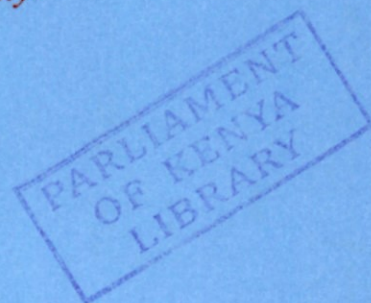


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 17 SEP 2024
TABLED BY: HUP DEWY
CLERK AT THE TABLE: MWALE
TVENDAY
SWCH BAYA
MAJORITY LEADER
MWALE





BORABU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENT
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

FAM – Fund Account Manager

RIM – Risk Management System

II. 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 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Edwin Lecha
2.	Sub-County Accountant	Tom Osingo
3.	Chairman NGCDFC	Denis Rosana
4.	Member NGCDFC	Teresa Mateni

(c) Fiduciary Oversight Arrangements

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

(d) Borabu Constituency NGCDF Headquarters

P.O. Box 11-40502
Borabu NGCDF Office
Borabu DCC Sub County Head Quarters
Borabu DCC Road
Nyansiongo, KENYA

(e) Borabu Constituency NGCDF Contacts

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

(f) Borabu Constituency NGCDF Bankers

Equity Bank

Keroka Branch

Account Number 1240261392623

P.O.Box 75104- 00200

Nairobi ,

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

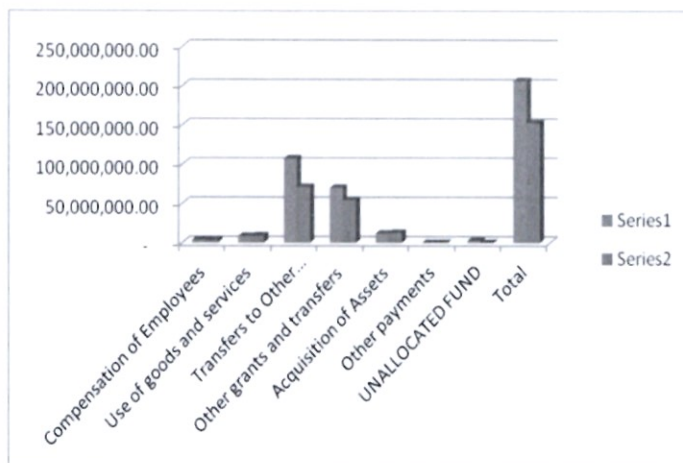
III. NG-CDFC Chairman’s Report



Denis Rosana , Borabu NGCDFC Chairman

Borabu NG-CDF received funding of Kshs 87,000,000.00 during financial year 2022/2023 against expected funding of Kshs 138,215,033.00. The NG-CDFC had an opening balance of Kshs 12,779,665.00 in the account at the beginning of the financial year. We were able to implement projects to the tune of Kshs **81,923,487.00** ranging from Primary schools, Secondary school projects, tertiary institution projects, bursary and security as detailed in the financial statements.

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



We have sampled an assortment of pictures below indicating some projects funded by Borabu NG-CDF between financial year 2022/23 .



Purchase of Kiabonyoru secondary school and Gonzaga Gonza Secondary school buses



Renovation of seven class rooms at Mogusii Primary school



Construction Of Mekenene Chiefs Office



Construction of a dormitory at Biego Secondary school



Construction of a Laboratory at St Thomas Moore Riangombe Secondary school

The constituency experienced a number of challenges below in its efforts to implement projects during the financial year:-

- a) Increase emergency cases due to heavy rains especially in the area of collapse of pit latrines, wind blowing of roofs and dilapidation of feeder roads due to heavy rains. Some emergency funds were spent on rehabilitation of some feeder roads to security offices and schools to ease the situation.
- b) Inadequate technical officers especially in the area of building and construction which also leads to slow processing of documentation hence delayed implementation of projects. We have engaged a clerk of works who is helping in bridging the gap.
- c) NGCDF Borabu has also been handling post Covid effects including effects on the community a huge need for raising of school fees for needy students. The NG-CDFC is working on allocating more funding to burary.

.....
Denis Rosana

Chairman Borabu NG-CDFC

IV. Statement Of Performance Against Predetermined Objectives for FY 2022/23**Introduction**

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

The key development objectives of *Borabu Constituency 2023-2027* plan are to:

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 22/23 -we increased number of classrooms by 20, renovated 40 class rooms - Students in University, colleges were fairly awarded bursary
Security	To have a secure community where people can live peacefully and trade	There has been an improvement in security in the constituency due to a reduction in crime	Crime levels have fallen and people doing business safely	In FY 20/21 we constructed 8 chiefs/assistant chiefs offices and 5 police offices under construction

Constituency Sector	Objective	Outcome	Indicator	Performance
Environment	Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water	Cleanliness of the environment due to use of dustbins in the community. Reduced soil erosion due to planting of trees Ease to access water by students in institutions where water tanks have been installed	Reduced disease infections due to a clean environment Reduced soil erosion especially in institutions where trees were planted Ease of access to clean rain water by students	Built 7 sanitation facilities in the financial year To do water harvesting for schools Installed 30 dust bins in assorted institutions in the financial year.
Sports	Bringing together the youth to tap their sporting talent for growth and assist them not to engage in drug and substance abuse	Reduction in drug and substance abuse by engaging the youth in sporting activities.	Youths engaging in sporting activities Tapping of talent from the otherwise idle youth	Organised one sporting event that helped tap and grow talent in the constituency that brought together 40 teams from the constituency and over 500 youth
Emergency	To handle unforeseen occurrences that happen within the constituency	Reduced health effects due to collapsed pit latrines Ability to retain more students in schools due to improved facilities and increased enrolment	Improved student health and reduced accidents due to construction of pit latrines Improved retaining and enrolment of students in schools due to addition of class rooms and renovation of class rooms	Rehabilitated 3 access roads by grading and patch murraming Constructed 6 four door pit latrines that had collapsed Renovated 10 class rooms that were dilapidated.

V. Statement of Governance

Borabu NG-CDFC recruited its members in a public and transparent manner by a selection panel. An advertisement was put up for seven days for recruitment of four members namely the man representative for both adult and youth, the women representative for both adult and youth. The other four members were recruited as per the guidelines of the NG-CDF act 2016. Two of the members a male and female were recruited by submission of two members by the Constituency office as per the parliamentary service act. The two remaining members were recruited from a group representing persons living with disability and the second one as a nominee of the board.

The above names were then forwarded to the NGCDF Board for approval which then forwarded the names to parliament for approval and gazetment.

On gazetment of members the Deputy county commissioner who is a member of the committee convenes the first meeting of the gazetted members for appointment of chairperson, secretary and members of various departments.

The NG-CDFC committees main task is to oversee the functions of the committee in implementing projects. It approves projects that are implemented at the constituency level, approves expenditure and implementation of projects at the constituency. The NGCDF board did an induction and training for members of Borabu NG-CDF.

Borabu NG-CDFC conducted 24 meetings in the financial year under review. In the meetings any person with a conflict of interest on any matter has to make a formal declaration. The members are paid a sitting allowance of Ksh 7000 for the chairperson and Ksh 5,000 for the other members.

It is a pre requisite for the members to observe ethics and professional conduct in the implementation of their duties. The constituency has a risk register which is updated monthly with new risks that may arise.

Borabu NG-CDF endeavours to be the best constituency in implementation of projects and has put in place all mechanisms to ensure proper management of projects.

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

3. Employee welfare

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

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

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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


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

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

Public Awareness

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

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



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Name: Edwin Lecha

Fund Account Manager.

VII. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Borabu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Borabu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Borabu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Borabu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been

prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Borabu Constituency financial statements were approved and signed by the Accounting Officer on 30/09/2023.

.....
Name: Denis Rosana

Chairman – NGCDF Committee

.....
Name: Edwin Lecha

Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BORABU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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

Adverse Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Borabu Constituency set out on pages 1 to 60, which

comprise of the statement of assets and liabilities as at 30 June, 2023, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Borabu Constituency as at 30 June, 2023, 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 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of the various balances disclosed in the financial statements in comparison with the previous certified accounts revealed unreconciled variances as follows: -

- (i) Fund balance brought forward reflects a balance of Kshs.6,978,076 while previous certified report discloses a balance of Kshs.6,364,812 resulting to a variance of Kshs.613,264.
- (ii) Prior year adjustments balance is indicated as nil while the previous year's certificate indicates a balance of Kshs.613,264 resulting to a variance of Kshs.613,264.

In the circumstances, accuracy and completeness of the balances in the financial statements could not be confirmed.

2. Unsupported Compensation of Employees Balance

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects compensation of employees amounting to Kshs.1,612,940 which includes amounts of Kshs.1,250,862, Kshs.297,899 and Kshs.64,179 in respect of basic staff salaries, gratuity to contractual employees and employer contributions compulsory National Social Security Schemes respectively. However, the payroll schedules provided for audit revealed amounts of Kshs.2,353,233 resulting to unexplained variance of Kshs.740,293.

Further, the Fund employed a total of eleven (11) staff which surpass the mandated maximum number of ten (10) staff out of which, four (4) staff were paid house allowances totalling Kshs.61,600 which was not supported by the NGCDF circular and not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.1,612,940 could not be confirmed.

3. Unsupported Transfer to Other Government Units

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects transfers to Other Government Entities amount of Kshs.13,050,729 which includes amounts of Kshs.6,493,575, Kshs.6,054,470 and Kshs.502,684 in respect of transfers to primary schools, secondary schools and tertiary institutions respectively. However, review of the supporting expenditure schedules revealed total amounts of Kshs.9,755,994 and Kshs.6,557,154 resulting to unexplained variances of Kshs.3,262,419 and Kshs.502,684, respectively.

Further, the transfers to primary schools balance of Kshs.6,493,575 and transfers to tertiary institution of Kshs.502,684 were not supported with Bills of Quantities, advertisements, tender evaluation minutes, signed contracts, inspection and acceptance committee reports, interim/completion certificates, expenditure returns, The contractors were awarded tenders without NCA registration certificates, tax compliance certificates and three year audited financial statements as required by tender requisition.

In addition, transfers to secondary schools includes an amount of Kshs.4,804,470 transferred to a secondary school to clear outstanding balance for the purchase of school bus. However, review of the procurement documents revealed that the contract for the supply and delivery of school bus was awarded to a local company at a contract sum of Kshs.8,344,470 which was varied to Kshs.9,344,470 resulting to an unexplained contract price variation of Kshs.1,000,000. Further, ownership documents including log books and transfer documents were not provided for audit review.

In circumstances, the accuracy and completeness of the expenditure in respect of transfers to Other Government Units of Kshs.13,050,729 could not be confirmed.

4. Inaccuracies of Other Grants and Other Transfers

As disclosed in Note 8 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.52,335,495 in respect of other grants and other transfers which includes amounts of Kshs.28,040,635 and Kshs.4,905,586 in respect of bursary to tertiary institution and security projects respectively. However, review of the supporting expenditure schedules revealed total amounts of Kshs.19,997,000 and Kshs.9,656,983 resulting to unexplained variances of Kshs.8,043,635 and Kshs.4,751,397, respectively.

In the circumstances, the accuracy and completeness of the other grants and other transfers balance of Kshs.52,335,495 could not be confirmed.

5. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects balance of Kshs.17,876,178 in respect of cash and cash equivalents and as disclosed in Note 12 to the financial statements. However, review of the bank reconciliation statements for the month of June, 2023 reflects payments in bank statement not yet recorded in the cash book amounting to

Kshs.884,107 which includes balances of Kshs.67,925 and Kshs.816,182 in respect of bank charges and cash book under cast error respectively. However, the casting error was not supported with cash analysis and cash book entries confirming the correction.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.17,876,178 could not be confirmed.

6. Non-Disclosure of Gratuity for Contractual Employees

The statement of assets and liabilities reflects net financial assets balance of Kshs.17,876,178 which includes Kshs.Nil balance in respect of gratuity and as disclosed in Note 14B and Annex 2 to the financial statements. However, review of human resource and appointment letters revealed that the staffs are on contract terms of engagement. Further, a schedule supporting tabulation of gratuity was not provided for audit review. This is contrary to Paragraph 14.8 of the significant accounting policies adopted in the preparation of the financial statements on accounts payable which recognises gratuity earned on monthly to be held on behalf of the employee and later paid at the end of the contract period.

In the circumstances, the accuracy and completeness of the Kshs.Nil balance in respect of gratuity could not be confirmed.

7. Unsupported Oversight Committee Expenses

The statement of receipts and payments reflects an amount of Kshs.1,100,000 in respect of oversight committee expenses and as disclosed in Note 10 to the financial statements. However, supporting documents including payments schedule, payment vouchers and appointment letters to the oversight committee were not provided for audit review.

In the circumstances, the accuracy and completeness of expenditure in respect of oversight committee expenses could not be confirmed.

8. Unsupported Project Management Committee Bank Account Balances

Note 19.4 to the financial statements reflects Project Management Committees (PMC) bank account balances of Kshs.1,234,875 as supported in Annex 5 to the financial statements. However, Annex 5 did not include all the PMC bank accounts for the projects that were funded during the year under review. In addition, the bank statements and certificate of bank balances for the PMCs were not provided for audit review.

In circumstances, the accuracy and completeness of Project Management Committee Bank Account Balances of Kshs.1,234,875 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Borabu Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI

and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.151,014,698 and Kshs.99,799,665 respectively, resulting in an underfunding of Kshs.51,215,033 or 34% of the budget. Similarly, the Fund spent a balance of Kshs.81,923,487 against actual receipts of Kshs.99,799,665 resulting into under-utilization of Kshs.17,876,178 or 18% of the actual receipts.

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

My report is not modified in respect of this matter.

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

Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under report on the financial statements, compliance and internal controls. However, management did not provide reasons for the delay in resolving the prior year audit issues contrary to the approved template by the Public Sector Accounting Standards Board and firmed by The National Treasury's Circulars.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Incomplete Emergency Projects

The statement of receipts and payments shows other grants and transfers of Kshs.52,335,495 which includes an amount of Kshs.7,639,190 in respect of emergency projects and as disclosed in Note 8 of the financial statements. Review of the supporting documents such as payment vouchers and expenditure returns revealed that two projects at Ekige Primary School and AIC Gitetia Secondary School of Kshs.700,000 and Kshs.600,000, respectively for the construction of pit latrines each were drawn from the emergency reserve. However, physical inspection carried out in the month of March, 2024 revealed that the projects were not completed as per the contract agreement and Bills of Quantities.

In the circumstances, the value for money from the two projects may not be realized.

2. Incomplete Security Projects

The statement of receipts and payments reflects other grants and transfers of Kshs.52,335,495 which includes an amount of Kshs.4,905,586 in respect of security projects and as disclosed in Note 8 of the financial statements. However, review of expenditure returns in respect of payments for eight (8) sampled projects amounting Kshs.8,256,983 revealed that supporting documents including expenditure returns, procurement documents, Project Management Committee minutes and supervision reports and evidence that the projects were implemented in consultation with relevant Government departments were not provided for audit review. Further, physical inspection revealed that projects were fully paid but works had not been completed by contractors.

In the circumstances, value for money on the expenditure of Kshs.8,256,983 could not be confirmed.

3. Irregular Use of Emergency Fund

The statement of receipts and payments shows other grants and transfers of Kshs.49,043,257 which includes an amount of Kshs.7,639,190 in respect of emergency projects and as disclosed in Note 8 of the financial statements. The payments in respect of the emergency projects includes an amount of Kshs.4,642,290 in respect of construction of roads to schools. There was no evidence of works done in the form of completion certificates including correspondences to the County Government of Nyamira and KERRA. Physical inspection carried out in the month of March, 2023 revealed that all roads did not have publicity signage of Borabu NGCDF to disclose whether they were done by the Fund and not by other Government agencies. The works were not reported to Board as required by Regulations 20.(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm 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 effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fundy 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 May, 2024

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023


	Note	2022-2023	2021-2022
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	87,000,000	181,277,757
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		87,000,000	181,277,757
PAYMENTS			
Compensation of employees	4	1,612,940	2,894,931
Committee expenses	5	3,166,519	5,313,998
Use of goods and services	6	6,995,452	3,794,299
Transfers to Other Government Units	7	13,050,729	63,857,129
Other grants and transfers	8	52,335,495	79,878,997
Acquisition of Assets	9	200,000	19,716,814
Oversight Committee Expenses	10	1,100,000	-
Other Payments	11	3,462,352	-
TOTAL PAYMENTS		81,923,487	175,456,168
SURPLUS/DEFICIT		5,076,513	5,821,589

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved by the NGCDFC on 30/09/ 2023 and signed by:


Fund Account Manager

Name: Edwin Lecha


National Sub-County Accountant

Name: Tom Osiango
ICPAK M/No: 15534


Chairman NG-CDF Committee

Name: Denis Rosana

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30th, 2023

X. Statement Of Assets and Liabilities As At 30th June, 2023

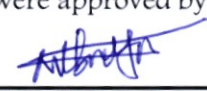
	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	17,876,178	12,799,665
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		17,876,178	12,799,665
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		17,876,178	12,799,665
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		17,876,178	12,799,665
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	12,799,665	6,978,076
Prior year adjustments	16	-	-
Surplus/Deficit for the year		5,076,513	5,821,589
NET FINANCIAL POSITION		17,876,178	12,799,665

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 30/09/2023 and signed by:


Fund Account Manager

Name:Edwin Lecha


National Sub-County Accountant

Name:Tom Osingo
 ICPAK M/No: 15534


Chairman NG-CDF Committee

Name:Denis Rosana

XI. Statement Of Cash Flows for The Year Ended 30th June 2023


STATEMENT OF CASH FLOW

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	87,000,000	181,277,757
Other Receipts	3	-	-
		87,000,000	181,277,757
Payments for operating activities			
Compensation of Employees	4	1,612,940	2,894,931
Committee expenses	5	3,166,519	5,313,998
Use of goods and services	6	6,995,452	3,794,299
Transfers to Other Government Units	7	13,050,729	63,857,129
Other grants and transfers	8	52,335,495	79,878,997
Oversight Committee Expenses	10	1,100,000	
Other Payments	11	3,462,352	-
		81,723,487	155,739,354
Adjusted for:			
Decrease/(Increase) in Accounts receivable	16	-	-
Increase/(Decrease) in Accounts Payable	17	-	-
Prior year Adjustments	15	-	-
Net Adjustments		-	-
Net cash flow from operating activities		5,276,513	25,538,403
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(200,000)	(19,716,814)
Net cash flows from Investing Activities		(200,000)	(19,716,814)
NET INCREASE IN CASH AND CASH EQUIVALENT		5,076,513	5,821,589
Cash and cash equivalent at BEGINNING of the year	11	12,799,665	6,978,076
Cash and cash equivalent at END of the year		17,876,178	12,799,665


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 30/09/2023 and signed by:

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30th, 2023


Fund Account Manager

Name: Edwin Lecha


National Sub-County
Accountant

Name: Tom Osingo


Chairman NG-CDF Committee

Name: Denis Rosana

ICPAK M/No: 15534

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	138,215,033	12,799,665	-	151,014,698	99,799,665	51,215,033	66%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
TOTAL RECEIPTS	138,215,033	12,799,665	-	151,014,698	99,799,665	51,215,033	66%
PAYMENTS							
Compensation of Employees	2,536,784	476,666	-	3,013,450	1,612,940	1,400,510	54%
Committee expenses	3,338,671	-	-	3,338,671	3,166,519	172,152	95%
Use of goods and services	6,763,898	29,701	-	6,793,599	6,793,599	-	100%
Transfers to Other Government Units	34,746,364	10,645,582	-	45,391,946	16,353,148	29,038,798	36%
Other grants and transfers	64,665,015	1,889,239	-	66,554,254	57,288,745	9,265,509	86%

**Borabu Constituency
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Acquisition of Assets	7,700,000	(241,523)	-	7,458,477	200,000	7,258,477	3%
Oversight Committee Expenses	1,100,000	-	-	1,100,000	1,100,000	-	100%
Other Payments	3,800,000	-	-	3,800,000	3,462,352	337,648	91%
Un allocated fund	13,554,301	-	-	13,554,301	-	13,554,301	0%
TOTAL	138,205,033	12,799,665	-	151,004,698	89,977,303	61,027,395	60%

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

Explanatory Notes.


- (a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- (i) Compensation of employees had a utilisation of 54% because new staff were employed mid year. The full budget was not utilised and their gratuity had not been paid.
 - (ii) Transfers to other Government Units had a utilisation of 36% because we did not receive all development funds within the financial year.
 - (iii) Acquisition of assets was at 3% utilisation as we did not receive all development funds within the financial year

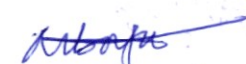
Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
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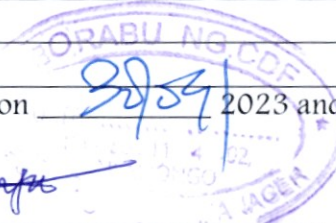
(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	61,027,395
Less undisbursed funds receivable from the Board as at 30 th June 2023	43,151,217
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	17,876,178

The Constituency financial statements were approved by NG CDFC on 29/09/2023 and signed by:


 Fund Account Manager
 Name: Edwin Lecha


 National Sub-County Accountant
 Name: Tom Osingo
 ICPAK M/No: 15534




 Chairman NG-CDF Committee
 Name: Denis Rosana

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30th, 2023

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

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 %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,536,784	476,666	-	3,013,450	1,612,940	1,400,510	54
1.2 Committee allowances	1,533,848	-	-	1,533,848	1,361,696	172,152	89
1.3 Use of goods and services	4,422,270	29,701	-	4,451,971	4,451,971	-	100
Total	8,492,902	506,367	-	8,999,269	7,426,607	1,572,662	83
2.0 Monitoring and evaluation						-	-
2.1 Capacity building	605,000	-	-	605,000	605,000	-	100
2.2 Committee allowances	1,804,823	-	-	1,804,823	1,804,823	-	100
2.3 Use of goods and services	1,736,628	-	-	1,736,628	1,736,628	-	100
	4,146,451	-	-	4,146,451	4,146,451	-	100
							-

Borabu Constituency
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3.1 Primary Schools							-
3.10 Ekige Primary school	700,000		-	700,000	700,000	-	100
3.11 Mecheo SDA Primary school	700,000		-	700,000	700,000	-	100
3.12 Transfix Construction Ltd	1,189,000		-	1,189,000	1,189,000	-	100
3.13 Transfix Construction Ltd	998,000		-	998,000	998,000	-	100
3.14 Bon Joh General Contractors	1,046,990		-	1,046,990	1,046,990	-	100
3.15 Overdose Ltd	693,900		-	693,900	693,900	-	100
3.16 Pelawico Agencies Ltd	1,408,300		-	1,408,300	1,408,300	-	100
3.2 Secondary schools	-		-	-	-	-	-
3.20 St Kizito Nyansiongo Boys High School	200,000	-	-	200,000	200,000	-	100
3.21 Kiabonyoru Girls Secondary School	700,000	-	-	700,000	700,000	-	100
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
3.5 Unutilised	-	-	-	-	-	-	-
Total	7,636,190	-		7,636,190	7,636,190	-	100
4.0 Bursary and Social Security				-			-
4.1 Secondary Schools	7,000,000	1,143,605.00	-	8,143,605	8,141,584	2,021	100
4.2 Tertiary Institutions	28,043,635	-	-	28,043,635	28,040,635	3,000	100
4.3 Social Security	-	-	-	-	-	-	-

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30th, 2023

4.4 Special Needs	1,000,000	-	-	1,000,000	1,000,000	-	100
Total	36,043,635	1,143,605	-	37,187,240	37,182,219	5,021	100
5.0 Sports				-		-	-
5.1 Overdose Ltd	1,119,000	-	-	1,119,000	1,119,000	-	100
5.2 Bekemo General Co. Ltd	1,492,500	-	-	1,492,500	1,492,500	-	100
5.3 Sport	152,801	54,049.00	-	206,850	201,853	4,997	98
Total	2,764,301	54,049	-	2,818,350	2,813,353	4,997	100
6.0 Environment							
6.10 Riontonyi Police Station	150,000	-	-	150,000	-	150,000	-
6.11 Ensakia Ant Stock Theft Unit	150,000	-	-	150,000	-	150,000	-
6.12 Kebuse Anti Stock Theft Unit	150,000	-	-	150,000	-	150,000	-
6.13 Manga DEB Primary School	40,000	-	-	40,000	-	40,000	-
6.14 Memisi Anti Stock Theft Unit	150,000	-	-	150,000	-	150,000	-
6.15 Nyaronde Primary School	150,000	-	-	150,000	-	150,000	-
6.16 Gesebei Primary School	150,000	-	-	150,000	-	150,000	-
6.17 Nyansiongo DOK Primary School	150,000	-	-	150,000	-	150,000	-
6.18 Menyanya Primary School	150,000	-	-	150,000	-	150,000	-

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30th, 2023

6.19 Nyankono Primary school	40,000	-	-	40,000	-	40,000	-
6.20 Mwangori Primary school	40,000	-	-	40,000	-	40,000	-
6.21 Mogusii Secondary school	40,000	-	-	40,000	-	40,000	-
6.22 Nsicha Primary school	150,000	-	-	150,000	-	150,000	-
6.23 Nyagware Primary school	150,000	-	-	150,000	-	150,000	-
6.24 Rianyakangi Primary school	150,000	-	-	150,000	-	150,000	-
6.25 Nyabikommu Primary school	150,000	-	-	150,000	-	150,000	-
6.26 Nyankongo Primary school	150,000	-	-	150,000	-	150,000	-
Total	2,110,000	-	-	2,110,000	-	2,110,000	-
7.0 Primary Schools Projects							-
7.12 Memisi Primary School	1,000,000	-	-	1,000,000	786,646	213,354	79
7.13 Esise Primary School	600,000	-	-	600,000	600,000	-	100
7.15 Ensakia Primary School	600,000	-	-	600,000	600,000	-	100
7.16 Magombo Primary School	300,000	-	-	300,000		300,000	-
7.17 Magombo Primary School	396,365	-	-	396,365		396,365	-
7.18 Itumbe Primary School	400,000	-	-	400,000		400,000	-
7.19 Itumbe Primary School	150,000	-	-	150,000		150,000	-

Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30th, 2023

7.20 Isoqe Primary school	500,000	-	-	500,000		500,000		
7.21 Endemu Primary School	600,000	-	-	600,000	600,000	-	100	
7.22 Kineni Primary School	500,000	-	-	500,000		500,000	-	
7.24 Riensune Primary School	2,753,548	-	-	2,753,548	1,543,768	1,209,780	56	
7.27 Menyanya Primary School	550,000	-	-	550,000		550,000	-	
7.28 Gesebei Primary School	550,000	-	-	550,000		550,000	-	
7.29 Simbauti Primary School	600,000	-	-	600,000	602,513	(2,513)	100	
7.30 Mekenene Primary School	550,000	-	-	550,000		550,000	-	
7.31 Borabu Primary School	1,000,000	-	-	1,000,000	1,000,000.00	-	100	
7.32 Mogusii Primary School	2,000,000	-	-	2,000,000	1,898,529	101,471	95	
7.40 Endiba DEB Primary Shool	400,000	-	-	400,000	400000	-	100	
7.41 Amakura Primary School	800,000	-	-	800,000		800,000	-	
7.42 Nyagware DEB Primary School	550,000	-	-	550,000		550,000	-	
7.43 Kiabonyoru Primary School	500,000	-	-	500,000	456,138	43,862	91	
7.44 Nyangoge Primary School	500,000	-	-	500,000		500,000	-	
7.45 Masige Primary School	-	9,944.00		9,944		9,944	-	
7.46 Saiga Ngiya Primary School	-	279,060.00		279,060		279,060	-	
7.47 Nsicha Primary School	-	133,141.00		133,141	214,180	(81,039)	161	

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7.47 Memisi Primary School	-	34,217.00		34,217	34,217	-
7.48 Nyabikom Primary School	-	50,000.00		50,000	50,000	-
7.49 Biego Primary School	-	33,306.00		33,306	33,306	-
7.50 Amakura Primary School	-	294,969.00		294,969	324,780	110
7.51 Nyakwerema Primary School	-	7,020.00		7,020	7,020	-
7.52 Riakano Water Spring	-	3,152.00		3,152	3,152	-
7.53 Omonono Primary School	-	770,460.00		770,460	769,440	100
7.54 Omosocho Primary School	-	30,078.00		30,078	30,078	-
7.55 Mogusii Water Spring	-	3,152.00		3,152	3,152	-
Total	15,799,913	1,648,499	-	17,448,412	9,795,994	56
8.0 Secondary Schools Projects						
8.10 St Thomas Moore Secondary School	2,300,000			2,300,000	2,300,000	-
8.11 Gonzaga Gonza Secondary school	1,000,000	3,804,470.00		4,804,470	4,804,470	100
8.12 Mecheo Secondary School	600,000			600,000	600,000	-
8.13 Mecheo Secondary School	1,000,000			1,000,000	1,000,000	-
8.14 Tinderet Secondary School	1,000,000			1,000,000	1,000,000	-
8.15 Tinderet Secondary School	150,000			150,000	150,000	-
8.16 Mogusii Secondary School	150,000			150,000	150,000	-
8.17 St Mathias Mulumba Secondary School	800,000			800,000	800,000	-

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8.18 Mwangori Secondary School	1,500,000			1,500,000		1,500,000	-
8.19 Ekerubo Gietai Secondary School	600,000			600,000	600,000	-	100
8.21 Egentubi Secondary School	750,000.00			750,000		750,000	-
8.23 Kiabonyoru Girls Secondary School	1,000,000	4,304,470.00		5,304,470		5,304,470	-
8.24 St Francis Kerema Secondary School	400,000			400,000		400,000	-
8.25 Nyagware Secondary School	500,000			500,000		500,000	-
8.26 Omonayo Secondary School	650,000			650,000	650,000	-	100
8.27 Mogusii Secondary School	2,000,000			2,000,000		2,000,000	-
8.28 Omonono Secondary School	-	9,650.00		9,650		9,650	-
8.29 Biego Secondary School	-	124,488.00		124,488		124,488	-
8.30 Endiba Secondary School	-	463.00		463		463	-
8.31 Biego Secondary School	2,000,000			2,000,000		2,000,000	-
Total	16,400,000	8,243,541	-	24,643,541	6,054,470	18,589,071	25
9.0 Tertiary institutions Projects				-		-	-
9.10 Borabu TTC Borehole	1,500,000	-	-	1,500,000		1,500,000	-
9.11 Kiabonyoru Location Education office	200,000	-	-	200,000		200,000	-
9.12 Borabu Teachers Training College Pit Latrine	200,000	-	-	200,000		200,000	-
9.13 Borabu TTC Septic Tank	646,451	741,777.00	-	1,388,228	502,684	885,544	36

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9.14 Borabu TTC Dormitory	-	6,661.00	-	6,661	-	6,661	-
9.15 Borabu TTC Dormitory	-	5,104.00	-	5,104	-	5,104	-
Total	2,546,451	753,542	-	3,299,993	502,684	2,797,309	15
10.0 Security Projects				-		-	-
Memisi Anti Stock Theft Unit	2,000,000	-	-	2,000,000	502,986	1,497,014	25
Memisi Anti Stock Theft Unit	500,000	-	-	500,000	500,000	-	100
Riontonyi Police Station	700,000	-	-	700,000	700,000	-	100
Kebuse Anti Stock Theft Unit	300,000	-	-	300,000	-	300,000	-
Manga Police Station	2,910,889	-	-	2,910,889	2,526,279	384,610	87
Ensakia Anti Stock Theft Unit	400,000	-	-	400,000	-	400,000	-
Raitigo Police Post	200,000	-	-	200,000	-	200,000	-
Riogetto Police station	1,000,000	-	-	1,000,000	1,000,000	-	100
Ensakia Assistant Chiefs Office	200,000	-	-	200,000	-	200,000	-
Ekerubo Chiefs Office	400,000	-	-	400,000	400,000	-	100
Esise Assistant County Commissioner's Office	200,000	-	-	200,000	-	200,000	-
Matutu Assistant Chiefs Office	400,000	-	-	400,000	-	400,000	-
Matutu Chiefs Office	-	-	-	400,000	-	400,000	-

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	400,000						
Ensinyo Police Post	200,000	-	-	200,000		200,000	-
Borabu Registration of persons office	150,000	-	-	150,000		150,000	-
Getare Chiefs Office	100,000	-	-	100,000		100,000	-
Borabu Sub County Accountants offices	400,000	-	-	400,000		400,000	-
Borabu Deputy County Commissioners offices	350,000	-	-	350,000		350,000	-
Borabu Administrative Police offices	150,000	-	-	150,000	150,000	-	100
Borabu Deputy County Commissioners staff House	150,000	-	-	150,000		150,000	-
Borabu Deputy County Commissioners offices	1,500,000	-	-	1,500,000	1,500,000	-	100
Mokomoni Police Post	400,000	663,867	-	1,063,867	500,000	563,867	47
Kitaru Chiefs office	250,000	-	-	250,000		250,000	-
Mogusii Chiefs Office	1,000,000	-	-	1,000,000	1,000,000	-	100
Menyenya Assistant Chiefs office	1,000,000	-	-	1,000,000		1,000,000	-
Nyansiongo Gesima Assistant Chiefs Office	550,000	-	-	550,000	550,000	-	100
Nyansiongo chiefs office	300,000	-	-	300,000	300,000	-	100
Esise Chiefs Office	-	22,188	-	22,188	22,188	-	100
Borabu DCC Pit Latrine	-	5,530	-	5,530	5,530	-	100

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Total	16,110,889	691,585	-	16,802,474	9,656,983	7,145,491	57
11.0 Acquisition of assets				-	-	-	-
11.10 Borabu NGCDF Office partitioning	600,000			600,000	-	600,000	-
11.11 Borabu NGCDF Office purchase of plastic seats	200,000		-	200,000	200,000	-	100
11.12 Borabu NGCDF ablution block	800,000		-	800,000	-	800,000	-
11.13 Borabu NG-CDF Office Motor Vehicle	6,100,000		-	6,100,000	-	6,100,000	-
11.14 Borabu NGCDF Office Construction	-	(479,867.00)	-	(479,867)		(479,867)	-
11.14 Borabu NGCDF Office Land scaping	-	(27.00)	-	(27)		(27)	-
11.14 Borabu NGCDF Septic Tank	-	238,371.00	-	238,371		238,371	-
Total	7,700,000	(241,523)	-	7,458,477	200,000	7,258,477	3
12.0 Oversight Committee Expenses (itemize)				-		-	-
12.10 Travel cost	200,000	-	-	200,000	200,000	-	100
12.11 Daily subsistence allowance	100,000	-	-	100,000	100,000	-	100
12.12 Refined fuel and Lubricants	200,000	-	-	200,000	200,000	-	100
12.13 Accommodation allowance and Domestic Travel	300,000	-	-	300,000	300,000	-	100
12.14 Constituency Oversight Committee expenses	300,000	-	-	300,000	300,000	-	100
Total	1,100,000	-	-	1,100,000	1,100,000	-	100
							-
13.0 Other payments				-		-	-

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13.1 Formulation of a strategic plan	3,500,000	-	-	3,500,000	3,462,352	37,648	99
9.10 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	75,000	-	-	75,000	-	75,000	-
9.11 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	75,000	-	-	75,000	-	75,000	-
9.12 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	75,000	-	-	75,000	-	75,000	-
9.13 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	75,000	-	-	75,000	-	75,000	-
Total	3,800,000	-	-	3,800,000	3,462,352	337,648	91
14.0 unallocated fund							-
Unapproved projects	13,554,301	-	-	13,554,301.03		13,554,301	-
AIA	-	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-	-
Total	13,554,301	-	-	13,554,301	-	13,554,301	-
	138,205,033	12,799,665	-	151,004,698	89,977,303	61,027,395	60

(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)

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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 08 June 2022 for the period 1st July 2022 to 30th June 2023 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.

Significant Accounting Policies Continued

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 2023.

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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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
	Kshs	Kshs
Normal Allocation		
AIE NO. B132457	-	6,000,000
AIE NO. B105417	-	68,000,000
AIE NO. B140848	-	34,775,861
AIE NO. B154373	-	15,000,000
AIE NO. B128771	-	14,000,000
AIE NO. B155927	-	9,413,018
AIE NO. B154269	-	31,038,878
AIE NO. A888523	-	3,050,000
AIE NO. B185020	7,000,000	-
AIE NO. B206242	26,000,000	-
AIE NO. B206303	12,000,000	-
AIE NO. B205692	12,000,000	-
AIE NO. B205532	15,000,000	-
AIE NO. B207772	15,000,000	-
TOTAL	87,000,000.00	181,277,757

2. Proceeds From Sale of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

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3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,250,862	1,661,926
Personal allowances paid as part of salary	-	-
House Allowance	-	213,600
Transport Allowance	-	-
Leave allowance	-	40,000
Gratuity to contractual employees	297,899	881,293
Employer Contributions Compulsory national social security schemes	64,179	98,112
Total	1,612,940	2,894,931

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	1,361,696	2,788,666
Other committee expenses	1,804,823	2,525,332
Total	3,166,519	5,313,998

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6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	1,345,700.00	-
Communication, supplies and services	467,173	441,002
Domestic travel and subsistence	1,057,629	-
Printing, advertising and information supplies & services	220,000	-
Rentals of produced assets	-	-
Training expenses	605,000	800,000
Hospitality supplies and services	200,000	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,682,562	1,377,000
Fuel , oil & lubricants	500,000	525,790
Other operating expenses	323,588	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	543,800	597,210
Routine maintenance- other assets	-	-
Bank Charges & Commission	50,000	53,297
TOTAL	6,995,452	3,794,299

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	6,493,575	30,260,662
Transfers To Secondary Schools (See Attached List)	6,054,470	16,229,519
Transfers To Tertiary Institutions (See Attached List)	502,684	17,366,948
Total	13,050,729	63,857,129

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,141,584	18,453,144
Bursary – tertiary institutions (see attached list)	28,040,635	42,067,511
Bursary – special schools (see attached list)	1,000,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	4,905,586	7,706,215
Sports projects (see attached list)	2,611,500	2,674,600
Environment projects (see attached list)	-	1,696,848
Emergency projects (see attached list)	7,636,190	7,280,679
Roads projects (see attached list)	-	-
Total	52,335,495	79,878,997

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	18,316,814
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	200,000	1,400,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	200,000.00	19,716,814

10. Oversight Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
COC Members allowance	629,800	-
Other COC expenses	470,200	-
TOTAL	1,100,000	-

11. Other Payments

	<i>2022-2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Strategic Plan	3,462,352	-
ICT Hubs	-	-
TOTAL	3,462,352	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
<i>Equity Bank of Kenya Account no 1240261392623</i>	17,876,178	12,799,665
	-	-
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total		-	-	-

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	<i>2022/2023</i>	<i>2021/2022</i>
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

14 B. Gratuity	<i>2022/2023</i>	<i>2021/2022</i>
	KShs	KShs
Gratuity as at 1 st July (A)	-	613,264
Gratuity held during the year (B)	-	268,029
Gratuity paid during the Year (C)	-	881,293
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	<i>(1st July 2022)</i>	<i>(1st July 2021)</i>
	Kshs	Kshs
Bank accounts	12,799,665	6,978,076
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	12,799,665	6,978,076

[Provide short appropriate explanations as necessary]

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,410,691	476,666
Committee expenses	172,152	
Use of goods and services	-	29,701
Amounts due to other Government entities (see attached list)	28,793,464	10,612,352
Amounts due to other grants and other transfers (see attached list)	9,500,592	1,922,469
Acquisition of assets	7,258,477	(241,523)
Oversight committee expenses	-	
Others (<i>specify</i>)	337,648	-
Funds pending approval	13,554,301	-
Total	61,027,325	12,799,665

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19.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	Kshs	Kshs
Total	1,234,875	5,085,787

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1. Cleophas Onchana	Driver	01.07.2022	-	Nil
2. James Nyamboga Masese	Office Administrator	01.07.2022	-	Nil
3. Debora Nyangweso Ongera	Accounts Assistant	14.02.2023	-	Nil
4. Joy Kerubo Nyamboga	Information Technology Assistant	14.02.2023	-	Nil
5. Richard Makori	Records Management Officer	14.02.2023	-	Nil
6. Irene Nyambeki Nyansera	Office Secretary	14.02.2023	-	Nil
7. Dalphine Kerubo	Cleaner	01.07.2022	-	Nil
8. Robert Atei Onsoti	Driver	14.02.2023	-	Nil
9. Evans Odicho Nyaberi	Clerk of works	14.02.2023	-	Nil
10. Steve Momanyi Ndubi	Office Assistant	14.02.2023	-	Nil
11. Julius Abincha Kenya	Office Administrator	14.02.2023	-	Nil
Sub-Total			-	
Grand Total			-	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
		Kshs		
1.0 Administration and Recurrent				
1.1 Compensation of employees	Staff salary/Gratuity	1,410,691	476,666	
1.2 Use of goods and services	Use of goods and services	172,152	29,701	
Total		1,582,843	476,666	
Amount due to other Government entities			10,612,352	
7.0 Primary Schools Projects				
7.11 Memisi Primary School	Construction of a class room	213,354	-	
7.12 Kebuse Primary School	Construction of a class room	400,000	-	
7.13 Magombo Primary School	Construction of a class room	300,000	-	
7.14 Magombo Primary School	Construction of an ablution block	250,000	-	
7.15 Itumbe Primary School	Construction of a pit latrine	400,000	-	
7.16 Itumbe Primary School	Installation of a water tank	150,000	-	
7.17 Isoge Primary school	Renovation of class rooms	500,000	-	
7.18 Kineni Primary School	Renovation of class rooms	500,000	-	
7.19 Riensune Primary School	Renovation of class rooms	1,210,800	-	
7.25 Riensune Primary School	Construction of a kitchen	500,000	-	
7.29 Simbauti Primary School	Construction of a pit latrine	(2,513)	-	
7.30 Mekenene Primary School	Construction of a class room			

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		550,000	-	
7.32 Mogusii Primary School	Renovation of class rooms	101,471	-	
7.36 Emboye Primary School	Completion of an administration block	400,000	-	
7.41 Amakura Primary School	Equipping of a borehole	800,000	-	
7.42 Nyagware DEB Primary School	Construction of a pit latrine	550,000	-	
7.43 Kiabonyoru Primary School	Construction of a pit latrine	43,862	-	
7.44 Nyangoge Primary School	Construction of a pit latrine	500,000	-	
7.45 Masige Primary School	Renovation of class rooms	9,944	-	
7.46 Saiga Ngiya Primary School	Construction of a class room	279,060	-	
7.47 Nsicha Primary School	Renovation of class rooms	(81,039)	-	
7.47 Memisi Primary School	Renovation of class rooms	34,217	-	
7.48 Nyabikomu Primary School	Renovation of class rooms	50,000	-	
7.49 Biego Primary School	Renovation of class rooms	33,306	-	
7.50 Amakura Primary School	Renovation of class rooms	(29,811)	-	
7.51 Nyakwerema Primary School	Renovation of class rooms	7,020	-	
7.52 Riakano Water Spring	Renovation of class rooms	3,152	-	
7.54 Omosocho Primary School	Renovation of class rooms	30,078	-	
7.55 Mogusii Water Spring	Renovation of class rooms	3,152	-	
Total		7,652,418	-	
8.0 Secondary Schools Projects		-		
8.10 St Thomas Moore Secondary School	Construction of a laboratory	2,300,000	-	
8.12 Mecheo Secondary School	Construction of a pit latrine	600,000	-	

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8.14 Tinderet Secondary School	Construction of a class room	1,000,000	-	
8.15 Tinderet Secondary School	Installation of a water tank	150,000	-	
8.16 Mogusii Secondary School	Installation of a water tank	150,000	-	
8.17 St Mathias Mulumba Secondary School	Completion of an tuition block	800,000	-	
8.18 Mwongori Secondary School	Roofing of a tuition block	1,500,000	-	
8.21 Egentubi Secondary School	Completion of an administration block	750,000	-	
8.23 Kiabonyoru Girls Secondary School	Purchase of a bus	5,304,470	-	
8.24 St Francis Kerema Secondary School	Renovation of class rooms	400,000	-	
8.25 Nyagware Secondary School	Construction of a pit latrine	500,000	-	
8.27 Mogusii Secondary School	Construction of a kitchen	2,000,000	-	
8.28 Omonono Secondary School	Construction of a class room	9,650	-	
8.29 Biego Secondary School	Construction of a tuition block	124,488	-	
8.30 Endiba Secondary School	Renovation of class rooms	463	-	
8.31 Biego Secondary School	Construction of a dormitory	2,000,000	-	
Total		18,589,071	-	
9.0 Tertiary institutions Projects		-	-	
9.10 Borabu TTC Borehole	Equipping of a borehole	1,500,000	-	
9.11 Kiabonyoru Location Education office	Purchase of furniture	200,000	-	
9.12 Borabu Teachers Training College Pit Latrine	Construction of a pit latrine	200,000	-	
9.13 Borabu TTC Septic Tank	Construction of a septic tank	885,544	-	
9.14 Borabu TTC Dormitory	Construction of a dormitory	6,661	-	
9.15 Borabu TTC Dormitory	Construction of a dormitory	5,104	-	

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Total			2,797,309	-
Other Grants and Transfers				
6.0 Environment			-	
6.10 Riontonyi Police Station		Construction of a police station	150,000	-
6.11 Ensakia Ant Stock Theft Unit		Installation of a water tank	150,000	-
6.12 Kebuse Anti Stock Theft Unit		Installation of a water tank	150,000	-
6.13 Manga DEB Primary school		Tree planting	40,000	-
6.14 Memisi Anti Stock Theft Unit		Completion of staff units	150,000	-
6.15 Nyaronde Primary School		Installation of a water tank	150,000	-
6.16 Gesebei Primary School		Installation of a water tank	150,000	-
6.17 Nyansiongo DOK Primary School		Protection of a water spring	150,000	-
6.18 Menyanya Primary School		Installation of a water tank	150,000	-
6.19 Nyankono Primary school		Tree planting	40,000	-
6.20 Mwangori Primary school		Tree planting	40,000	-
6.21 Mogusii Secondary school		Tree planting	40,000	-
6.22 Nsicha Primary school		Installation of a water tank	150,000	-
6.23 Nyagware Primary school		Installation of a water tank	150,000	-
6.24 Rianyakangi Primary school		Installation of a water tank	150,000	-
6.25 Nyabikomu Primary school		Installation of a water tank	150,000	-
6.26 Nyankongo Primary school		Installation of a water tank	150,000	-

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			150,000	-	
Total			2,110,000	-	
Transfers to other Government Institutions				10,612,352	
4.0 Bursary and Social Security					
4.1 Secondary Schools	Bursary		2,021	-	
4.2 Tertiary Institutions	Bursary		3,000	-	
Total			5,021	-	
5.3 Sport	sports		4,997	-	
Total			4,997	-	
10.0 Security Projects			-	-	
Memisi Anti Stock Theft Unit	Construction of staff units		1,497,014	-	
Kebuse Anti Stock Theft Unit	Construction of staff units		300,000	-	
Manga Police Station	Construction of a police station		384,610	-	
Ensakia Anti Stock Theft Unit	Construction of staff units		400,000	-	
Raitigo Police Post	Dropping of power		200,000	-	
Ensakia Assistant Chiefs Office	Dropping of power		200,000	-	
Esise Assistant County Commissioner's Office	Dropping of power		200,000	-	
Matutu Assistant Chiefs Office	Completion of office		400,000	-	

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Matutu Chiefs Office	Completion of office	400,000	-	
Ensinyo Police Post	Dropping of power	200,000	-	
Borabu Registration of persons office	Office partitioning and repair of gutters	150,000	-	
Getare Chiefs Office	Purchase of furniture	100,000	-	
Borabu Sub County Accountants offices	Repair of office	400,000	-	
Borabu Deputy County Commissioners offices	Purchase of furniture	350,000	-	
Borabu Deputy County Commissioners staff House	Installation of a water tank	150,000	-	
Mokomoni Police Post	Completion of office	563,867	-	
Kitaru Chiefs office	Completion of office	250,000	-	
Menyenya Assistant Chiefs office	Construction of an office	1,000,000	-	
Total		7,145,491	-	
Total Other Grants & Transfers			1,922,469	
11.0 Acquisition of assets			(241,523)	
11.10 Borabu NGCDF Office partitioning	Office partitioning and repair of gutters	600,000	-	
11.12 Borabu NGCDF ablution block	Construction of an ablution block	800,000	-	
11.13 Borabu NG-CDF Office Motor Vehicle	Purchase of a motor vehicle	6,100,000	-	
11.14 Borabu NGCDF Office Construction	Office construction	(479,867)	-	
11.14 Borabu NGCDF Office Land scaping	office parking Landscaping	(27)	-	
11.14 Borabu NGCDF Septic Tank	Construction of a septic tank	238,371	-	

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Total		7,258,477	(241,523)	
12.0 Oversight Committee Expenses (itemize)	Constituency oversight committee expense	-		
13.0 Other payments		-		
13.1 Formulation of a strategic plan	Formulation of a strategic plan	37,648	-	
9.10 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	Purchase of furniture	75,000	-	
9.11 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	Purchase of furniture	75,000	-	
9.12 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	Purchase of furniture	75,000	-	
9.13 Constituency Innovation - Kiabonyoru Assistant County Commissioners Office	Purchase of furniture	75,000	-	
Total		337,648	-	
14.0 unallocated fund				
Unapproved projects		13,554,301	-	
AIA		-	-	
PMC savings		-	-	
Total		13,554,301	-	
Grand Total		61,027,325	12,799,655	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	41,198,746	-	-	41,198,746
Transport equipment	6,000,000	-	-	6,000,000
Office equipment, furniture and fittings	2,835,000	200,000	-	3,035,000
ICT Equipment, Software and Other ICT Assets	458,000	-	-	458,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	25,000	-	-	25,000
Total	50,516,746	200,000	-	50,716,746

Borabu Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30th, 2023****Annex 5 –PMC Bank Balances As At 30th June 2023**

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Magombo DEB Primary School	Equity	1240262379266	-	2,440
Kijaure Level 4 Hospital	Equity	1240267244631	-	500,550
Kineni Mixed Secondary School	Equity	1240269805491	-	8,958
Riangombe DOK Primary School	Equity	1240280115715	-	5,685
Riensune DEB Primary School	Equity	1240280115897	7,477	7,477
Ensakia DEB Primary School	Equity	1240280118844	9,718	8,318
Kiangeni Divisional Head Quarters	Equity	1240280120242	2,677	2,677
Mecheo Secondary School	KCB	1105605906	440,236	-
Omonono Ass Chiefs Office	Equity	0520277738085	1,100	-
Ekige DEB Primary School	Equity	1240280132154	32,434	8,261
Kenyo SDA Primary School	Equity	1240280171449	2,360	2,360
Nyansiongo Gesima Assistant Chief's Office	Equity	1240280186387	7,045	5,558
Keginga DEB Primary School	Equity	1240280782286	-	7,122
Nyansakia DEB Primary School	Equity	1240280835626	-	3,127
Menyenya SDA Primary school	KCB	1110933231	975	-
Nyaramba AP Line	Equity	0520164577458	-	-
Matutu Sub Location Office	Equity	1240280843349	991	991
Nyansiongo DOK Primary School	Equity	1240280988776	4,510	4,510
Kiabonyoru SDA Primary school	KCB	1184315183	1,013	-
Ensinyo Primary School	Equity	1240280988776	1,060	1,060

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Endemu DOK Primary School	Equity	1240178944432	1,952	2,132
Menyenya Ass. Chief's Office	Equity	1840280818579	3,975	3,975
Mekenene DEB Primary School	Equity	1840280839421	6,477	6,477
Ekerubo Chief's Office	Equity	1840280851437	-	3,076
Egentubi Secondary school	KCB Nyamira	1110008791	14,068	15,259
Nyansiongo High School	KCB Keroka	1151744697	821	23,860
Rigoko Secondary School	KCB Keroka	1154219461	4,887	4,889
Saiga Ngiya AP Line	Equity	1240270320031	103,330	-
Ribaita Secondary School	KCB Keroka	1152855972	-	3,191
Ribaita DEB Primary School	KCB Keroka	1152855972	3,191	-
St. Patrick Kahawa Secondary	KCB Keroka	12577620036	4,044	5,235
St Thomas Moore Secondary Secondary	KCB Keroka	1200399684	25	1,090
St Gonza Gonza Secondary School	Equity	1240279639614	-	44,105
Keginga Secondary School	Equity	1240280034673	16,374	499,550
Keginga Secondary School	Equity	1240280782286	7,122	-
Menyenya SDA Secondary School	Equity	1240281257110	31,965	999,550
Mecheo Location Chief's Office	Equity	1240282216173	1,050	1,050
Nyangoge DEB Primary school	KCB	1151542547	729	-
Ensinyo Administration Police	Equity	12402822411764	3,413	3,413
Nyangoge Ass Chiefs Office	Equity	0520280883721	4,590	-
Ensakia Chief's Office	Equity	1240282242901	5,293	5,293
Borabu DCC Staff Houses	Equity	1240282432232	21,585	21,585
Riontonyi Police Station	Equity	12402812512654	-	410,000
Riogeto Police Station	Equity	1240282604136	153,709	1,998,975
Nyandoche Ibere DOK Primary School	Equity	1240282690505	2,600	462,000
Kineni Primary School	Equity	1240269045314	1,799	1,799

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Mokomoni Police Station	Equity	1840280941376	1,184	189
Nyamiranga Secondary school	KCB	1151934356	13,892	-
Tindereti DEB Primary School	Equity	1240279717387	88,356	-
St. Joseph Lietego Secondary School	Equity	1240278993321	2,860	-
Manga Girls High School	Equity	1240276415330	1,820	-
Kineni Secondary School	Equity	1240269805491	8,958	-
Eronge SDA Mixed Secondary School	Equity	1240277452745	5,332	-
St. Francis Kerema Secondary School	Equity	0520271670827	8,149	-
St. Theresa Omonono Secondary School	Equity	0520263303404	-	-
St. Pauls Omonayo Secondary School	Equity	1240264569203	4,256	-
Kiabonyoru Girls Secondary School	Equity	0520281266898	4,120	-
Nsicha DEB Secondary School	Equity	0520280146952	20,219	-
Mote Oguto PAG Secondary School	Equity	0520263540717	-	-
Mwongori High School	Equity	1240297011789	-	-
Magura Secondary School	Equity	1240277412452	4,550	-
Tindereti Secondary School	Equity	1240279717387	88,356	-
Itumbe SDA Primary School	Equity	1240269113957	2,198	-
Omosocho SDA Primary School	Equity	1240278902195	480	-
Ensakia/Mokwerero Ass Chiefs Office	Equity	1240284275364	2,970	-
Kineni ELCK Primary School	Equity	1240269045314	-	-
Biego DOK Primary School	Equity	0520262260497	3,773	-
Biego DOK Primary School	Equity	0520270161445	5	-
Our Lady of Mercy Ibara Secondary School	KCB	1279190973	1,715	-

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Chinche DEB Primary School	Equity	0520180860769	3,220	-
Amakura DEB Primary School	Equity	0520262247299	4	-
Mokomoni DOK Primary School	Equity	0520192666241	32,465	-
Emboye DEB Primary School	Equity	0520262252445	-	-
Ibara Day Primary School	Equity	0520279382432	7,528	-
Kiangeni AP Line	Equity	0520277393737	800	-
Nyamori DOK Primary School	Equity	0520280119224	3,000	-
Rianyakangi DEB Primary School	Equity	0520262259787	4,344	-
Nyankongo Primary School	Equity	0520262246260	11,368	-
Nyageita Police Post	Equity	0520278218685	70	-
Nyansiongo Chiefs Office	Equity	1240284199988	2,000	-
Ribaita AP Line	Equity	1240278950632	1,248	-
Borabu DEB Primary school	KCB	1233262238	1,047	-
Total			1,234,875	5,085,787

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Annex 6: 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)
1.0	The use of goods and services balance of Kshs 9,108,297 includes payments amounting to Kshs.3,989,224 (detailed below) whose supporting payment vouchers were not provided for audit.	<ul style="list-style-type: none"> - All vouchers for the amount of Kshs 3,989,224.00 were attached in the first response to the management letter. 	Resolved	Resolved
2.0	<p>The other grants and payments amount of Kshs.81,015,562 and amount of Kshs.42,067,511 disbursed as bursaries for students in tertiary institutions. However, an audit review of documents and records relating to bursary disbursements to tertiary institution revealed the following anomalies:</p> <p>i. The bursaries to tertiary institutions amount of Kshs.42,067,511 includes an amount of Kshs.11,712,000 paid vide voucher No.146 dated 8 November, 2021 was disbursed to various institution that had not been included in the supporting schedule.</p> <p>ii. The bursaries to tertiary institutions amount of Kshs.42,067,511 also includes Kshs.30,185,394</p>	<ul style="list-style-type: none"> - We acknowledge the matters raised on bursary. - The amount of Kshs 11,712,000 is included inclusive of the tertiary 	Resolved	Resolved

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	reflected in the ledger or expenditure returns as combined disbursements vide various payment vouchers to various universities as tabulated below: However, the individual payment vouchers totaling to Kshs.30,185,394 were not provided for audit.	bursary total of Kshs 42,067,511 - Individual vouchers were attached during the first response for bursary amounting to Kshs 30,185,394.00		
3.0	The statement of assets and liabilities as at 30 June, 2022 reflects fund balance brought forward of Kshs.6,978,076 which differs with closing balance of Kshs.6,364,812 reflected in the previous year's statements, resulting in an un reconciled variance of Kshs.613,284. -	- The amount of Kshs 613,284 refers unpaid gratuity as at close of the financial year. - Kindly find the same amount of Kshs 613,284.00 in the closing balance of last financial year statements.	- Resolved	-Resolved
4.0	Annex 4 – summary of fixed asset register – to the financial statements for the year under review reflects historical cost balance as at 30 June, 2022 of 50,516,746 but the asset register reflects Kshs.49,380,396 hence giving a variance of Kshs 1,120,462 -	- An overstatement of Kshs 1,120,462 has been amended and the fixed asset register is Kshs 49,380,396.00	- Resolved	Resolved
1.0	That the summary statement of appropriation reflects budgeted expenditure and actual on comparable basis amounts of Kshs 188,255,833 and Kshs 175,456,168 respectively, resulting to under expenditure of Kshs 12,799,655(or 7% of the budget)	- The amount of Kshs 12,799,655 or 7% of the approved budget had not been spent by close of the financial year.	Resolved	Resolved

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	The under expenditure affected the planned activities and may have impacted negatively on service delivery to the Borabu Constituency residents.	<ul style="list-style-type: none"> - This is because some funds had received in April 2022 close to the financial year end and the NG-CDF committee was making arrangement to disburse the amount to respective projects. 		
2.0	Review of the approved code list (budget) and audit inspection of projects implemented during the year under review revealed that projects earmarked with approved budget of Kshs.18,233,334 earmarked for implementation had not started by the time of audit verification in March, 2023 as analyzed:	<ul style="list-style-type: none"> - The following projects have since been implemented and funds disbursed:- - Mwongori secondary school and not Mwongoria, Nyakwerema secondary school, Kahawa secondary school, Mogusii secondary school, Rigoko secondary school, Kebuse Anti stock theft Unit as per pictures attached. - Riogeto Police station has since been allocated funds and Funds in PMC Account as verified by auditors but have a land issue which they are solving. - Borabu National Polytechnic Construction 	- Resolved	Resolved

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		<p>two four door pit latrines at Kshs 800,000 and not Kshs 8,000,000, Borabu National Polytechnic fencing, Kiabonyoru Police station all re allocated as per approval attached in our earlier response.</p> <ul style="list-style-type: none"> - Mwongori secondary school funding for Kshs 1,000,000 was implemented as show by an attached extract from the financial statements. - The NG-CDF Committee is working on funding Mogusii Secondary school and Kerema Secondary school water tanks. We are also working on funding Memisi Anti stock theft Unit, Ekerubo Chiefs office and Mogusii administration police post. - 		
1.0			- Resolved	Resolved
1.1	The balance of Kshs.63,857,129 transfers to primary schools amount of Kshs.30,260,662 out of which,	- We acknowledge that the		

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	<p>Kshs.700,000 was disbursed to Ibara Primary Boarding School Project Implementation Committee (PMC) for the construction of one (1) classroom. In the previous year, the PMC had received Kshs.500,000 for, bringing the total amount transferred for the project to Kshs.1,200,000.</p> <p>However, audit inspection conducted in March, 2023 revealed that the project had not started and no proper explanation was given for the delay.</p>	<p>project had not started at the time of audit and verification was done that the cash is in the PMC account.</p> <ul style="list-style-type: none"> - The PMC had a power line passing over the site where the building was to be done and had delays with relocation of the power line by KPLC. - The line has now been removed and set to begin as procurement has been finalised. - See attached a picture of ongoing class rooms in the school 		
1.2	<p>The transfers to primary schools amount of Kshs.30,260,662 includes Kshs.1,000,000 paid to Emboye Primary School for the construction of an administration block to completion. However, the project file expected to contain bill of quantities and procurement records was not provided for audit. Further, audit inspection conducted on 23 March, 2023 revealed that the project was not complete as the building had been done only up to roofing, plastering had not been done and window panes and internal doors had not been fixed.</p>	<ul style="list-style-type: none"> - The project file was attached in the first response and acknowledge the delay in releasing it. - The increase in fuel prices leading to increase in price of materials led to non completion of the works. - From the picture of the works there is value for money. 	- Resolved	Resolved

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1.3	<p>The transfers to primary schools amount of Kshs.30,260,662 includes Kshs.1,550,000 for purchase of a parcel of land measuring approximately 1½ acres for Simbauti Primary School from Gusii Coffee Farmers Cooperative Union Ltd. The project was co funded by the Fun and the Simbauti SDA Church where the school is currently situated. However, title deed for the parcel of land had not been obtained, sale agreement was not provided for audit review, no valuation of land by Government land valuer was carried out to establish the actual cost and no official search was done to confirm ownership by the seller.</p>	<ul style="list-style-type: none"> - A project file including minutes and correspondence for purchase of the land was attached in the first response together with an agreement for land purchase and a survey plan. - We are looking for the land valuation document and will be availed shortly. 	- Resolved	Resolved
1.4	<p>The transfers to other government units balance of Kshs.63,857,129 includes transfers to secondary schools amount of Kshs.16,229,519 out of which Kshs 5,500,000 was disbursed to the secondary schools listed below for purchase of school buses:</p> <p>However, Management did not provide procurement records and expenditure returns for audit.</p> <p>Further, the two buses for Kiabonyoru Girls Secondary School and Gonzaga Gonza Secondary School had not been delivered at the time of audit exercise in March, 2023.</p> <p>-</p>	<ul style="list-style-type: none"> - Project files for the 3 projects were attached in the first response and we have no further evidence. - Buses for Kiabonyoru Girls Secondary school and Gonzaga Gonza secondary school had not been delivered as additional funds for completion of payment had to be allocated in the preceding financial year for completion. - Arrangements are being made for payment of the additional funds which 	- Resolved	Resolved

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		have now been approved.		
1.5	<p>The transfers to other government units balance of Kshs.63,857,129 includes transfers to tertiary institutions amount of Kshs.17,366,948 out of which, Kshs.7,255,033 was paid to Transfix Construction Limited for construction of a 625M3 septic tank to completion.</p> <p>However, the following Findings were made on the project:</p> <p>i. Management did not provide for audit review the Bill of Quantities (BQ) and contract agreement.</p> <p>ii. Evaluation report revealed that Transfix Construction company was the second lowest evaluated bidder having quoted Kshs 6,901,780 which was Kshs 380,140 above the lowest bidder.</p> <p>iii. Transfix Construction Limited was paid an extra amount of Kshs.353,250 above the quoted price.</p> <p>iv. Audit inspection in March, 2023 revealed that the project had not been completed and that there was water seepage that had filled the septic, had not been rectified.</p>	<ul style="list-style-type: none"> - Bill of quantity for the works and project file attached in the first response. - From the evaluation report the lowest bidder had no experience in similar works and there was no guarantee for the firm to deliver the works. - The works are at 95% completion and the contractor has not been paid in full. - The seepage of water to the septic tank was observed to be from an incomplete man hole and shall be rectified and completed once rains subside. 	- Resolved	Resolved
1.6	The transfers to tertiary institutions amount Kshs.17,366,948 includes Kshs.3,691,995 paid to Wote Kenya Limited for drilling of a borehole at Bora	-	- Not resolved	One month

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	<p>Teachers Training College.</p> <p>The Fund's code list for the year ended 30 June, 2022 indicated that the project activities included: drilling and completion of installation of casing at a cost of Kshs.2,400,000; pump costing Kshs.700,000; one 10,000 liter water tank of Kshs.100,000; and piping at a cost of Kshs.200,000. However, the following anomalies were noted:</p> <p>i) Wotech Kenya Ltd started the project and received payment of Kshs.1,398,600, acknowledged via letter Ref: NG-CDF/ BORABU/10/09/21 dated 16 March, 2022 before obtaining letter of award for the contract.</p> <p>ii) The Contract document provided for audit review was not signed by the contractor.</p> <p>iii) It is not clear why the contractor was paid Kshs.250,000 for hydrological survey and environmental assessment yet he had been paid for the same in the first borehole that yielded no water.</p> <p>iv) The expenditure of Kshs.3,691,995 was incurred against Kshs.3,450,000 approved by NG-CDF, resulting in Kshs.241,995 spent without the</p>	<p>- The award letter mentioned here is for the second contract given after the first contract that yielded no water after drilling.</p> <p>- The valid contract for the works was attached in the first response signed by the client and contractor. We are sorry there was a draft contract not signed by the contractor in the file.</p>		

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	<p>Board's approval.</p> <p>v) Audit inspection of the project revealed that only the drilling and casing of bore hole had been done, while the pump, 10,000-litre tank and piping had not been installed.</p> <p>-</p>	<ul style="list-style-type: none"> - Hydrological survey was properly done but they are normally not 100% accurate. That is what appears in water drilling contracts. The scenario for the first borehole was unique as the soil caved in while doing the casing. - The additional Ksh 241,995 was approved for the borehole in Financial year 208/19. See attached a codelist for the same. - Following the failure to get water in the first drilling exercise, funds available could not do upto purchase of pump and tank as they were used to drill the second borehole. 		
2.0	The other grants and transfers balance of Kshs.81,015,562 includes an expenditure on sports projects of Kshs.2,674,600. However, out of this latter	<ul style="list-style-type: none"> - The amount of Kshs 312,000 indicated as a mis classification of allowances is a case where 	- Resolved	Resolved

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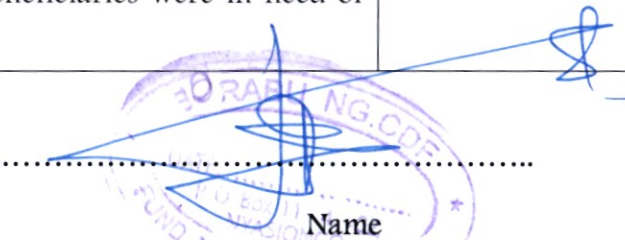
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	amount, Kshs.312,000 were actually Committee sitting allowances misclassified under sports projects as tabulated below:	<p>members were handling sports activities and event separate from normal committee meetings.</p> <ul style="list-style-type: none"> - From our end our view is that the amount is properly classified 		
3.0	<p>The statement of receipts and payments reflects acquisition of assets balance of Kshs.18,580,249. However, the following issues were noted;</p> <p>i. Bills of Quantities in support of payments totaling to Kshs.5,111,656 comprising Kshs.1,400,027 made to Pelawico Agencies Ltd for landscaping and Kshs.3,711,629 made to Transfix Construction Ltd for construction of septic tank were not provided for audit review as detailed below:</p>	<ul style="list-style-type: none"> - We are sorry for the anomaly. The bill of quantity was attached in the first response. 	- Resolved	Resolved
4.0	Review of bank reconciliation statements revealed unpresented cheques totaling to Kshs.800,818 as at 30 June, 2022. Most of the unpresented cheques relate to bursary payments. However, bank statements and reconciliation statements for July, 2022 and subsequent months were not made provides. It was not possible to ascertain whether the un presented cheques were finally cleared or not by the banks. Further, it is	<ul style="list-style-type: none"> - Bank reconciliation statements for July, August and September 2022 were attached in the first response. 	- Resolved	Resolved

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	not clear why the cheques remained unrepresented despite the fact that the beneficiaries were in need of the bursaries.			

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 Name
 Fund Account Manager.