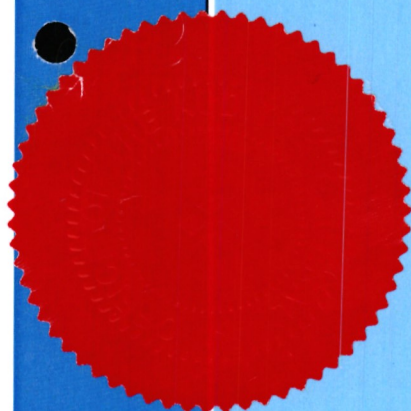




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REPORT

OF

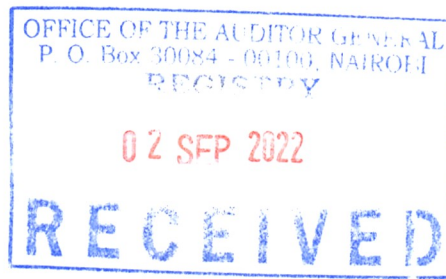
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**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
NYARIBARI MASABA CONSTITUENCY**

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



NYARIBARI MASABA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

***Nyaribari Masaba 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 Nyaribari Masaba Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Ronald Ingala Khaggayi
2.	Sub-County Accountant	Evans M. Obae
3.	Chairman NGCDFC	Mark Siko
4.	Member NGCDFC	Joseph Omare King’oina

(d) Fiduciary Oversight Arrangements

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

P.O. Box 976 - 40202
Masimba NGCDF Office
Off Keroka – Kilgoris Road
Keroka, KENYA

(f) Nyaribari Masaba Constituency NGCDF Contacts

Telephone: (+254) 751 700004
E-mail: cdfnyaribarimasaba@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Nyaribari Masaba Constituency NGCDF Bankers

The Co-operative Bank of Kenya
Keroka Branch
P.O. Box 754 - 40202
Keroka, Kenya

(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. NYARIBARI MASABA N.G. – C.D.F. COMMITTEE CHAIRMAN’S REPORT

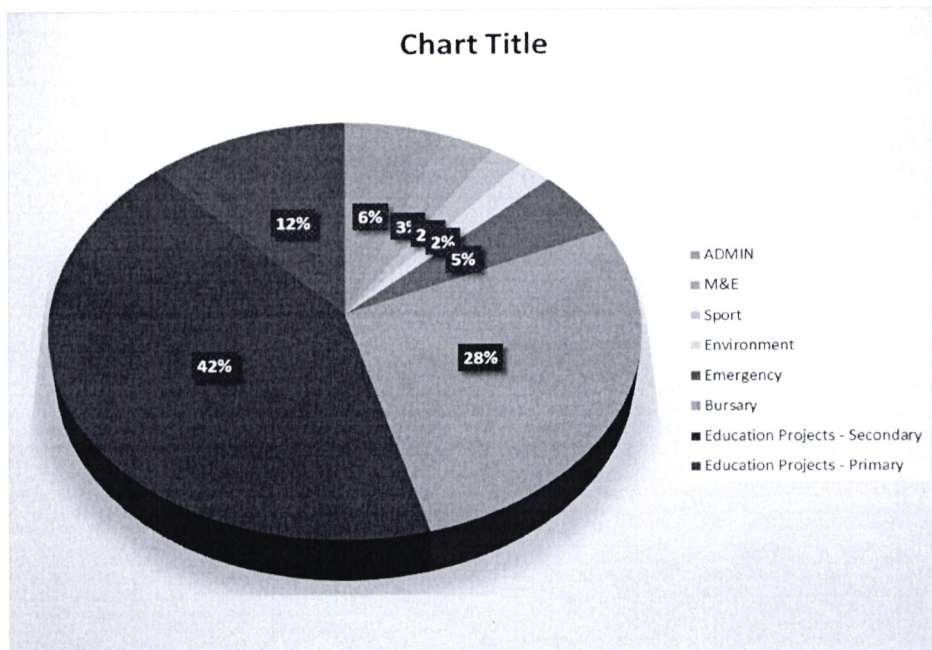


It is another financial year in which we as a committee are proud to report the activities undertaken and the milestones so far achieved.

In the year ending 30th June 2021, we tried our best to be able to achieve what we had desired under our work plan and as per the approved codelist for the projects to be undertaken in the given financial year.

In our work plan for the financial year 2020/2021, we apportioned the funds earmarked for the Nyaribari Masaba Constituency as below;

The bulk of the allocation went towards improving infrastructure in secondary schools; this is in line with enabling the government meet the 100% transition from primary to secondary schools. The second largest allocation went towards the Bursary scheme especially to tertiary institutions to enable our youth gain skills to assist them gain employment in future as well as create jobs for the success of the economy.



The Nyaribari Masaba NGCDF utilised the environment vote 95% with the construction (protection) of over 20 water springs in different wards in the constituency in trying to boost access to clean drinking water for our constituents.

The committee was able to meet its target of

issuing bursaries to all students who applied in tertiary institutions and needy cases in secondary schools. Bursary was a vote which was given priority and utilised 100%. The summary of applicants for the bursary is as below;

*Nyaribari Masaba Constituency
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	WARDS	UNIVERSITIES			COLLEGES			TOTAL
		NEEDY	P/ORPHANS	T/ORPHANS	NEEDY	P/ORPHANS	T/ORPHANS	
1	KIAMOKAMA	300	112	37	348	82	31	910
2	ICHUNI	450	123	35	374	74	29	1085
3	MASIMBA	396	168	32	527	97	37	1257
4	GESUSU	350	146	51	329	96	28	1000
5	NYAMASIBI	311	80	38	417	81	48	975
		1807	629	193	1995	430	173	5227

90% of all infrastructure projects in the primary schools had been initiated as at the end of the financial reporting year.

The main challenge in the current financial year is the covid-19 pandemic. The immediate impact has been having staff at the office to a minimum level. This had an impact on the operations especially when conducting project visits, monitoring and evaluation.

The committee also faced a challenge in implementing its work plan for the year under reporting with a delay in the disbursement of funds from the NGCDF Board. That has led to achieving of only 40% in the implementation of projects under the education sector for secondary school.

The challenges have brought in new measures in how we handle our affairs key among them embracing technology in an effort to curb the spread of covid-19. Committee meetings have been reduced to a minimum as well as using the virtual space, undertaking monitoring of projects using technology like mobile phones and forums like WhatsApp.

All in all, we forge forward and hope for better results heading into a new financial year.

God bless Nyaribari Masaba.

Signed;



**MR. MARK SIKO,
CHAIRMAN NGCDF COMMITTEE,
NYARIBARI MASABA CONSTITUENCY.**

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 NGCDF-NYARIBARI MASABA Constituency's 2018-2022 plan are to:

- i. Improved quality of life (through poverty eradication) and sustainable social-economic development.
- ii. Efficient Communication and Logistics
- iii. Development of our youth's potential in education and extra-curriculum activities
- iv. Improved Security

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
<i>Education</i>	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- Number of usable physical infrastructure build in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels	In FY 2020/21; - We have constructed new classrooms, laboratories and dormitories in over 100 schools as per the strategic plan. - Bursary beneficiaries at all levels were as per the attached list of beneficiaries.
<i>Security</i>	To improve the security situation for all households	Increased security infrastructure installations	- Number of police posts and stations	- There is an ongoing construction of one additional police post at Ichuni. - One police post was given a water tank and toilets made at the

*Nyaribari Masaba Constituency
National Government Constituencies Development Fund (NGCDF)
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				ACC's office.
<i>Environment</i>	Improved quality of life through environmental management	Establishment of tree nurseries and plantations, water tanks and water springs rehabilitated.	<ul style="list-style-type: none"> - Number of trees planted - Number of water springs protected - Number of tanks bought. 	<ul style="list-style-type: none"> - We bought 10000 litres water tanks for 2 schools. - Protected 21 water springs as per the project proposal for the FY 2020/2021.
<i>Sports</i>	Development of our youth's potential in extra-curriculum activities	Increased number of youth participating in sports and other extra-curriculum activities	<ul style="list-style-type: none"> - Active participation in sports activities organised by the NG-CDF. 	<p>In the FY 2020/21;</p> <ul style="list-style-type: none"> - We successfully organised a football tournament and an athletics sports day for the constituency.
<i>Disaster Management</i>	Develop an efficient communication and logistics system	Reduce the impact of a disaster on the community.	<ul style="list-style-type: none"> - Efficient response to emergency situations occurring in the community. 	<p>In this FY, in response to emergency situations;</p> <ul style="list-style-type: none"> - We managed to build toilets in more than 18 schools to improve the sanitary situation. - We bought hand washing points to all market places, bus stages in mitigation of the covid-19 pandemic.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Nyaribari Masaba Constituency 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 Nyaribari Masaba NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Nyaribari Masaba 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

The Strategic Plan proposes several strategic interventions to address the issues of water shortage, water access and water management in the constituency. The interventions require a concerted collaborative approach by all stakeholders.

- i. Supply schools with high capacity plastic and/or concrete water tanks for water harvesting
- ii. Protect water springs and water points and build water reservoirs to hold the water as the overflows is left to go downstream.
- iii. Sensitize the community on the importance of water harvesting, management and effective use.

- iv. Support and encourage community members to form CBOs to expedite pooling of resources for each household to purchase water harvesting tanks.
- v. Encourage tree planting by households and the community to support river bank protection.
- vi. Use students from schools, especially from Environmental Clubs to be active in riverbank conservation.
- vii. Build adequate and good toilets in schools, churches, markets and encourage households to do so at home to improve hygiene.

The constituency in partnership with other stakeholders to construct proper drainage systems in towns, trading and market centres.

Closely related to water and sanitation is environmental conservation. Without conserving our environment, the springs will run dry, the rivers will cease to flow and the rains will be unpredictable. Indeed the phenomenon of climate change is attributed to plunder and misuse of our natural resources. In this strategy, the constituency will work hand in hand with stakeholders to conserve the environment by promoting good agricultural practices, proper management of waste and waste water, and afforestation efforts. To this end the following interventions are proposed:

- Focus was on water catchment areas where we embarked on water springs protection.
- Promote tree planting every year along roads, community land, and water catchment areas.
- Sponsor tree nursery Programmes in 25 primary schools (5 schools per ward).
- Provide good variety and quality tree seedling at cost to constituents.
- Declare one day a tree planting day in Nyaribari Masaba to mobilize the community for plant trees.
- Set one afternoon off once a month for cleaning public and community places - declare the afternoon Nyaribari Masaba Environment Cleaning Day.
- Promote environmental conservation and cleanliness through public barazas and community gathering events.

There is need to scale up the after-care of the environmental projects to be given priority just as other NGCDF projects. Unlike other projects which have been given proper maintenance by respective PMCs, the environmental projects are left to the mercy of nature hence failure for some of the trees planted to mature well.

The involvement of all stakeholders in the environmental sustainability program will lead to improved results in terms of outcome and impact of the efforts made.

3. Employee welfare

We invest in providing the best working environment for our employees. Nyaribari Masaba 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. Nyaribari Masaba 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. Nyaribari Masaba Constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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

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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-

Nyaribari Masaba Constituency NGCDF 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.

Nyaribari Masaba 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-

Nyaribari Masaba 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.

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

Our mantra is *“Development of the constituency will require collective, collaborative and a deliberate effort by all parties including those living in the constituency, sons and daughters of the soil living in the diaspora, development partners, political and community leaders among other.”*

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.

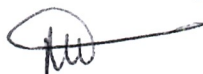
The Accounting Officer in charge of the NGCDF – Nyaribari Masaba Constituency is responsible for the preparation and presentation of the entity’s financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 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 – Nyaribari Masaba 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 – Nyaribari Masaba 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.

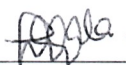
The Accounting Officer in charge of the NGCDF Nyaribari Masaba Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity’s funds received during the year under audit were 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 – Nyaribari Masaba Constituency financial statements were approved and signed by the Accounting Officer on 29th Aug 2021.



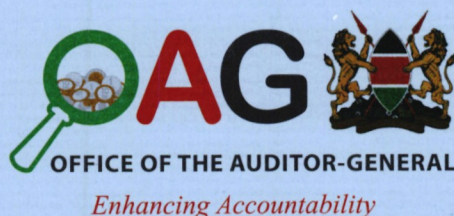
Chairman NGCDF Committee
Name: MR. MARK SIKO



Fund Account Manager
Name: MR. RONALD INGALA KHAGGAYI

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NAIROBI

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for the 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 - Nyaribari Masaba Constituency set out on pages 14 to 39, which comprise of the statement of assets and liabilities as at 30 June, 2021,

and the statement receipts and payments, statement of cash flows and the 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 - Nyaribari Masaba 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Nyaribari Masaba Constituency Management in accordance with ISSAI 130 on the 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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.143,270,083 and Kshs.98,181,204 respectively, resulting in an under-funding of Kshs.45,088,879 or 31% of the budget. Similarly, the Fund spent an amount of Kshs.98,007,000 out of the approved expenditure budget of Kshs.143,270,083, resulting in an under expenditure of Kshs.45,263,083 or 32% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that,

nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delay in Completion of Projects

The statement of receipts and payments reflects transfers to other government institutions of Kshs.37,460,000 as disclosed in Note 6 to the financial statements. The amount includes transfers to primary schools of Kshs.13,900,000 and to secondary schools of Kshs.23,560,000 whose review revealed the following unsatisfactory matters;

- i. An amount of Kshs.1,460,000 was disbursed to Matibo Girls Secondary School towards construction of one-storey twin laboratories. However, tender advertisement, bill of quantities, tender opening, evaluations and award committee minutes, expenditure returns, monitoring, and evaluation reports, certified drawings, and design were not provided for audit. In addition, physical verification in May, 2022 revealed that only the foundation and superstructure were complete and the project appeared to have been abandoned.
- ii. The Fund contracted for the construction of two (2) classrooms at Kiamokama DEB Primary School at a contract cost Kshs.1,200,000 but only Kshs.300,000 was disbursed for the works. Physical inspection on 21 April, 2022 revealed that roofs of the existing two (2) classrooms were removed and works remained incomplete. In addition, Management did not provide approval for re-roofing instead of constructing two (2) new classrooms as approved.
- iii. Disbursement of Kshs.2,000,000 was made to Emiangara Primary School for the renovation of three (3) classrooms. However, physical verification on 21 April, 2022 revealed incomplete re-roofing and painting while window panes were not fitted.
- iv. The Fund contracted for the construction of three (3) classrooms at Bonyakoni Primary School at a contract cost Kshs.1,500,000. However, plastering, painting and fitting of window panes had not been done and re-roofing was incomplete.
- v. The Fund contracted for the completion of six (6) classrooms at the Ikenye Primary School at a contract cost Kshs.3,000,000. Physical verification revealed that plastering, wiring, painting, and fitting of doors and windows had not been done.

In the circumstances, Management was in breach of the law, and value for money for the above projects worth Kshs.9,160,000 may not have been realised.

2. Lack of Emergency Projects Expenditure Returns

The statement of receipts and payments reflects other grants and transfers amount of Kshs.48,324,934 as disclosed in Note 7 of the financial statements. Included in the amount is the expenditure of Kshs.5,801,082 on emergency projects. However, the Project Management Committee minutes, monitoring and evaluation report, and inspection and acceptance committee reports were not provided for audit. This was contrary to Regulation 15(1) of the National Government Constituency Development Regulations, 2016 which states that a Project Management Committee for each project shall maintain proper records of all minutes, accounting documents and other

records in relation to projects being implemented and to prepare returns and file with a Constituency Committee on a timely basis.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by 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 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 controls, risk management, and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how 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 skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


23 September, 2022

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


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

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	98,000,000	148,848,542
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		98,000,000	148,848,542
PAYMENTS			
Compensation of employees	4	4,584,667	4,180,394
Use of goods and services	5	7,637,400	12,667,614
Transfers to Other Government Units	6	37,460,000	75,276,276
Other grants and transfers	7	48,324,934	55,986,953
Acquisition of Assets	8	-	275,000
Other Payments	9	-	453,351
TOTAL PAYMENTS		98,007,000	148,839,588
SURPLUS/DEFICIT		(7,000)	8,954


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF – Nyaribari Masaba Constituency financial statements were approved on 29th Aug. 2021 and signed by:



Fund Account Manager
Name: Ronald I. Khaggayi



National Sub-County Accountant
Name: Evans M. Obae
ICPAK M/No: 17318




Chairman NG-CDF Committee
Name: Mark Siko

*Nyaribari Masaba 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
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	174,204	181,204
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		174,204	181,204
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		174,204	181,204
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		174,204	181,204
REPRESENTED BY			
Fund balance b/fwd. 1st July 2020	13	181,204	172,250
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(7,000)	8,954
NET FINANCIAL POSITION		174,204	181,204


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF – Nyaribari Masaba Constituency financial statements were approved on 29th Aug 2021 and signed by:



Fund Account Manager
Name: Ronald I. Khaggayi



**National Sub-County
Accountant**
Name: Evans M. Obae
ICPAK M/No: 17318



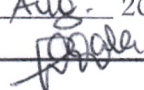
Chairman NG-CDF Committee
Name: Mark Siko

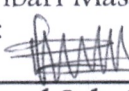
Nyaribari Masaba Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

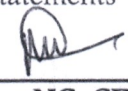
IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	98,000,000	148,848,542
Other Receipts	3	-	-
Total receipts		98,000,000	148,848,542
Payments for operating activities			
Compensation of Employees	4	4,584,667	4,180,394
Use of goods and services	5	7,637,400	12,667,614
Transfers to Other Government Units	6	37,460,000	75,276,276
Other grants and transfers	7	48,324,934	55,986,953
Other Payments	9	-	453,351
Total payments		98,007,000	148,564,588
Total Receipts Less Total Payments			
Adjusted for:		-	-
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
		(7,000)	283,954
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(275,000)
Net cash flows from Investing Activities		-	(275,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(7,000)	8,954
Cash and cash equivalent at BEGINNING of the year	10	181,204	172,250
Cash and cash equivalent at END of the year		<u>174,204</u>	<u>181,204</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF – Nyaribari Masaba Constituency financial statements were approved on 29th Aug. 2021 and signed by:


Fund Account Manager
Name: Ronald I. Khaggayi


National Sub-County
Accountant
Name: Evans M. Obae
ICPAK M/No: 17318


Chairman NG-CDF Committee
Name: Mark Siko

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

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


Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
RECEIPTS							
Transfers from NG-CDF Board	137,088,879.31	181,204.00	6,000,000.00	143,270,083.31	98,181,204.00	45,088,879.31	68.5%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,088,879.31	181,204.00	6,000,000.00	143,270,083.31	98,181,204.00	45,088,879.31	68.5%
PAYMENTS							
Compensation of Employees	4,595,378.00	181,204.00	-	4,776,582.00	4,584,666.50	191,915.50	96.0%
Use of goods and services	7,892,621.00	-	-	7,892,621.00	7,637,399.50	255,221.50	96.8%
Transfers to Other Government Units	67,200,000.00	-	6,000,000.00	73,200,000.00	37,460,000.00	35,740,000.00	51.2%
Other grants and transfers	57,400,880.17	-	-	57,400,880.17	48,324,934.00	9,075,946.17	84.2%
Acquisition of Assets	-	-	-	-	-	-	0.0%
Other Payments	-	-	-	-	-	-	0.0%
TOTAL	137,088,879.17	181,204.00	6,000,000.00	143,270,083.17	98,007,000.00	45,263,083.17	68.4%

(a) The under-utilization of funds under the transfer to other government units was as a result of late disbursements of funds from the NGCDF Board for the FY 2020/21.


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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	45,263,083
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	174,204
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	<u>174,204</u>


The NGCDF – Nyaribari Masaba Constituency financial statements were approved on 29th Aug. 2021 and signed by:



Fund Account Manager
Name: Ronald I. Khaggayi



National Sub-County
Accountant
Name: Evans M. Obae
ICPAK M/No: 17318



Chairman NG-CDF Committee
Name: Mark Siko

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 Utilization (f=d/c %)
		Opening Balance (C/Bk) and ALA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,595,378	181,204	-	4,776,582	4,584,667	191,916	96
1.2 Committee allowances	1,872,000	-	-	1,872,000	1,872,000	-	100
1.3 Use of goods and services	1,907,953	-	-	1,907,953	1,670,900	237,053	88
Total	8,375,331	181,204	-	8,556,535	8,127,566	428,969	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,370,889	-	-	1,370,889	836,500	534,389	61
2.2 Committee allowances	1,370,889	-	-	1,370,889	1,098,000	272,889	80
2.3 Use of goods and services	1,370,889	-	-	1,370,889	2,160,000	(789,111)	158
Total	4,112,666	-	-	4,112,666	4,094,500	18,166	
3.0 Emergency							
3.1 Primary Schools	-	-	-	-	4,200,000	(4,200,000)	-
3.2 Secondary schools	-	-	-	-	1,301,082	(1,301,082)	-
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	300,000	(300,000)	-
3.5 Unutilised	7,192,207	-	-	7,192,207	-	7,192,207	-
Total	7,192,207	-	-	7,192,207	5,801,082	1,391,125	81
4.0 Bursary and Social Security							
4.1 Secondary Schools	13,675,118	-	-	13,675,118	7,336,000	6,339,118	54
4.2 Tertiary Institutions	24,000,000	-	-	24,000,000	32,487,852	(8,487,852)	135

**Nyaribari Masaba 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 Utilization (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
4.3 Social Security	-	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-	-
Total	37,675,118	-	-	37,675,118	39,823,852	(2,148,734)	
5.0 Sports							
5.1 Constituency Sport Tournament	2,741,780	-	-	2,741,780	700,000	2,041,780	26
Total	2,741,780	-	-	2,741,780	700,000	2,041,780	
6.0 Environment							
6.1 Tree Planting & Tree Nurseries	191,778	-	-	191,778	-	191,778	-
6.2 Water Tanks	200,000	-	-	200,000	200,000	-	100
6.3 Water Springs Protection	2,200,000	-	-	2,200,000	1,800,000	400,000	82
Total	2,591,778	-	-	2,591,778	2,000,000	591,778	
7.0 Primary Schools Projects							
7.1 Risa Primary School	1,200,000	-	-	1,200,000	300,000	900,000	25
7.2 Kiomiti Primary School	500,000	-	-	500,000	500,000	-	100
7.3 Emiangara Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
7.4 Nyamasibi Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
7.5 Bonyakoni Primary School	1,500,000	-	-	1,500,000	1,500,000	-	100
7.6 Ichuni Boys Primary School	3,000,000	-	-	3,000,000	1,500,000	1,500,000	50
7.7 Chitago Primary School	1,200,000	-	-	1,200,000	1,200,000	-	100
7.8 Kiamokama DEB Pri. School	1,200,000	-	-	1,200,000	300,000	900,000	25
7.9 Emonga Primary School	1,200,000	-	-	1,200,000	1,200,000	-	100
7.10 Riasoe Primary School	1,200,000	-	-	1,200,000	1,200,000	-	100
7.11 Getacho Primary School	700,000	-	-	700,000	700,000	-	100

Nyaribari Maoni 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 Utilization (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
7.12 Ikenye Primary School	1,500,000	-	2,000,000.00	3,500,000	2,500,000	1,000,000	71
7.13 MacheAchumbi Pri. School	1,000,000	-	-	1,000,000	1,000,000	-	100
Total	16,200,000	-	2,000,000	18,200,000	13,900,000	4,300,000	
8.0 Secondary Schools Projects							
Bongonta Secondary School	7,200,000	-	-	7,200,000	2,000,000	5,200,000	28
St. Mark Mokokoroimwa Secondary School	7,200,000	-	-	7,200,000	2,000,000	5,200,000	28
Chironge Secondary School	7,200,000	-	-	7,200,000	2,000,000	5,200,000	28
Nyamagesa DEB Secondary School	3,000,000	-	-	3,000,000	1,200,000	1,800,000	40
Nyamagesa COG Secondary School	3,000,000	-	-	3,000,000	1,200,000	1,800,000	40
Ibacho High School	2,000,000	-	-	2,000,000	600,000	1,400,000	30
Chironge Secondary School	700,000	-	-	700,000	700,000	-	100
Nyanturago High School	3,000,000	-	-	3,000,000	500,000	2,500,000	17
Mosisa Secondary School	1,500,000	-	-	1,500,000	1,000,000	500,000	67
Masimba Secondary School	1,500,000	-	-	1,500,000	1,200,000	300,000	80
Getare Girls Secondary School	1,500,000	-	-	1,500,000	500,000	1,000,000	33
Mesabisabi Secondary School	2,500,000	-	-	2,500,000	700,000	1,800,000	28
Suguta Secondary School	3,000,000	-	-	3,000,000	2,200,000	800,000	73
Nyankononi Secondary School	2,500,000	-	-	2,500,000	400,000	2,100,000	16
Matibo Girls Secondary School	2,500,000	-	-	2,500,000	1,460,000	1,040,000	58
Masabo Secondary School	1,200,000	-	-	1,200,000	700,000	500,000	58
Mogweko Secondary School	1,500,000	-	-	1,500,000	1,200,000	300,000	80
Chibwobi Secondary School	-	-	4,000,000	4,000,000	4,000,000	-	100

**Nyaribari Masaba 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 Utilization (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Total	51,000,000	-	4,000,000	55,000,000	23,560,000	31,440,000	
9.0 Security Projects							
9.1 Ichuni Police Post	7,200,000	-	-	7,200,000	-	7,200,000	-
Total	7,200,000	-	-	7,200,000	-	7,200,000	
GRAND TOTAL	137,088,879		6,000,000	143,270,083	98,007,000	45,263,083	

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

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 – Nyaribari Masaba Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition

of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned 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.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 16 June 2021 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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National Government Constituencies Development Fund (NGCDF)
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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
Normal Allocation	A.I.E. NO. B047123	-	1,000,000
	A.I.E. NO. B047203	-	13,800,000
	A.I.E. NO. B047341	-	2,180,817
	A.I.E. NO. B047280	-	500,000
	A.I.E. NO. B041181	-	4,000,000
	A.I.E. NO. B041184	-	20,000,000
	A.I.E. NO. B049156	-	6,000,000
	A.I.E. NO. B049211	-	15,000,000
	A.I.E. NO. B104451	-	23,000,000
	A.I.E. NO. B096772	-	63,367,724
	A.I.E. NO. B104906	6,000,000	
	A.I.E. NO. B124647	9,000,000	
	A.I.E. NO. B119617	10,000,000	
	A.I.E. NO. B030293	13,000,000	
	A.I.E. NO. B128248	6,900,000	
	A.I.E. NO. B132010	6,000,000	
	A.I.E. NO. B132304	6,000,000	
	A.I.E. NO. B138973	13,000,000	
	A.I.E. NO. B128248	6,100,000	
	A.I.E. NO. B104945	10,000,000	
	A.I.E. NO. B140704	12,000,000	
TOTAL		98,000,000	148,848,541

2. PROCEEDS FROM SALE OF ASSETS

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

4. COMPENSATION OF EMPLOYEES

	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,384,434	3,446,227
Personal allowances paid as part of salary	34,500	75,900
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	24,000
Gratuity to contractual employees	919,332	76,611
Employer Contributions Compulsory national social security schemes	246,401	557,656
Total	4,584,667	4,180,394

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	526,695	1,153,514
Electricity	20,000	20,000
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	501,204	400,000
Domestic travel and subsistence	864,000	475,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	200,000
Training expenses	550,000	2,990,000
Hospitality supplies and services	286,500	-
Other committee expenses	954,000	2,790,000
Committee allowance	2,016,000	3,179,600
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	784,000	548,000
Fuel , oil & lubricants	500,000	400,000
Other operating expenses	-	300,000
Bank service commission and charges	48,000	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	512,000	211,500
Routine maintenance- other assets	75,000	-
TOTAL	7,637,399	12,667,614

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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)	13,900,000	23,800,000
Transfers to secondary schools (see attached list)	23,560,000	51,476,276
Transfers to tertiary institutions (see attached list)	-	-
TOTAL	37,460,000	75,276,276

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7,336,000	12,550,000
Bursary – tertiary institutions (see attached list)	32,487,852	27,242,345
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security Programmes (NHIF)	-	-
Security projects (see attached list)	-	4,700,000
Sports projects (see attached list)	700,000	2,466,108
Environment projects (see attached list)	2,000,000	1,960,000
Emergency projects (see attached list)	5,801,082	7,068,500
Total	48,324,934	55,986,953

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	453,351
ICT Hub	-	-
Total	-	453,351

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>The Co-operative Bank of Kenya, Keroka Branch (KES) - 01120018104700</i>	174,204	181,204
Total	174,204	181,204

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OUTSTANDING IMPRESTS

12A. RETENTION

12B. GRATUITY

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	181,204	172,250
Cash in hand	-	-
Imprest	-	-
Total	181,204	172,250

14. PRIOR YEAR ADJUSTMENTS

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	3,106,956	52,580,490
	3,106,956	52,580,490

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		191,915	208,954	
Use of goods & services		255,221	6,000,000	
Amounts due to other Government entities				
Bongonta Secondary School	School Bus Purchase	5,200,000		
St. Mark Mokorogoinwa Secondary School	School Bus Purchase	5,200,000		
Chironge Secondary School	School Bus Purchase	5,200,000		
Nyamagesa DEB Secondary School	Dormitory Construction	1,800,000		
Nyamagesa COG Secondary School	8No. Classrooms	1,800,000		
Ibacho High School	Dormitory Construction	1,400,000		
Nyanturago High School	Dormitory Construction	2,500,000		
Mosisa Secondary School	Laboratory Construction	500,000		
Masimba Secondary School	Dormitory Construction	300,000		
Getare Girls Secondary School	Tuition Block Completion	1,000,000		
Mesabisabi Secondary School	Dormitory Construction	1,800,000		
Suguta Secondary School	8No. Classrooms	800,000		
Nyankononi Secondary School	8No. Classrooms	2,100,000		
Matibo Girls Secondary School	Laboratory Construction	1,040,000		
Masabo Secondary School	Administration Block	500,000		
Mogweko Secondary School	6No. Classrooms	300,000		
Risa Primary School	2No. Classrooms	900,000		
Ichumi Boys Primary School	8No. Classrooms	1,500,000		
Kiamokama DEB Primary School	2No. Classrooms	900,000		
Ikenye Primary School	6No. Classrooms	1,000,000		
Sub-Total		35,740,000		

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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	18,924,723	-	-	18,924,723
Buildings and structures	4,000,000	-	-	4,000,000
Transport equipment	1,357,635	-	-	1,357,635
Office equipment, furniture and fittings	420,000	-	-	420,000
ICT Equipment, Software and Other ICT Assets	466,000	-	-	466,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	25,168,358	-	-	25,168,358

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

	PMC	Bank	Account number	Bank Balance 2020/2021	Bank Balance 2019/2020
1	GESABAKWA SEC	CO-OP BANK, KEROKA	01139361984900	335.00	1,605.00
2	MOSISA SEC	KCB- KEROKA	1258206668	162,817.00	1,000,000.00
3	MATIBO GIRLS SEC	EQUITY BANK	1240278937928	50,683.00	2,188,540.00
4	MOCHENGO SDA PRIMARY	KCB, KEROKA	1256832499	192.00	0.00
5	EMBOROGO SDA PRIMARY	CO-OP BANK, KEROKA	01141017310800	4,310.00	540,615.00
6	MOTONYONI DOK PRIMARY	CO-OP BANK, KEROKA	01141017521900	179475.00	9,425.00
7	MESOCHO SDA PRIMARY	KCB, KEROKA	1258689014	929.00	1,000,000.00
8	RIAMICHOKI D.O.K	KCB, KEROKA	1166548066	333,058.00	1,000,829.00
9	ST. CECILIA RAMASHA SEC	KCB, KEROKA	110567434	7,248.50	1,077,893.65
10	GETACHO DEB PRIMARY	KCB, KEROKA	1257092413	310,618.00	1,400,000.00
11	MUSA NYANDUSI – GESICHO SEC	KCB, KEROKA	1257032445	218,123.00	1,400,000.00
12	MASABO SEC	CO-OP BANK, KEROKA	01141017571700	59,661.00	498,231.00
13	KIAMOKAMA FRIENDS SEC	EQUITY BANK KEROKA	1240278884187	64.00	1,818,220.00
14	KENYORO DEB PRIMARY	KCB, KEROKA	1259907848	723.00	0.00
15	KIOMITI DOK PRIMARY	KCB, KEROKA	1234192446	1,565.00	4,048.50
16	SOSERA SEC	KCB, KEROKA	1176083988	113,120.60	1,000,311.60
17	ST. PETERS CHIRONGE	KCB, KEROKA	1234868865	267,897.00	1,401,179.00
18	MASIMBA SECONDARY	EQUITY -KEROKA	1240279034187	26,530.00	224,310.00
19	NYAMAGESA SDA BOARDING	CO-OP BANK, KEROKA	01141361360200	1,915.00	2,000,000.00
20	EMEROKA MIXED SECONARY	CO-OP BANK, KEROKA	01141363401800	4,231.00	1,000,272.00
21	OBWARI SDA PR	CO-OP BANK, KEROKA	01139361706900	587.50	203,827.00
22	MESABISABI SEC SCHOOL	CO-OP BANK, KEROKA	01141362021900	2,449.00	4,005,229.00
23	IBANCHORE PRIMARY	CO-OP BANK, KEROKA	01139361929700	6,770.75	1,201,012.75
24	EMBOROGO SDA PRIMARY SCHOOL	CO-OP BANK, KEROKA	01141017310800	4,310.00	540,615.00
25	RIURI MIXED DEB SECONDARY	CO-OP BANK, KEROKA	01141364178700	594.00	2,000,960.00
26	ST. LUKE EKWARE SEC SCHOO	CO-OP BANK, KEROKA	01141360910300	9,012.00	1,700,450.00

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	PMC	Bank	Account number	Bank Balance 2020/2021	Bank Balance 2019/2020
27	OMOGOGO DOK PRIMARY	CO-OP BANK, KEROKA	0141364457900	761.00	987,949.00
28	KIAMOKAMA DEB PR	CO-OP BANK, KEROKA	01139361911700	11,605.50	1,200,112.00
29	BOKIBARORI PR SCHOOL	CO-OP BANK, KEROKA	01139363360900	3952.50	642,262.00
30	RIOIRA DEB PRIMARY SCHOOL	CO-OP BANK, KEROKA	0141016874100	115.00	85.00
31	RIANYOKA PRIMARY	CO-OP BANK, KEROKA	01139391917100	7,232.50	661,262.00
32	IBACHO HIGH SCHOOL	CO-OP BANK, KEROKA	01141017571700	59,661.00	43,925.00
33	RIAMAKANDA DEB PRIMARY SCHOOL	CO-OP BANK, KEROKA	01139361911700	11,605.30	1,200,112.50
34	GETARE GIRLS SECONDARY	CO-OP BANK, KEROKA	01141363190400	162.00	162.50
35	CHIRONGE DEB PRIMARY	CO-OP BANK, KEROKA	01139361910000	2,562.50	122,562.50
36	GEKONGE DEB PRIMARY SCHOOL	EQUITY BANK, KEROKA	1240279865951	56.00	2,000,000.00
37	NYANKONONI DEB SEC SCHOOL	EQUITY BANK, KEROKA	1240261489997	8,441.00	2,000,771.00
38	GETERI SEC	EQUITY BANK, KEROKA	1240266715083	64.00	887,578.00
39	RIURI DEB PRIMARY	KCB, KEROKA	1272697711	224.00	0.00
40	SASATI MIXED SEC	KCB, KEROKA	1236246586	3,129.00	1,101,469.00
41	SUGUTA COG SEC	KCB, KEROKA	1234202697	702,330.00	435.00
42	NYAMASIBI PRI. SCHOOL	KCB, KEROKA	1273536363	480,459.00	0.00
43	ST. JAMES ICHUNI MIXED	KCB, KEROKA	1272684059	1,210.00	0.00
44	SIRIROKWE DEB PR	KCB, KEROKA	1272654561	0.00	0.00
45	MOREREMI SEC SCHOOL	KCB, KEROKA	1175863017	1,711.50	1,808.50
46	NYAMAGESA CHIEFS OFFICE	KCB, KEROKA	1236700988	503.00	3,955.00
47	MOKOBOKOBO DEB PRIMARY	KCB, KEROKA	1112958207	5,295.00	399,333.00
48	NYAMESOCHO SDA SEC	KCB, KEROKA	1226641318	6,518.50	557.50
49	KEGOGI DEB PMARY SCHOOL	KCB, KEROKA	1257683233	32,139.90	0.00
	TOTAL			3,106,956.55	52,580,490.25

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

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)
OAG	<p>Unsupported Expenditure Goods and Services Note 5 to the financial statements for the year ended 30 June 2020 reflects use of goods and services balance of Kshs 12,667,614 which are not supported with relevant documents such as payment vouchers and ledgers. Consequently, the accuracy, validity, completeness and regularity of Kshs. 12,667,614 expenditure for the year ended 30 June 2020 could not be confirmed.</p>	<p>The ledger supporting the expenditure has been provided by the FAM together with the supporting documents to support the expenditure of Kshs. 12,667,614 in the financial statements for the FY 2019/2020.</p>	Resolved	June 2021
OAG	<p>Acquisition of Assets Note 8 to the financial statements for the year ended 30 June 2020 reflects acquisition of Assets balance of Kshs 275,000 in respect of ICT equipment, software and other ICT assets which are not supported with relevant documents such as payment vouchers and ledgers. Consequently, the accuracy, validity, completeness and regularity of Kshs.275,000 expenditure for the year ended 30 June 2020 could not be confirmed.</p>	<p>The Kshs. 275,000 went towards the purchase of ICT equipment in term of printer, desktop and laptop. The supporting documents have been attached to the voucher including the Quotation, LPO, Invoice, Delivery Note and receipts.</p>	Resolved	June 2021

[Signature]

Fund Account Manager
Name: Ronald I. Khaggayi

[Signature]

National Sub-County Accountant
Name: Evans M. Obae
ICPAK M/No: 17318

Chairman NG-CDF Committee
Name: Mark Siko