities such as plastering, flooring and, painting works both internal and external still outstanding.</p> <p>Consequently, the value for money of Ksh. 600,000 for the year ended 30 June 2020 could not be confirmed.</p>	<p><i>It is true that the said project was allocated Kshs. 600,000 for the completion of laboratory block. However, the amount allocated then was insufficient to complete the project, remaining activities being plastering, flooring and painting of internal and external walls.</i></p> <p><i>The management plans to allocate more funds towards the project for completion in the coming financial year.</i></p>	Daniel J.O Oteri - FAM	Resolved
10	<p>Purchase of the Bus for Borangi SDA Secondary School</p> <p>Included in the transfers to other government units figure of Kshs. 42,355,000 in the</p>	<p><i>The school preferred Isuzu Bus. Using a circular from the ministry of transport which stipulated the cost of school buses, the NG-CDF Purchased the Bus directly from associated motors (dealers in Isuzu vehicles) since</i></p>	Daniel J.O Oteri - FAM	Resolved



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	<p>statement of receipts and payments are expenditures worth Kshs. 23,424,100 relating to transfers to secondary schools which in turn includes Kshs. 7,200,000 in respect of purchase of a 51 seater school bus for Borangi SDA Secondary School for vehicle registration number KCT 895Y. The bus was purchased through direct procurement despite the procurement not meeting the requirements for procedures for direct procurement as set out in section 104 of public procurement and asset disposal Act, 2015. Consequently, value for money of Ksh. 7,200,000 expenditures for the year ended 30 June 2020 could not be ascertained.</p>	<p>their quotation was within the stipulated cost by the Government. The Auditors however rightly pointed out that competition should have been allowed among various Isuzu dealers. Given the advice from the Auditors, NG-CDFC has committed to follow the audit advice in any other future Bus acquisitions for schools. The Government circular on cost of school Buses costs is hereby attached (ANNEX 5).</p>		