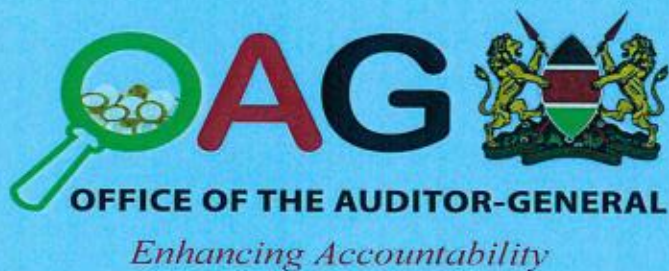


REPUBLIC OF KENYA



# REPORT

THE NATIONAL ASSEMBLY	
DATE: 00 MAR 2023	
DAY: Wednesday	
TABLED BY:	Hon. Owen Baya, CBS MP Deputy Majority Leader
CLERK-AT THE TABLE:	Miriam Mogo

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – SABATIA CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2021





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**SABATIA CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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





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

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

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

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

### **Mandate**

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

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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

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

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

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Gimonge Tom M.
2.	Sub-County Accountant	Clayton Omondi Okeyo
3.	Chairman NGCDFC	John Sagala Sabwa
4.	Member NGCDFC	Ephraim Gallo

**(d) Fiduciary Oversight Arrangements**

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

**(e) Sabatia Constituency NGCDF Headquarters**

Sabatia DCC's Office Grounds,  
P.O. Box 260-50311,  
Chavakali – Kapsabet Highway  
Wodanga, KENYA

**(f) Sabatia Constituency NGCDF Contacts**

Telephone: (254) 0722358998  
E-mail: [cdfSabatia@ngcdf.go.ke](mailto:cdfSabatia@ngcdf.go.ke)  
Website: [www.ngcdfsabatia.go.ke](http://www.ngcdfsabatia.go.ke)

**(g) Sabatia Constituency NGCDF Bankers**

Kenya Commercial Bank  
KCB Mbale Branch  
Account No. 1102377678  
P.O. Box 1123  
Maragoli.

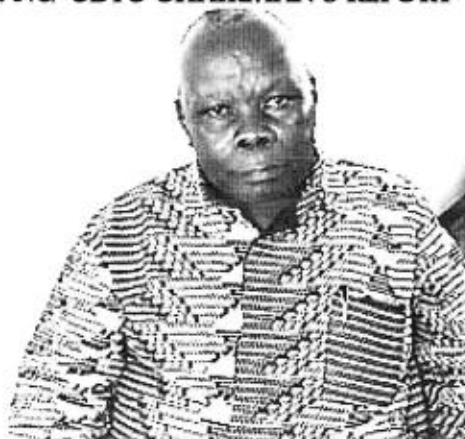
**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## **II. NG-CDFC CHAIRMAN'S REPORT**



**Mr. John Sabwa Sagala**

Chairman NG-CDF Sabatia

### **Sabatia Constituency Geographic and Climatic Background**

Sabatia is one of the five constituencies in Vihiga County. It borders Vihiga constituency to the South, Emuhaya and Luanda, constituencies to the West, Hamisi to the East, and Ikolomani to the north.

The constituency has an equatorial climate with fairly distributed rainfall throughout the year. It has an average precipitation of 1900mm. Temperatures range between 14°C to 32°C with a mean of 23°C. The climate supports a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

### **Sabatia Constituency Population and Density Projections**

According to the 2009 National Population and Housing census, Sabatia Constituency had a population of 129,678. Currently, the constituency has a Population of 149,079 (2018), and is projected to increase to 162,767 by 2022. Further, this population density is 1,344 per sq/km, and is projected to increase to 1,468 per sq/km by 2028.

### **Administrative Units**

CONSTITUENCY	DIVISION	NOs. LOCATION	NOs. SUB- LOCATION
SABATIA	Sabatia	3	15
	Chavakali	5	16



**Summary the budget performance against actual amounts for current year 2020-2021**

<b>PAYMENTS</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>
Compensation of Employees	7,406,985	2,963,093
Use of goods and services	13,242,452	12,914,630
Transfers to Other Government Units	125,500,000	61,300,000
Other grants and transfers	75,489,865	33,427,404
Acquisition of Assets	11,606,607	11,232,500
Other Payments	-	-

*Table 1: Summary of budget performance against the actual amount for the year 2020/2021*

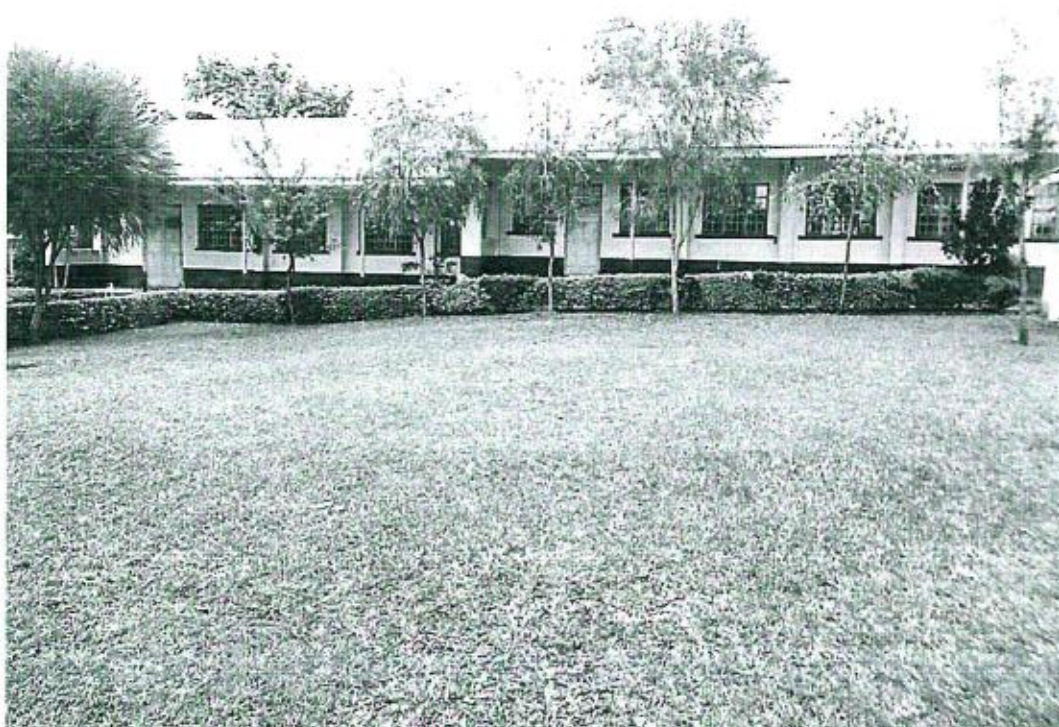
*Some of the key achievements for during the financial 2020/2021*



**Pic. 1: Administration offices and classroom complex at Moi Girls High School - Vokoli funded by Sabatia NG-CDF**



Pic. 2: Construction of Chiefs Office - Chavakali Location funded by Sabatia NG-CDF



Pic. 3: Construction of Twin Laboratory at Kivagala Secondary School funded by Sabatia NG-CDF



Pic. 4: Equipping of computer laboratory at Mululu Primary School funded by Sabatia NG-CDF

**List the implementation challenges and recommended way forward.**

- ❖ Shortage of technical officers from the public works to supervise the projects. The NGCDFC is in the process of hiring a qualified clerk of works to help on the same.

*Sign*

**Mr. John Sabwa Sagala**  
**CHAIRMAN NG CDF COMMITTEE**



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

#### **Introduction**

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

The key development objectives of NGCDF-Sabatia Constituency's 2018-2022 plan are to:

- Improving access to quality education by rehabilitation/ renovation/ Construction of classrooms, sanitary facilities, laboratories, library and boarding facilities, computer labs/ classes in schools in the Constituency, provision of laboratory equipment and ICT facilities to schools, provision of bursary to needy and bright students at all levels of learning
- Improving access to safe drinking water by purchase of water pumps, tanks and pipes
- Catering for any unforeseen occurrences in the Constituency
- Promoting health and clean environment by planting indigenous trees at the public places
- Enhancing security in the constituency by construction/ rehabilitation of chiefs offices, police stations and police housing among others
- Improving and tracking of implementation of NGCDF programmes
- Harnessing youth and women talent and local culture by funding youth and women tournaments

#### **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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
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	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> </ul>	In FY 2020/21 -we increased number of classrooms, dormitories, laboratories - Bursary beneficiaries at all levels benefitted
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office	Access to quality services	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build at</li> </ul>	SABATIA NGCDFC 7 chiefs office.

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

	To have modern police stations and posts at the Constituency	Reduced crime rate	the locational levels - Number of crimes reported	- The NGCDFC constructed Kichutu AP line
Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of sanitary facilities constructed	During the financial year 2020-2021, SABATIA NGCDFC constructed 19 sanitary facilities
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	Sabatia NGCDF committee held football
Disaster Management	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Sabatia NGCDF committee allocated Kshs. 7192206.90, million under the emergency kitty to cater for the same



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

Sabatia 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 Sabatia NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

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

we operate in a physical environment that calls for concerted efforts to ensure its sustainability. We made commitments to our public to;

- Comply with all relevant environmental legislation, regulations and approved codes of practise protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water.
- Keep wastage to minimum and maximize the efficient use of materials and resources
- Management and disposal of all wastage in a responsible manner
- Provide training for our committee members and staff on issues of environment sustenance

- Communicate regularly our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- Monitoring and continuously improving our environmental performance
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance.
- Promote environmental awareness by sensitizing the NG-CDF committee, NG-CDF staff and PMCs on good conservation practises
- To encourage, through regular communication to NG-CDFC staff and other stakeholders' changes in individual behaviour to reduce usage conservation of energy and resources to maximize use of available technologies to remove the need to use paper.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Sabatia 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. Sabatia 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-**

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

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

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

NGCDF has put in efforts to ensure:

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

## **5. Community Engagements-**

Sabatia 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.

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

## **V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

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

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

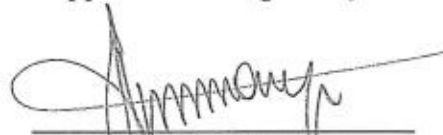
The Accounting Officer in charge of the NGCDF-Sabatia Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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**

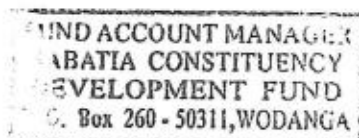
The NGCDF-Sabatia Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2021.



**Chairman NGCDF Committee**  
**Name: John Sagala Sabwa**



**Fund Account Manager**  
**Name: Gimonge Tom M.**







# REPUBLIC OF KENYA

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



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

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

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### 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, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Sabatia Constituency set out on pages 16 to 48, which comprise of the statement of financial assets and liabilities as at 30 June, 2021,

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*Report of the Auditor-General on National Government Constituencies Development Fund - Sabatia Constituency for the year ended 30 June, 2021*



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

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

### **Basis for Qualified Opinion**

#### **Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.63,069,403. However, the bank reconciliation statement for June, 2021 in support of the balance reflected unrepresented cheques totalling to Kshs.1,690,821 which constituted stale cheques totalling to Kshs.163,793. The stale cheques had not been written back to the cash book. Further, the bank reconciliation statement included unexplained receipts in bank not in the cash book amounting to Kshs.104,850. In addition, the bank reconciliation reflected unsupported and unexplained direct payment by the bank on 13 November, 2020 amounting to Kshs.157,483 indicated as tax paid.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.63,069,403 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 - Sabatia Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Key Audit Matters**

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

#### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.233,245,909 and Kshs.184,907,030 respectively resulting to



an under-funding of Kshs.48,338,879 or 21% of the budget. Similarly, the statement reflects total expenditure of Kshs.121,837,627 against an approved budget of Kshs.233,245,909 resulting to an under-expenditure of Kshs.111,408,282 or 48% of the budget.

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 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 controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 Fund's policies and procedures may deteriorate.

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

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

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



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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

23 September, 2022


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


**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
			<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from NGCDF Board	<b>1</b>	162,617,724	120,740,876
Proceeds from Sale of Assets	<b>2</b>	-	-
Other Receipts	<b>3</b>	-	-
<b>TOTAL RECEIPTS</b>		<b>162,617,724</b>	<b>120,740,876</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	2,963,093	2,279,912
Use of goods and services	<b>5</b>	12,914,630	8,328,361
Transfers to Other Government Units	<b>6</b>	61,300,000	73,069,256
Other grants and transfers	<b>7</b>	33,427,404	14,668,900
Acquisition of Assets	<b>8</b>	11,232,500	-
Other Payments	<b>9</b>	-	2,043,442
<b>TOTAL PAYMENTS</b>		<b>121,837,627</b>	<b>100,389,871</b>
<b>SURPLUS/DEFICIT</b>		<b>40,780,097</b>	<b>20,351,005</b>

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

  
**Fund Account Manager**  
**Name: Gimonge Tom M.**

  
**National Sub-County**  
**Accountant**  
**Name: Claytone O. Okeyo**  
**ICPAK M/No: 13741**

  
**Chairman NG-CDF Committee**  
**Name: John Sagala Sabwa**

**FUND ACCOUNT MANAGER**  
**SABATIA CONSTITUENCY**  
**DEVELOPMENT FUND**  
**P. O. Box 260 - 50311, WODANGA**


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


**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	63,069,403	20,374,183
Cash Balances (cash at hand)	10B		
<b>Total Cash and Cash Equivalents</b>		<b>63,069,403</b>	<b>20,374,183</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>63,069,403</b>	<b>20,374,183</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>63,069,403</b>	<b>20,374,183</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...		20,374,183	23,178
Prior year adjustments		1,915,123	
Surplus/Defict for the year		40,780,097	20,351,005
<b>NET FINANCIAL POSITION</b>		<b>63,069,403</b>	<b>20,374,183</b>
		-	-

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

  
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**National Sub-County**  
**Accountant**  
**Name: Clayton O. Okeyo**  
**ICPAK M/No: 13741**

  
**Chairman NG-CDF Committee**  
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**FUND ACCOUNT MANAGER**  
**SABATIA CONSTITUENCY**  
**DEVELOPMENT FUND**  
**P.O. Box 260 - 50311, WODANGA**

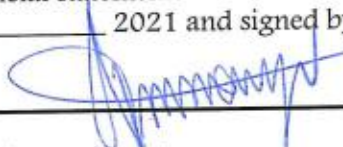



**Sabatia Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

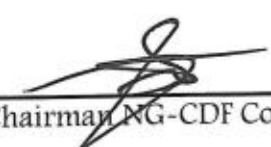
**STATEMENT OF CASHFLOW**

		<b>2020 – 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	162,617,724	120,740,876
Other Receipts	3	-	-
		<b>162,617,724</b>	<b>120,740,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,963,093	2,279,912
Use of goods and services	5	12,914,630	8,328,361
Transfers to Other Government Units	6	61,300,000	73,069,256
Other grants and transfers	7	33,427,404	14,668,900
Other Payments	9	-	2,043,442
		<b>110,605,127</b>	<b>100,389,871</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	1,915,123	-
<b>Net Adjustments</b>		<b>1,915,123</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>53,927,720</b>	<b>20,351,005</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	11,232,500	-
<b>Net cash flows from Investing Activities</b>		<b>(11,232,500)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>42,695,220</b>	<b>20,351,005</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>20,374,183</b>	<b>23,178</b>
<b>Cash and cash equivalent at END of the year</b>		<b>63,069,403</b>	<b>20,374,183</b>

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

  
**Fund Account Manager**  
**Name: Gimonge Tom M.**

  
**National Sub-County**  
**Accountant**  
**Name: Claytone O. Okeyo**  
**ICPAK M/No: 13741**

  
**Chairman NG-CDF Committee**  
**Name: John Sagala Sabwa**

**FUND ACCOUNT MANAGER**  
**SABATIA CONSTITUENCY**  
**DEVELOPMENT FUND**  
**P. O. Box 260 - 50311, WODANGA**

**IX. SUMMARY STATEMENT OF APPROPRIATION**

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	22,289,306	73,867,724	233,245,909	184,907,030	48,338,879	79%
Proceeds from Sale of Assets	-	-	-	-	-	-	
Other Receipts	-	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>22,289,306</b>	<b>73,867,724</b>	<b>233,245,909</b>	<b>184,907,030</b>	<b>48,338,879</b>	<b>79%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,888,000	1,200,978	1,318,007	6,406,985	2,963,093	3,443,892	46%
Use of goods and services	8,448,673	500,000	6,055,029	15,003,702	12,914,630	2,089,072	86%
Transfers to Other Government Units	78,300,000	1,500,000	52,400,000	132,200,000	61,300,000	70,900,000	46%
Other grants and transfers	46,452,206	17,338,328	4,594,688	68,385,222	33,427,404	34,957,818	49%
Acquisition of Assets	-	1,750,000	9,500,000	11,250,000	11,232,500	17,500	100%
Other Payments	-	-	-	-	-	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>22,289,306</b>	<b>73,867,724</b>	<b>233,245,909</b>	<b>121,837,627</b>	<b>111,408,281</b>	<b>52%</b>

**\*\*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.**


**The budget utilization difference of Kshs. 48,338,879 is the amount owed by the Constituency as at 30<sup>th</sup> June 2021.**



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

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	111,408,281
Less undisbursed funds receivable from the Board as at 30th June 2021	48,338,879
	63,069,402
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	63,069,402

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



**Fund Account Manager**  
**Name: Gimonge Tom M.**



**National Sub-County Accountant**  
**Name: Clayton O. Okeyo**  
**ICPAK M/No: 13741**



**Chairman NG-CDF Committee**  
**Name: John Sagala Sabwa**



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

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

Programme/Sub-programme	Original Budget	Adjustments		Kshs	Final Budget	Actual on comparable basis
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2020/2021				2020/2021	30/06/2021
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,888,000	1,200,978	1,318,007	6,406,985	2,963,093	3,443,892
1.2 Committee allowances	3,300,000		3,053,457	6,353,457	5,699,445	654,012
1.3 Use of goods and services	1,037,332		1,791,858	2,829,190	2,570,585	258,605
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,600,000		22,083	1,622,083	1,485,000	137,083
2.2 Committee allowances	1,800,000	500,000	1,079,400	3,379,400	3,159,600	219,800
2.3 Use of goods and services	711,340		108,231	819,571		819,571
<b>3.0 Emergency</b>	7,192,207		2,194,688	9,386,895	5,409,732	3,977,163

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

3.1 Primary Schools										
3.2 Secondary schools										
3.3 Tertiary institutions										
3.4 Security projects										
<b>4.0 Bursary and Social Security</b>										
4.1 Primary Schools										
4.2 Secondary Schools	14,100,000	11,131,706				25,231,706	21,032,500	4,199,206		
4.3 Tertiary Institutions	9,000,000	4,019,651				13,019,651	1,351,460	11,668,191		
4.4 Special Schools	1,000,000	987,580				1,987,580	1,269,000	718,580		
4.5 Social Security	900,000					900,000	-	900,000		
<b>5.0 Sports</b>	1,500,000	79,500				1,579,500	-	1,579,500		
<b>6.0 Environment</b>						-	-	-		
6.1 Chekombero Primary School	1,000,000			1,200,000		2,200,000	2,200,000	-		
6.2 Maganyi Primary School	860,000			-		860,000	860,000	-		
6.3 Mulundu Primary School	-			1,200,000		1,200,000	1,200,000	-		
6.4 Mudete Primary School	-	50,000				50,000	-	50,000		
6.5 Kivagala Primary School	-	50,000				50,000	-	50,000		
6.6 Sabatia Primary Schooo	-	50,000				50,000	-	50,000		
6.7 Kilagiru Primary School	-	50,000				50,000	-	50,000		



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

7.0 Primary Schools Projects							
7.1 Busetwa Primary School	600,000	-	200,000	800,000	600,000	200,000	-
7.2 Chamakanga Special School	1,500,000	-	600,000	2,100,000	2,100,000	-	-
7.3 Chatamilu Primary School	1,000,000	-	-	1,000,000	1,000,000	-	-
7.4 Chavakali Primary School	800,000	-	-	800,000	800,000	-	-
7.5 Chugi Primary School	600,000	-	-	600,000	600,000	-	-
7.6 Egaloni Primary School	600,000	-	-	600,000	600,000	-	-
7.7 Ellongo Primary School	800,000	-	-	800,000	800,000	-	-
7.8 Givudianyi Primary School	700,000	-	-	700,000	700,000	-	-
7.9 Hakedohi Primary School	700,000	-	-	700,000	700,000	-	-
7.10 Hamadira Primary School	600,000	-	500,000	1,100,000	1,100,000	-	-
7.11 Havuyiya Primary School	600,000	-	-	600,000	600,000	-	-
7.12 Kisatiru Primary School	1,000,000	-	-	1,000,000	1,000,000	-	-
7.13 Logemo Primary School	600,000	-	-	600,000	600,000	-	-
7.14 Madegwa Primary School	2,000,000	-	-	2,000,000	2,000,000	-	-
7.15 Mudungu Primary School	800,000	-	-	800,000	800,000	-	-
7.16 Mukomba Primary School	800,000	-	-	800,000	800,000	-	-
7.17 Munoywa Primary School	600,000	-	-	600,000	600,000	-	-
7.18 Tsimbalu Primary School	800,000	-	1,200,000	2,000,000	2,000,000	-	-

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

7.19 Vihindi Primary School	700,000	-	-	-	700,000	700,000	-
7.20 Wangulu Primary School	1,000,000	-	800,000	-	1,800,000	1,800,000	-
7.21 Vokoli Primary School	-	-	600,000	-	600,000	600,000	-
7.22 Gavudia Primary School	-	-	1,200,000	-	1,200,000	1,200,000	-
7.23 Mukunya Primary School	-	-	600,000	-	600,000	600,000	-
7.24 Kibaala Primary School	-	-	600,000	-	600,000	600,000	-
7.25 Mutsulyu Primary School	-	-	800,000	-	800,000	800,000	-
7.26 Ondeyo Primary School	-	-	1,200,000	-	1,200,000	1,200,000	-
7.24 Mbale Primary School	-	-	700,000	-	700,000	700,000	-
7.25 Igunga Primary School	-	-	1,700,000	-	1,700,000	1,000,000	700,000
7.26 Halombove Primary School	-	-	800,000	-	800,000	800,000	-
7.27 Kegondi Primary School	-	-	1,200,000	-	1,200,000	1,200,000	-
7.28 Simboyi Primary School	-	-	800,000	-	800,000	800,000	-
7.29 Inyali Primary School	-	-	600,000	-	600,000	600,000	-
7.30 Lotego Primary School	-	-	800,000	-	800,000	800,000	-
7.31 Ikobero Primary School	-	-	1,200,000	-	1,200,000	1,200,000	-
7.32 Mwilitisa Primary School	-	-	800,000	-	800,000	800,000	-
<b>8.0 Secondary Schools Projects</b>					-		-
8.1 ACK Hombala Secondary School	1,300,000	-	-	-	1,300,000		1,300,000

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

8.2 Bugina Secondary School	2,000,000	-		2,000,000		2,000,000
8.3 Bukulunya Secondary School	2,000,000	-		2,000,000	2,000,000	-
8.4 Chamakanga Secondary School	1,500,000	-		1,500,000		1,500,000
8.5 Demesi Secondary School	4,500,000	-	2,500,000	7,000,000		7,000,000
8.6 Digula Secondary School	700,000	-		700,000		700,000
8.7 Evojo PAG Secondary School	1,500,000	-		1,500,000		1,500,000
8.8 Friends Technical Secondary School Munoywa	2,000,000	-		2,000,000		2,000,000
8.9 Gahumbwa Secondary School	1,500,000	-	1,500,000	3,000,000	1,500,000	1,500,000
8.10 Gaigedi Secondary School	1,500,000	-	1,500,000	3,000,000	1,500,000	1,500,000
8.11 Igunga Girls High School	1,500,000	-		1,500,000		1,500,000
8.12 Kapsambo Secondary School	1,500,000	-		1,500,000		1,500,000
8.13 Kegondi Secondary School	2,000,000	-		2,000,000	2,000,000	-
8.14 Kisangula Secondary School	500,000	-		500,000		500,000
8.15 Moi Girls High School - Vokoli	25,000,000	-	25,000,000	50,000,000	20,000,000	30,000,000
8.16 Mukingi Secondary School	1,000,000	-		1,000,000		1,000,000
8.17 Nabwani Secondary School	1,500,000	-		1,500,000		1,500,000
8.18 Sabatia Special Secondary School		-		-		-
8.19 Keveye Girls High School		1,500,000		1,500,000	1,500,000	-



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

9.0 Tertiary institutions Projects (List all the Projects)									
9.1 KMTC Vihiga	10,000,000			5,000,000	15,000,000	-			15,000,000
<b>10.0 Security Projects</b>						-			-
10.1 Budaywa Ass. Chiefs Office	500,000				500,000				500,000
10.2 Chavakali Chiefs Office	600,000				600,000				600,000
10.3 Chavakali Police Station	1,500,000				1,500,000				1,500,000
10.4 Chavogere Ass. Chiefs office	800,000				800,000				800,000
10.5 Evojo Ass. Chiefs office	1,000,000				1,000,000				1,000,000
10.6 Izava North Chiefs office	1,000,000				1,000,000				1,000,000
10.7 Kililingili Police Station	1,500,000				1,500,000				1,500,000
10.8 Kivagala Ass. Chiefs office	1,000,000				1,000,000				1,000,000
10.9 Lusengeli Ass. Chiefs office	1,000,000				1,000,000				1,000,000
10.10 Mukingi Ass. Chiefs office	1,000,000				1,000,000				1,000,000
10.11 Solongo Ass. Chiefs office	1,000,000				1,000,000				1,000,000
10.12 Nadanya AP line		800,000			800,000				800,000
10.13 Lunyerere AP Camp		119,891			119,891	104,712			15,179
<b>11.0 Acquisition of assets</b>						-			-
11.1 Motor Vehicles (including motorbikes)		750,000		9,000,000	9,750,000			9,736,000.00	14,000
11.2 Construction of CDF office		1,000,000			1,000,000			998,500.00	1,500

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11.3 Purchase of furniture and equipment			500,000	498,000.00	2,000
11.4 Purchase of computers			-		-
11.5 Purchase of land			-		-
<b>12.0 Others</b>			-		-
12.1 Strategic Plan			-		-
12.2 Innovation Hub			-		-
Funds pending approval**			-		-
<b>Total</b>	<b>137,088,879</b>	<b>22,289,306</b>	<b>73,867,724</b>	<b>233,245,909</b>	<b>111,408,282</b>

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

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

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

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

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

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

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

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

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

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

#### **Other receipts**

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

#### ***Unutilized Funds from PMCs.***

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



**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

#### **8. Accounts Payable**

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

#### **9. Pending Bills**

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

#### **10. Unutilized Fund**

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

#### **11. Budget**

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

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

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

#### **14. Errors**

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

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

#### **15. Related Party Transactions**

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

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**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	B096895	4,500,000	
Normal Allocation	B104866	61,117,724	
	B124657	9,000,000	
	B124872	3,000,000	
	B119633	8,500,000	
	B128023	13,000,000	
	B128265	6,900,000	
	B119633	6,000,000	
	B138989	13,000,000	
	B132320	6,000,000	
	B126281	7,000,000	
	B105076	10,600,000	
	B140720	12,000,000	
	B105177	2,000,000	
	B047188		36,540,876
	B047276		14,000,000
	B047275		2,000,000
	B041197		4,000,000
	B041365		200,000
	B047792		16,000,000
	B047846		7,000,000
	B030297		10,000,000
	B104467		15,000,000
	B096639		16,000,000
<b>TOTAL</b>		<b>162,617,724</b>	<b>120,740,876</b>



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**2. PROCEEDS FROM SALE OF ASSETS**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
<b>TOTAL</b>	-	-

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,824,853	2,137,352
Personal allowances paid as part of salary		
House allowance		
Transport allowance	-	-
Leave allowance		
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	138,240	142,560
<b>TOTAL</b>	<b>2,963,093</b>	<b>2,279,912</b>

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**5. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,485,000	637,400
Hospitality supplies and services	-	-
Other committee expenses	3,159,600	2,107,450
Committee allowance	5,699,445	3,993,600
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	2,570,585	1,589,911
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>12,914,630</b>	<b>8,328,361</b>

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	25,800,000	18,300,000
Transfers to Secondary Schools	35,500,000	54,769,256
Transfers to Tertiary Institutions	-	-
<b>TOTAL</b>	<b>61,300,000</b>	<b>73,069,256</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	14,032,500	4,333,300
Bursary -Tertiary ( see attached list)	1,351,460	2,949,500
Bursary- Special Schools	1,269,000	65,600
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects ( see attached list)	104,712	5,100,000
Sports Projects ( see attached list)	-	2,220,500
Environment Projects ( see attached list)	11,260,000	-
Emergency Projects ( see attached list)	5,409,732	-
<b>TOTAL</b>	<b>33,427,404</b>	<b>14,668,900</b>



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**8. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	1,496,500.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	9,736,000.00	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>TOTAL</b>	<b>11,232,500</b>	<b>-</b>

**9. OTHER PAYMENTS**

	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic Plan	-	2,043,442
ICT Hubs	-	-
<b>TOTAL</b>	<b>-</b>	<b>2,043,442</b>

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**10: CASH BOOK BANK BALANCE**

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

Name of Bank, Account No. & currency	Account Number	2020 - 2021	2019 - 2020
		Kshs (30/6/2021)	Kshs (30/6/2020)
Kenya Commercial Bank, Mbale Branch . Sabatia NG-CDF	A/C no. 1102377678	63,069,403	20,374,183
		-	-
<b>TOTAL</b>		63,069,403	20,374,183
<b>10B: CASH IN HAND)</b>			
		2020 - 2021	2019 - 2020
		Kshs (30/6/2021)	Kshs (30/6/2020)
		-	-
<b>TOTAL</b>		-	-

**11: OUTSTANDING IMPRESTS**

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2021)
	Date imprest taken	Kshs	Kshs	Kshs
		-	-	-
		-	-	-
<b>TOTAL</b>		-	-	-

**12A. RETENTION**

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

**12B. GRATUITY**

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

**Sabatia Constituency****National Government Constituencies Development Fund (NGCDF)  
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	2020- 2021	2019- 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	20,374,183	23,178
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>20,374,183</b>	<b>23,178</b>

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Audited Financial statements		Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Adjustments Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (Bursary Stale Cheques)	-	1,915,123	1,915,123
<b>Total</b>	<b>-</b>	<b>1,915,123</b>	<b>1,915,123</b>

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

	2020- 2021	2019- 2020
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in accounts receivables (D=A+B-C)	-	-

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

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-



**17. OTHER IMPORTANT DISCLOSURES**

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

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

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

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

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

	<b>2020- 2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	3,443,892	2518985
Use of goods and services	2,089,071	6555029
Amounts due to other Government entities (see attached list)	70,900,000	58900000
Amounts due to other grants and other transfers (see attached list)	34,957,819	21933016
Acquisition of assets	17,500	11250000
Others ( <i>specify</i> )	-	-
Funds pending approval	-	-
	<b>111,408,282</b>	<b>101,157,030</b>

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

	<b>2020- 2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	34,883,661	21,083,752

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

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

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



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**ANNEX 3 – UNUTILIZED FUND**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2020/21</b>	<b>Outstanding Balance 2019/20</b>	<b>Comments</b>
<b>Administration and Recurrent</b>				
Compensation of employees		3,443,892	2,518,985	
Committee allowance		654,012		
Use of goods & services		258,605		
<b>Monitoring and Evaluation</b>				
Capacity Building		137,083		
Committee allowance		219,800		
Use of goods & services	<b>2,089,071</b>	819,571	6,555,029	
<b>Amounts due to other Government entities</b>				
<b>Primary School Project</b>				
Busetwa Primary School		200,000		
Igunga Primary School		700,000		
	<b>900,000</b>			
<b>Secondary School Project</b>				
ACK Hombala Secondary School		1,300,000		
Bugina Secondary School		2,000,000		
Chamakanga Secondary School		1,500,000		
Demesi Secondary School		7,000,000		
Digula Secondary School		700,000		
Evojo PAG Secondary School		1,500,000		
Friends Technical Secondary School Munoywa		2,000,000		
Gahumbwa Secondary School		1,500,000		
Gaigedi Secondary School		1,500,000		

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Igunga Girls High School		1,500,000		
Kapsambo Secondary School		1,500,000		
Kisangula Secondary School		500,000		
Moi Girls High School - Vokoli		30,000,000		
Mukingi Secondary School		1,000,000		
Nabwani Secondary School		1,500,000		
	55,000,000			
Tertiary School Project				
KMTC Vihiga		15,000,000		
	15,000,000			
<b>Sub-Total</b>	<b>70,900,000</b>			
<b>Amounts due to other grants and other transfers</b>			21,933,016	
Bursary - Secondary		4,199,206		
Bursary - Tertiary		11,668,191		
Bursary- Special Schools		718,580		
Mocks & CAT		-		
Social Security programmes (NHIF)		900,000		
<b>Security Projects</b>				
10.1 Budaywa Ass. Chiefs Office		500,000		
10.2 Chavakali Chiefs Office		600,000		
10.3 Chavakali Police Station		1,500,000		
10.4 Chavogere Ass. Chiefs office		800,000		
10.5 Evojo Ass. Chiefs office		1,000,000		
10.6 Izava North Chiefs office		1,000,000		
10.7 Kililingi Police Station		1,500,000		
10.8 Kivagala Ass. Chiefs office		1,000,000		
10.9 Lusengeli Ass. Chiefs office		1,000,000		

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10.10 Mukingi Ass. Chiefs office			1,000,000		
10.11 Solongo Ass. Chiefs office			1,000,000		
10.12 Nadanya AP line			800,000		
10.13 Lunyerere AP Camp			15,179		
		11,715,179			
Sports Projects			1,579,500		
<b>Environment Projects</b>					
Mudete Primary School			50,000		
Kivagala Primary School			50,000		
Sabatia Primary School			50,000		
Kilagiru Primary School			50,000		
Emergency Projects			3,977,163		
<b>Sub-Total</b>		<b>34,957,819</b>			
<b>Acquisition of assets</b>				11,250,000	
Purchase of Buildings			14,000		
Construction of Buildings			1,500		
Refurbishment of Buildings			2,000		
Purchase of Vehicles and Other Transport Equipment					
		17,500			
<b>Others (specify)</b>					
				-	
<b>Sub-Total</b>		-			
Funds pending approval					
<b>Grand Total</b>			<b>111,408,282</b>	<b>101,157,030</b>	

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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/20</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2020/21</b>
Land	-	-	-	-
Buildings and structures	21,500,000	-	-	21,500,000
Transport equipment	-	9,736,000	-	9,736,000
Office equipment, furniture and fittings	99,300	498,000	-	597,300
ICT Equipment, Software and Other ICT Assets	1,904,976	-	-	1,904,976
Other Machinery and Equipment	20,849	-	-	20,849
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>23,525,125</b>	<b>10,234,000</b>	<b>-</b>	<b>33,759,125</b>



*Sabatia Constituency**National Government Constituencies Development Fund (NGCDF)**Reports and Financial Statements for The Year Ended June 30, 2021***ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
Bukulunya Secondary School	KCB-MBALE	1117791130	557,760	2,000,802
Busweta Primary School	KCB-MBALE	1126990744	36,678	3,355
Chamakanga Special School	KCB-MBALE	1239887434	100,062	1,949
Chatamilu Primary School	KCB-MBALE	1208315757	950,684	884
Chavakali Primary School	KCB-MBALE	1117742709	416,036	3,079
Chugi Primary School	KCB-MBALE	1285629329	1,975	-
Elagoni Primary School	KCB-MBALE	1285550722	28,975	-
Ellongo Primary School	KCB-MBALE	1173860789	359,925	1,450
Gaigedi Secondary School	KCB-MBALE	1112249796	6,444	81
Givudianyi Primary School	KCB-MBALE	1239354606	365,193	2,483
Hakedohi Primary School	KCB-MBALE	1136688285	15,346	4,107
Hamadira Primary School	KCB-MBALE	1236856082	25,998	918
Havuyiya Primary School	KCB-MBALE	1146539479	269,163	888
Inyali Primary School	KCB-MBALE	1173377891	7,326	224
Kegondi Secondary School	KCB-MBALE	1237857899	152,052	1,453,530
Keveye Girls High School	KCB-MBALE	1118047230	5,039	2,025,448
Kibaala Primary School	KCB-MBALE	1109427360	9,112	9,238
Kichutu AP Line	KCB-MBALE	1239565526	23,917	1,044,769
Kisatiru Primary School	KCB-MBALE	1286130530	448,855	-
Lotego Primary School	KCB-MBALE	1281600342	1,849	-
Madegwa Primary School	KCB-MBALE	124277522	2,899	1,104,002
Moi Girls High School Vokoli	KCB-MBALE	11556902509	25,717,730	13,417,276

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Mudungu Primary School	KCB-MBALE	1121459394	1,249	1,249
Mukomba Primary School	KCB-MBALE	1235833119	760,544	744
Mukunya Primary School	KCB-MBALE	1127851284	34,264	2,415
Munoywa Primary School	KCB-MBALE	123682606	31,048	2,019
Mutsulyu Primary School	KCB-MBALE	1201462525	855	1,175
Sabatia Latrine Prog Commi	KCB-MBALE	1285819888	3,701,148	-
Simboyi Primary School	KCB-MBALE	1111082545	1,778	555
Tsimbalo Primary School	KCB-MBALE	1140225634	760,490	990
Vihindi Primary School	KCB-MBALE	1135340854	32,273	63
Wangulu Primary School	KCB-MBALE	1282024825	56,997	-
<b>Total</b>			<b>34,883,661</b>	<b>21,083,752</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Our ref:NG-SCDF/ADM/Vol.3 (093)	Include in the statement of assets and liabilities is the total financial assets of Kshs. 20,374,183 which included the total cash and equivalents Kshs. 20,374,183 out of which the reconciliation statement as at 30th June 2020 disclosed unrepresented cheques totalling to Kshs. 4,800,887. However, the unrepresented cheques have an amount Totalling to Ksh. 2,922,273 which have not been presented to bank for more than six month, hence they are stale cheques. Contrary to section 90(1) of the Public Finance Management (National Government) Regulations 2015, states that "Accounting officer shall ensure bank accounts reconciliation are completed for each bank account held by Accounting officer, every month and submit a bank reconciliation statements not later than 10 <sup>th</sup> of the subsequent month to the National treasury with a copy to the Auditor General"	<ul style="list-style-type: none"> <li>❖ The management can confirm that the bank reconciliations are prepared on a monthly basis</li> <li>❖ The stale cheques totalling to Kshs. 2,922,273 were reversed in the month of November 2020 (Attached Reconciliation)</li> </ul>	Resolved	
Our ref:NG-SCDF/ADM/Vol.3 (093)	Consequently, the accuracy and completeness of the cash and cash equivalent balances of Kshs. 2,922,273 as at 30 <sup>th</sup> June 2020 could not be confirmed to be fair stated. Included in the financial statements under Annex 5 PMC Bank balances Kshs. 55,647,712 were no supported by the bank certificates and bank reconciliation. However,	<ul style="list-style-type: none"> <li>❖ The management has noted the anomaly and undertakes to</li> </ul>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contrary to the section 100 of the Public Management Regulation 2015 states that the accounting officer shall keep in all offices concerned with receiving cash or making payments a cashbook showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for proper maintenance and production of the accounts of the vote for which he or she is responsible.	support the balances of the PMCs by availing the individual certificates in the subsequent financial statement		
	Consequently, the accuracy of the PMC balances of Kshs. 55,647,712 could not be confirmed.			



