

REPUBLIC OF KENYA



*Enhancing Accountability*

<b>REPORT</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 15 MAR 2023	DAY: <input type="text"/>
TABLED BY: <b>OF</b>	Hon. Samuel Chepkonga, MP on behalf of Majority Leader
CLERK-AT THE-TABLE:	Christine Ndlovu

**THE AUDITOR-GENERAL**

**ON**

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

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





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

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**FOR THE 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)

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service

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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 SIGOR 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	EDWIN SIELE
2.	Sub-County Accountant	STANLEY MUTAI
3.	Chairman NGCDFC	KROP CHRISTOPHER
4.	Member NGCDFC	NICHOLAS MOLO

##### **(d) Fiduciary Oversight Arrangements**

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

P.O. Box 1 - 30603  
NGCDF Building  
Sigor Lomut Road,  
Weiwei, KENYA

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**(f) SIGOR Constituency NGCDF Contacts**

Telephone: (254) 728573065

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

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

**(g) SIGOR Constituency NGCDF Bankers**

Equity Bank,

Account No 1070296968337

Kapenguria Branch

P. O Box

Kapenguria.

**(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

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



Christopher Ng'oleruk  
Chairman

NG-CDF Sigor Constituency

The fund for constituency development was introduced in Kenya by the former president, His Excellency Hon. Mwai Kibaki in 2003. It was commonly known as Constituency Development Fund (CDF) and established in CDF Act, 2003. After review and amendment, the CDF Act, 2003 has currently been substituted by the National Government Development Funds (NG-CDF), Acts, 2015. The NG-CDF Act provides that the National Government share at least 2.5% of its ordinary revenue with the constituencies in the country. The ultimate purpose of the fund was to achieve equitable distribution of development across the country and eliminate regional development imbalances resulted from partisan politics. This fund targets all the constituency development projects and particularly those aimed at fighting extreme poverty at the grass-root level.

In Sigor Constituency, since its inception, the funds have facilitated several development projects in the constituency ranging from providing water by drilling boreholes, improving and supporting healthcare facilities, bridge, and road network improvement and improving educational facilities. Despite the intervention, the constituency still faces a number of challenges ranging from rampant insecurity concerns personnel and infrastructural, environmental degradation, inadequate learning facilities and infrastructural development, a huge volume of unemployed youths posing threat to the security sector and insufficient clean water. The reviewed areas of intervention by the NG-CDF Act 2015, aims at supporting areas of education, security, environment, youth, and sports, provide a great opportunity to combat such challenges in the constituency.

For effective disbursement and project execution, the NG-CDF is managed by National Government Constituency Development Fund Board (NG-CDFB) at the national level and National Government Constituency Development Committee (NG-CDFC) at the constituency level. The NG-CDFC comprises of the following members:

1. A national government official that is responsible with the co-ordination of national government functions
2. Two men each nominated in the as par sub-section (3) of the act and one of whom must youth at the date of appointment.
3. Two women each nominated in the as par sub-section (3) of the act and one of whom must youth at the date of appointment.
4. One person with disability nominated by a registered group that represents persons with disabilities in the constituency according to subsection (3)
5. Two persons nominated from the constituency office as established under Regulations made pursuant to Parliament Services Act.
6. An ex officio member from the board seconded to the committee by the NG-CDFB
7. One member co-opted by the Board according to the regulation of the Board.

The function and mandate of the committee include:

- i. Build the capacity of the Project Management Committee (PMC)

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- ii. Approve projects that meet funding requirement as stipulated in the NG-CDF Acts 2015
- iii. Conduct with the government department to ensure the cost estimates of projects are realistic.
- iv. Ensure submission of the project proposals to the Board with proper information on budget, procurement and work plan
- v. Ensures that all project is adequately funded.
- vi. Rank projects best on priority and particularly the on-going ones.
- vii. Monitor the implementation of the project based on the monitoring and evaluation framework by the Board.
- viii. Consider all project proposals from each ward and any other consideration of benefit to the constituency.

#### **Rationale for Strategic Plan Development**

Being the first-ever strategic plan being developed in the constituency, its development conforms with the National Government reform agenda to enhance service delivery to the constituents across the country. Moreover, the plan is aligned in meeting the National, Regional and Global goals and objectives in various sectors of the social economy.

This strategic plan is developed to build and expand the framework for public participation in project identification and implementation to ensure involvement, inclusion, ownership and of course control of resources, processes along with their outcome and opportunities.

The plan does provide a clear direction in terms of communication, resource mobilization feedback, monitoring and evaluation (M& E) and learning mechanism

#### **1.2 The Strategic Plan Methodology**

The development of plan 2018/23 is a result of a collaborative effort from various stakeholders both in at the national and constituency level include; the relevant government departments, civic and religious leaders, special interest groups and Non-Government Organizations (NGOs).

The steps undertaken to develop the plan are as follows:

- i. Sensitizing the community on the need to develop strategic plan.
- ii. Holding stakeholder consultative forums and workshops.
- iii. Conducting field visits across the constituency and obtaining information on strategic areas of focus.
- iv. Gathering and analysing information from stakeholders on strategic issues and priority areas
- v. Reviewing policy documents on the strategic issues
- vi. Strategic plan preparation and development

#### **BUDGET PERFORMANCE**

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

Sigor NG- CDF has made significant progress in its budget especially on the completion rates of the funded projects. The financial statement details the performance and financial position of Sigor NG CDF for financial year 2020/2021. Receipts of all the funds Sigor NG-CDFC received from the NG-CDF Board amounts to kshs **161,967,724** in financials year 2020/2021 and a total of Ksh **5,718,982** carried forward from the previous financial year 2019/2020 bringing the total amount of available funds for the financial year under review to ksh 167,686,706. The

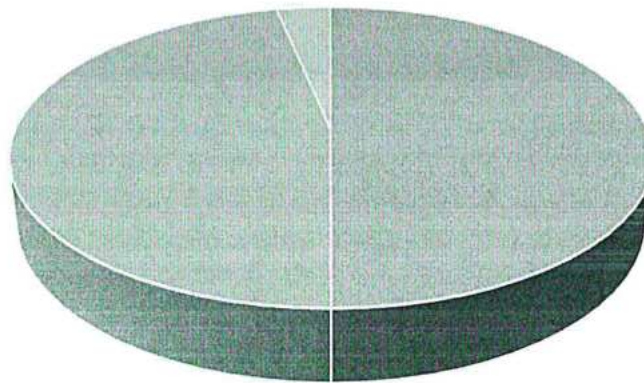
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total expenditure in the financial year under review amounted to ksh 162,410,249. This represented 76.7% absorption of total receipts in the year under review. The total budget for the year under review is Ksh 211,636,787.00 . This comprises of the constituency allocation of kshs. 137,088,879 in the FY 2019-2020 and a balance brought forward from the previous financial year 2019/2020 of kshs 74,547,908.

#### RECEIPTS AND EXPENDITURE



■ receipts ■ actual expenditure ■ difference

#### Implementation challenges

challenges ranging from rampant insecurity concerns personnel and infrastructural, environmental degradation, inadequate learning facilities and infrastructural development, a huge volume of unemployed youths posing threat to the security sector and insufficient clean water.



*Complete construction of kokwositet Primary school dormitory*



*complete construction of Sekerot Chief's Office*

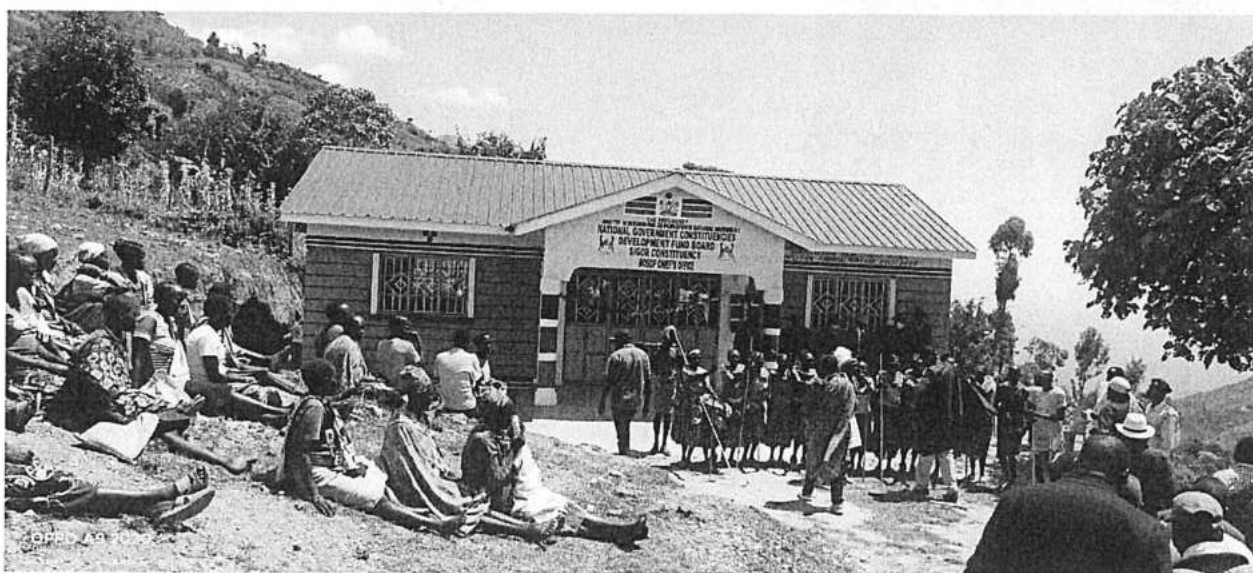
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*Sports final at Parkino Primary School*



*Complete Chesta Police houses*



*Complete construction of Mosop Chief's office*



*Cheptulel Secondary School Bus*



*Kokwotendwo Secondary School Bus*

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Signature

CHAIRMAN NGCDF COMMITTEE

## Sigor Constituency

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### 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-SIGOR Constituency's *2018-2023* plan are to:

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

#### Progress on attainment of Strategic development objectives

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

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

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

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

- a. **Education and Training:** Sigor 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; Sigor 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 Sigor 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 Sigor NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

##### 2. Environmental performance

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

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required in the constituency to mitigate the impact of the climate change and environmental concerns. These measures may include;

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

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

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

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

#### **3. Employee welfare**

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

Sigor 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.

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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-**

Sigor 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 Sigor 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 Sigor 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.

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

#### **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-Sigor Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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.

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The Accounting Officer in charge of the NGCDF-Sigor Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the 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- Sigor 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 Sigor Constituency confirms that the Sigor 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 Sigor 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- Sigor Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2022.

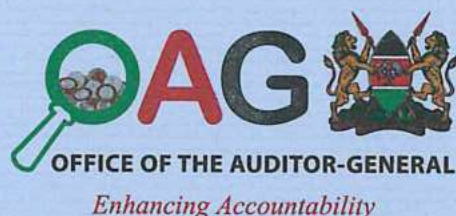


Chairman NGCDF Committee  
Name:



# REPUBLIC OF KENYA

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NAIROBI

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Sigor Constituency set out on pages 1 to 47, which

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

comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Sigor Constituency as at 30 June, 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**

#### **1.0 Inaccuracies in the Statement of Receipts and Payments**

The statement of receipts and payments and Notes to the financial statements reflect compensation of employees amount of Kshs.4,002,037, transfers to Secondary Schools of Kshs.24,547,354, security projects Kshs.22,700,000 and Nil amount of environmental projects. However, these amounts differ with the expenditure totals reflected in the supporting schedules of Kshs.3,400,000, Kshs.22,000,000, Kshs.20,100,000 and Kshs.1,200,000 respectively.

Further, statement of receipts and payments reflects expenditure on compensation of employees of Kshs.4,002,037, use of goods and services of Kshs.9,615,811, transfer to other Government units of Kshs.57,998,354 and other grants and transfer of Kshs.90,794,048. However, the expenditures are at variance with Note 4 on compensation of employees of Kshs.3,745,465, Note 5 on use of goods and services of Kshs.9,606,411, Note 6 on transfers to other Government units of Kshs.58,598,354 and Note 7 on other grants and transfers of Kshs.90,460,018 respectively. The variances have not been explained and reconciled.

In the circumstances, the accuracy of the amounts reflected in the statement of receipts and payments could not be confirmed.

#### **2.0 Bank Balance-Unpresented Cheques**

The statement of assets and liabilities reflects a bank balance of Kshs.6,172,887. Review of bank reconciliation statement reflects payments in cashbook not in bank statement totalling to Kshs.37,576,965 which include unpresented cheques totalling Kshs.1,871,544 that were stale and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,172,887 could not be confirmed.

### **3.0 Unsupported Expenditure on Compensation of Employees**

The statement of receipts and payments reflects compensation of employees amount of Kshs.4,002,037 as disclosed in Note 4 to the financial statements. However, the amount reflected in Note 4 is Kshs.3,745,456 resulting to a variance of Kshs.256,572. Further, re-computation of the supporting payment vouchers provided amount to Kshs.3,638,209 resulting to a variance of Kshs.363,828.

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.4,002,037 could not be confirmed.

### **4.0 Unsupported Project Management Committee Bank Balances**

Note 17.4 to the financial statements reflects Project Management Committee Bank Balances as analyzed in Annex 5 to the financial statement reflects Project Management Committee (PMC) bank balances of Kshs.712,676 held in eighteen (18) bank accounts. However, bank statements, bank confirmation certificate, bank reconciliation statements and cashbooks were not provided for audit. Further, a total of Kshs.90,460,373 was disbursed to fifty-nine (59) projects, an indication that forty-one (41) Project Management Committee bank balances have not been disclosed. No explanation has been made for the partial disclosure of these bank balances.

In the circumstances, the accuracy and completeness of the Project Management Committee bank balances of Kshs.712,676 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Sigor Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects a final budget and actual receipts on comparable basis of Kshs.212,775,585 and Kshs.167,686,706 respectively, resulting to an underfunding of Kshs.45,088,879 or 21% of the budget. Similarly, the Fund spent

Kshs.162,410,250 against an approved budget of Kshs.212,775,585 resulting to an under-expenditure of Kshs.50,365,335 or 24% of the budget.

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

## **2.0 Project Verification and Implementation Status**

Twenty-four (24) projects verified in the month of May, 2022 received funds totalling Kshs.36,227,354. However, twenty-one (21) projects totalling Kshs.34,500,000 whose contract sum has been fully paid are incomplete. Further, review of records reflects that one-hundred and seven (107) projects were budgeted for implementation. However, forty-six (46) were ongoing, thirty-three (33) are complete and twenty-eight (28) were awaiting disbursement of funds.

In the circumstances, the service delivery and value for Money may not be achieved from these projects.

## **3.0 Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Other Grants and Transfers**

##### **1.1 Bursary - Secondary Schools**

The statement of receipts and payments reflects other grants and transfers of Kshs.90,460,018 as disclosed in Note 7 to the financial statements. The amount includes Kshs.48,647,145 in respect to bursary for secondary schools. However, bursaries totalling Kshs.5,734,000 were received and acknowledged by beneficiary institutions leaving a balance of Kshs.42,913,145 not acknowledged. This is contrary to Regulation 15(e) of the National Government Constituencies Development Fund Regulations, 2016 which require project management committees to account for funds to a Constituency Committee and Section 38 of the National Government Constituencies Development Fund Act, 2015 requires the officer of the Board in every constituency to maintain record

of receipts, disbursements and actual expenditures on a monthly basis in respect of every project and table the same to the Constituency Committee. Further, Kshs.260,000 was paid to ward bursary committee. However, appointment letters, composition, criteria for selection, number of meetings held, minutes and approved expenditure for this committee were not provided.

## **1.2 Bursary - Tertiary Institutions**

The statement of receipts and payment reflects other grants and transfers of Kshs.90,460,018 as disclosed in Note 7 to the financial statements. The amount includes bursary disbursements to tertiary institutions amount of Kshs.7,792,500. However, the criteria for identification of beneficiaries as an orphan, self-sponsored without parents or guardians, social or economic disadvantage, list of all applicants and awarded, the bursary committee minutes and attendance register were not provided for audit. Further, examination of application forms, revealed that copies of original national and student identity cards, and fee structures were not provided.

In the circumstances, bursaries may have been awarded to undeserving students.

## **2.0 Compensation of Employees**

### **2.1 Lack of Staff Appraisal**

Review of personal files revealed that the Fund did not carry out and document staff appraisal as provided for in Human Resource Policy and Procedures for Public Service. Therefore, it was not possible to confirm how the Fund appraised individual against set performance targets.

In the circumstances, employees may not deliver in accordance with the set targets and objectives.

### **2.2 Irregular Recruitment of Employee**

Review of payroll data revealed that an accountant was engaged under contractual terms without approved budgetary provision and staff establishment. Personal file and records to confirm declaration and advertisement of vacancy, interview score sheets, personal file, committee minutes and attendance register for the approval of vacancies were not provided to confirm need for the employee.

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

## **3.0 Lack of Technical Expertise in Project Implementation**

The Fund did not engage a clerk of works or a technical expert to assist in the implementation of projects totalling Kshs.90,065,718 This is contrary to Section 45(1) of the National Government Constituencies Development Fund Act, 2015 which provides that the Constituency Committee may engage such staff as may be necessary for execution of its functions including persons with knowledge in information and communications technology, construction and basic accounting.

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

#### **4.0 Transfers to Other Government Entities**

The statement of receipts and payments reflects transfers to other Government units of Kshs.57,998,354 as disclosed in Note 6 to the financial statement which includes transfers to primary schools of Kshs.34,051,000. However, the following observations were made.

##### **4.1 Kokwositet Primary School**

The approved code list reflects that the school was allocated Kshs.1,400,000 for construction of a dormitory. However, work plans, procurement plan, and budget proposals showing how the funds were utilized were not provided. This contrary to Section 11(d) of the National Government Constituencies Development Fund Regulations, 2016 which states that constituency committee shall ensure project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans. Further, the project file comprising project management committee, implementation and reports, minutes of meetings, accounts of funds to the Constituencies committee and handovers was not provided for audit contrary to Regulation 15(1) of National Government Constituencies Development Fund Regulations, 2016.

##### **4.2 Arpollo Primary School**

The approved code list reflects that the school was allocated Kshs.1,000,000 for renovation of eight (8) classrooms. Physical verification conducted in the month of May, 2022 revealed that only four (4) classrooms were renovated. The project file containing bank statements, approved bill of quantities, work inspection certificates from the clerk of works, advertisement of the tender and structural drawings was not provided for audit. Further, tender opening committee minutes were not signed and quotations from the other contractors were not provided for audit.

In the circumstances, value for Money for expenditure on transfer to Primary Schools could not be confirmed.

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.

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

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

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

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

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

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

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

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

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 controls 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

14 September, 2022



**Sigor Constituency**

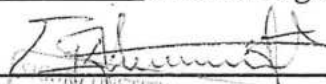
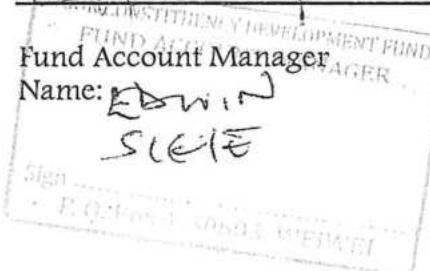
**National Government Constituencies Development Fund (NGCDF)**

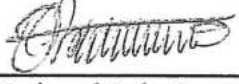
**Annual Reports and Financial Statements for The Year Ended June 30, 2021**


**VI. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	161,967,724	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>161,967,724</b>	<b>123,040,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,002,037	2,899,622
Use of goods and services	5	9,615,811	8,215,126
Transfers to Other Government Units	6	57,998,354	61,611,262
Other grants and transfers	7	90,794,048	45,643,406
Acquisition of Assets	8	-	12,015,950
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>162,410,248</b>	<b>130,385,366</b>
<b>SURPLUS/DEFICIT</b>		<b>(442,526)</b>	<b>(7,344,490)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Sigor Constituency financial statements were approved on \_\_\_\_\_ 2022 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Edwin  
SICIE  


  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name:  
ICPAK M/No:

  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name:



## Sigor Constituency

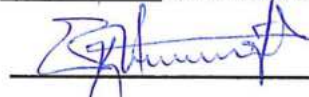
## National Government Constituencies Development Fund (NGCDF)

## Annual Reports and Financial Statements for The Year Ended June 30, 2021

VII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021

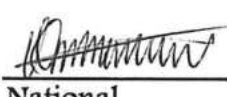
	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	10A	6,172,887	5,718,983
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>6,172,887</b>	<b>5,718,983</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,172,887</b>	<b>5,718,983</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>6,172,887</b>	<b>5,718,983</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	5,718,983	12,604,625
Prior year adjustments	14	896,430	458,848
Surplus/Deficit for the year		(442,526)	(7,344,490)
<b>NET FINANCIAL POSITION</b>		<b>6,172,887</b>	<b>5,718,983</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Sigor Constituency financial statements were approved on \_\_\_\_\_ 2022 and signed by:



Fund Account Manager  
Name:

EDWIN



National  
Accountant

Name:  
ICPAK M/No:

Sub-County



Chairman NG-CDF Committee

Name:





**Sigor Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Reports and Financial Statements for The Year Ended June 30, 2021**  
**VIII. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	161,967,724	123,040,876
Other Receipts	3	-	-
		<b>161,967,724</b>	<b>123,040,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,002,037	2,899,622
Use of goods and services	5	9,615,811	8,215,126
Transfers to Other Government Units	6	57,998,354	61,611,262
Other grants and transfers	7	90,794,048	45,643,406
Other Payments	9	-	-
<b>Total payments</b>		<b>162,410,248</b>	<b>118,369,416</b>
<b>Total receipts less total payments</b>		<b>(442,524)</b>	<b>7,671,460</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	896,430	458,848
<b>Net Adjustments</b>		<b>896,430</b>	<b>458,848</b>
<b>Net cash flow from operating activities</b>		<b>453,906</b>	<b>5,130,308</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	12,015,950
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(12,015,950)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>453,906</b>	<b>(6,885,642)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	<b>5,718,983</b>	<b>12,604,625</b>
<b>Cash and cash equivalent at END of the year</b>		<b>6,172,887</b>	<b>5,718,983</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Sigor Constituency financial statements were approved on 2022 and signed by:

  
**Fund Account Manager**  
 Name: ERWIN SILE  
  
 P. O. Box 1-30603, WEIWEI

  
**National Accountant**  
 Name: \_\_\_\_\_  
 ICPAK M/No: \_\_\_\_\_

  
**Sub-County Chairman NG-CDF Committee**  
 Name: \_\_\_\_\_

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	5,718,982	69,967,724	212,775,585	167,686,706	45,088,879	78.8%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.00%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>5,718,982</b>	<b>69,967,724</b>	<b>212,775,585</b>	<b>167,686,706</b>	<b>45,088,879</b>	<b>78.8%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,516,400	1,219,853	-	4,736,253	4,002,037	734,216	84.5%
Use of goods and services	8,821,599	801,566	-	9,623,165	9,615,811	7,354	99.9%
Transfers to Other Government Units	56,424,500	-	32,928,424	89,352,924	57,998,354	31,354,570	64.9%
Other grants and transfers	67,940,019	3,697,563	35,524,098	107,161,680	90,794,048	16,367,632	84.7%
Acquisition of Assets	386,361	-	1,107,594	1,493,955	-	1,493,955.20	0.0%
Other Payments	-	-	407,608	407,608	-	407,608	0.0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>5,718,982</b>	<b>69,967,724</b>	<b>212,775,586</b>	<b>162,410,250</b>	<b>50,365,335.44</b>	<b>76.3%</b>

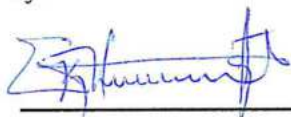
The percentage utilisation of the 2020-2021 budget stood at 76.7% which is a positive deviation of 12.7% from last year's (2019/2020 FY) percentage utilization. This was as a result of delayed funding of the 2020-2021 budget by the NGCDF board. At the close of the 2020-2021 financial year, Kshs. **45,088,879** for Sigor Constituency NG CDF was yet to be disbursed from the Board.

The underutilisation of other grants and transfers was as a result of low disbursement of bursary funds due to the closure of learning institutions resulting from the COVID pandemic  
The increase in the original budget is represented by the unutilised funds carried forward from the previous financial year.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	50,365,338
Less undisbursed funds receivable from the Board as at 30th June 2021	45,088,879
	5,276,459
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	896,429.92
Cash and Cash Equivalents at the end of the FY 202021	6,172,889

The NGCDF-Sigor Constituency financial statements were approved on \_\_\_\_\_ 2022 and signed by:



**Fund Account Manager**

**Name:**

EDWIN  
SICIE




**National  
Accountant**

**Name:**

**ICPAK M/No:**

**Sub-County**



**Chairman NG-CDF Committee**

**Name:**

National Government Constituencies Development Fund (NGCDF)  
Annual Reports and Financial Statements for The Year Ended June 30, 2021  
X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		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	3,516,400	-	1,219,853	4,736,253	3,745,465	990,788	79%
1.2 Committee allowances	1,748,000	-	277,774	2,025,774	2,024,759	1,015	100%
1.3 Use of goods and services	2,960,933	-	12,626	2,973,559	2,900,800	72,759	98%
<b>Total</b>	<b>8,225,333</b>	-	1,510,253	<b>9,735,586</b>	<b>8,671,024</b>	<b>1,064,562</b>	<b>89%</b>
<b>2.0 Monitoring and evaluation</b>		-				-	
2.1 Capacity building	1,000,000	-	410,430	1,410,430	1,317,352	93,078	93%
2.2 Committee allowances	1,300,000		117,536	1,417,536	1,391,800	25,736	98%
2.3 Use of goods and services	1,812,666		55,649	1,868,315	1,971,700	-103,385	106%
<b>Total</b>	<b>4,112,666</b>		<b>583,615</b>	<b>4,696,281</b>	<b>4,680,852</b>	<b>15,429</b>	<b>100%</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools	7,192,207		1,575,166	8,767,373	8,767,373		100%
3.2 Secondary schools				-			
3.3 Tertiary institutions				-			
3.4 Security projects			-	-		-	
3.5 Unutilised				-	-		

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
<b>Total</b>	<b>7,192,207</b>	<b>-</b>	<b>8,767,373</b>	<b>8,767,373</b>	<b>-</b>	<b>100%</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	32,606,034	23,796,043	56,402,077	50,247,145	6,154,932	89%
4.2 Tertiary Institutions	8,000,000	5,718,982	17,297,575	7,792,500	9,505,075	45%
4.3 Social Security			-			
4.4 Special Needs			-	-		
<b>Total</b>	<b>40,606,034</b>	<b>5,718,982</b>	<b>73,699,652</b>	<b>58,039,645</b>	<b>15,660,007</b>	<b>79%</b>
<b>5.0 Sports</b>						
5.1	2,741,778	15,708	2,757,486	2,553,000	204,486	93%
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>2,757,486</b>	<b>2,553,000</b>	<b>204,486</b>	<b>93%</b>
<b>6.0 Environment</b>						
6.1	2,400,000	67,239	2,467,239	1,200,000	1,267,239	49%
<b>Total</b>	<b>2,400,000</b>	<b>67,239</b>	<b>2,467,239</b>	<b>1,200,000</b>	<b>1,267,239</b>	<b>49%</b>
<b>7.0 Primary Schools Projects</b>						
Sigor Mixed Primary School	-	1,500,000	1,500,000	1,500,000	-	100%
Parkino Primary School	-	1,500,000	1,500,000	1,500,000	-	100%
Arpollo Primary School	-	1,000,000	1,000,000	1,000,000	-	100%
Cheptokol Primary School	-	500,000	500,000	500,000	-	100%
Chorwa Primary School	-	800,000	800,000	800,000	-	100%
Kaporon Primary School	-	1,000,000	1,000,000	1,000,000	-	100%
Kiwakan Primary School	-	1,000,000	1,000,000	1,000,000	-	100%
kokwokochiy Primary School	-	800,000	800,000	800,000	-	100%
Kokwositet Primary School	-	1,400,000	1,400,000	1,400,000	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
Lokarkar Primary School	-	800,000	800,000	800,000	-	100%
Marus Primary School	-	800,000	800,000	800,000	-	100%
Orwa Primary School	-	700,000	700,000	700,000	-	100%
Parek Primary School	-	400,000	400,000	400,000	-	100%
Sigor Girls Primary School	-	551,000	551,000	551,000	-	100%
Simbol Primary School	-	800,000	800,000	800,000	-	100%
Soka Primary School	-	1,000,000	1,000,000	1,000,000	-	100%
Chesta Girls Secondary School	-	2,000,000	2,000,000	2,000,000	-	100%
Sangat Secondary School	-	800,000	800,000	800,000	-	100%
Sostin Secondary School	-	1,000,000	1,000,000	1,000,000	-	100%
LOMUT MIXED		1947354.48	1,947,354	1947354.48	-	100%
Katuw Sec Sch	-	1,000,000	1,000,000	1,000,000	-	100%
Chemalei Primary School	-	500,000	500,000	500,000	-	100%
Kapatet Primary School	-	2,500,000	2,500,000	2,500,000	-	100%
Mariny Primary School	-	800,000	800,000	800,000	-	100%
Yawyaw Primary School	-	2,000,000	2,000,000	2,000,000	-	100%
Akiriamet Sec Sch	-	400,000	400,000	400,000	-	100%
Wakor Secondary School	-	2,800,000	2,800,000	2,800,000	-	100%
Ptirap Primary School	800,000		800,000		800,000	0%
Sukuk Primary School	800,000		800,000		800,000	0%
Sintai Primary School	800,000		800,000		800,000	0%
Masat Primary School	1,600,000		1,600,000		1,600,000	0%
Poito Primary School	1,600,000		1,600,000	1,600,000	-	100%
Toosostin Primary school	1,600,000		1,600,000	1,600,000	-	100%
Kokwososion Primary School	800,000		800,000	800,000	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e) = c-d	% of Utilization (f=d/c %)
Kakachawa Primary School	800,000		800,000	800,000	-	100%
Chepkukui Primary School	800,000		800,000		800,000	0%
Runo Primary School	1,600,000		1,600,000		1,600,000	0%
Ipet Primary School	1,000,000		1,000,000		1,000,000	0%
Korelach Primary School	800,000		800,000		800,000	0%
Kokwotendwo Primary School	800,000		800,000		800,000	0%
Nasolot Primary School	800,000		800,000		800,000	0%
Lomut Primary School	7,162,250		7,162,250		7,162,250	0%
Chopotwo Primary School	800,000		800,000		800,000	0%
Pekon Primary School	1,600,000		1,600,000		1,600,000	0%
Iyoon Primary School	300,000		300,000	300,000	-	100%
Sekerot Primary School	1,000,000		1,000,000		1,000,000	0%
Kangisia Primary School	800,000		800,000		800,000	0%
Cheptamas Primary school	3,000,000		3,000,000	3,000,000	-	100%
Kadungdung Primary School	4,000,000		4,000,000	4,000,000	-	100%
Akiriamet Secondary school	5,000,000		5,000,000	5,000,000	-	100%
Nyangaita Secondary school	5,000,000		5,000,000	5,000,000	-	100%
Masol Girls Secondary school	2,000,000		2,000,000		2,000,000	0%
Sarmach Secondary School	4,000,000		4,000,000	4,000,000	-	100%
Fr. Leo Staples Girls Secondary School	7,162,250		7,162,250		7,162,250	0%
<b>Total</b>	<b>56,424,500</b>	<b>-</b>	<b>30,298,354</b>	<b>56,398,354</b>	<b>30,324,500</b>	<b>65%</b>
<b>9.0 Tertiary institutions Projects</b>						

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
<b>Total</b>	-	-	-	-	-	
<b>10.0 Security Projects</b>						
AKIRIAMET CHIEF'S OFFICE		600,000	600,000	600,000	-	100%
Sekerr Chief's Office	5,000,000	-	5,000,000	5,000,000	-	100%
Chepkokogh Chief's Office	-	4,500,000	4,500,000	4,500,000	-	100%
Cheptulel	5,000,000		5,000,000	5,000,000	-	100%
Pokot Central Police Station	-	2,000,000	2,000,000	2,000,000	-	100%
Muino Chief's Office	5,000,000		5,000,000	5,000,000	-	100%
<b>Total</b>	<b>15,000,000</b>	<b>-</b>	<b>22,100,000</b>	<b>22,100,000</b>		<b>100%</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles	-	-	-	-	-	
11.2 Construction of CDF office	-	-	-	-	-	
11.3 Purchase of furniture and equipment	-		-	-	-	
11.4 Purchase of computers	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>12.0 Other payments</b>						
Motor vehicle Parking Shade	386,361	-	386,361	-	386,361	
Constituency strategic plan		407,608	407,608	-	407,608	
Purchase of furniture		699,385	699,385	-	699,385	
Construction of NGCDF office		265,759	265,759	-	265,759	
Motor vehicle		70,000	70,000		70,000	0%
<b>Total</b>	<b>386,361</b>	<b>-</b>	<b>1,829,113</b>	<b>-</b>	<b>1,829,113</b>	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
13.0 unallocated fund						
Unapproved projects						
AIA			-		-	
PMC savings						
<b>Total</b>	-	-	-	-	-	
	137,088,879	5,718,982	69,967,724	162,410,249	50,365,337	76%

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**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.

## **Sigor Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Annual Reports and Financial Statements for The Year Ended June 30, 2021**

##### **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

## **Sigor Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Annual Reports and Financial Statements for The Year Ended June 30, 2021**

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 2021 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.

**Sigor Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Reports and Financial Statements for The Year Ended June 30, 2021**

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	AIE NO. B 005108		49,040,876
AIE NO	AIE NO. B 030184		4,000,000
AIE NO	AIE NO. B 030428		6,000,000
	AIE NO. B 006370		20,000,000
			6,000,000
	AIE NO. B 042761		15,000,000
	AIE NO. B 047007		15,000,000
			8,000,000
AIE NO	AIE NO. B104750	20,000,000	
AIE NO	AIE NO. A823721	35,000,000	
AIE NO	AIE NO. B104839	14,367,724	
	AIE NO. B04927	600,000	
	AIE NO. B124662	9,000,000	
	AIE NO. B119642	8,500,000	
	AIE NO. B132328	6,000,000	
	AIE NO. B128274	6,900,000	
	AIE NO. B138997	13,000,000	
	AIE NO. B041290	6,000,000	
	AIE NO. B128031	13,000,000	
	AIE NO. B126289	7,000,000	
	AIE NO. B105084	10,600,000	
	AIE NO. B140728	12,000,000	
<b>TOTAL</b>		<b>161,967,724</b>	<b>123,040,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,745,465	2,899,622
<b>Personal allowances paid as part of salary</b>		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	-
<b>Total</b>	<b>3,745,465</b>	<b>2,899,622</b>

**Sigor Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Reports and Financial Statements for The Year Ended June 30, 2021**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	2,506,500	2,730,164
Utilities, supplies and services	50,000	45,000
Communication, supplies and services	190,704	63,800
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,317,352	614,696
Hospitality supplies and services	-	-
Insurance costs	-	-
Fuel, oil & lubricants	1,195,355	931,440
Office and general supplies and services	3,835,500	3,083,674
Other operating expenses	105,000	72,271
Routine maintenance – vehicles and other transport equipment	406,000	674,018
Routine maintenance – other assets	-	-
<b>Total</b>	<b>9,606,411</b>	<b>8,215,126</b>

## 6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools	34,051,000	28,124,512
Transfers to secondary schools	24,547,354	33,486,750
Transfers to tertiary institutions	-	-
<b>TOTAL</b>	<b>58,598,354</b>	<b>61,611,262</b>

## 7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools	48,647,145	11,942,400
Bursary – tertiary institutions	7,792,500	2,229,000
Bursary – special schools	-	-
Mock & CAT	-	-
Social Security programmes (NHIF)	-	-
Security projects	22,700,000	20,677,027
Sports projects	2,553,000	2,747,000
Environment projects	-	797,979
Emergency projects	8,767,373	7,250,000
<b>Total</b>	<b>90,460,018</b>	<b>45,643,406</b>

**Sigor Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Reports and Financial Statements for The Year Ended June 30, 2021***NOTES TO THE FINANCIAL STATEMENTS (Continued)***8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	1,685,950
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	10,330,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
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>	-	12,015,950

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

**Sigor Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Reports and Financial Statements for The Year Ended June 30, 2021****NOTES TO THE FINANCIAL STATEMENTS (Continued)****10: CASH BOOK BANK BALANCE****10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank, Account No. 1070296968337</i>	6,172,887	5,718,983
	-	-
	-	-
<b>Total</b>	<b>6,172,887</b>	<b>5,718,983</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

	2020-2021	2019-2020
	KShs	KShs
Retention	-	-

**12B. GRATUITY**

	2020-2021	2019-2020
	KShs	KShs
Gratuity	-	-

**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	5,718,982	12,604,625
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>5,718,982</b>	<b>12,604,625</b>

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	5,718,982	896,430	6,615,412
Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others (specify)	-	-	-
<b>TOTAL</b>	<b>5,718,982</b>	<b>896,430</b>	<b>6,615,412</b>

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

## 15. CHANGES IN ACCOUNTS RECEIVABLE – 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 – 2019	2018 – 2019
	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)	-	-

**Sigor Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Reports and Financial Statements for The Year Ended June 30, 2021****NOTES TO THE FINANCIAL STATEMENTS (Continued)****17. OTHER IMPORTANT DISCLOSURES****17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

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

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

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

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	990,788	1,219,853
Use of goods and services	16,754	801,566
Amounts due to other Government entities	31,954,570	32,928,424
Amounts due to other grants and other transfers	15,501,662	38,082,863
Acquisition of assets	1,493,955.20	1,107,594
Others ( <i>specify</i> )	407,608	407,608
Funds pending approval	-	-
	50,365,337.2	74,547,908

**Sigor Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances	712,676	782,366.97
	712,676	782,366.97

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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>					

**Sigor Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Reports and Financial Statements for The Year Ended June 30, 2021****ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

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

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance		Comments
		2020/21	2019/20	
<b>Compensation of employees</b>		990,788	1,219,853	
<b>Use of goods &amp; services</b>		89632	801,566	
sub total		1,080,420	2,021,419	
<b>Amounts due to other Government entities</b>			32,928,424	
Pirap Primary School	Construction of 1 classroom to completion	800,000		
Sukuk Primary School	Construction of 1 classroom to completion	800,000		
Sintai Primary School	Construction of 1 classroom to completion	800,000		
Masat Primary School	Construction of 2 classroom to completion	1,600,000		
Chepkukui Primary School	Construction of 1 classroom to completion	800,000		
Runo Primary School	Construction of 2 classroom to completion	1,600,000		
Ipet Primary School	Levelling of school playing field to completion	1,000,000		
Korelach Primary School	Construction of 1 classroom to completion	800,000		
Kokwotendwo Primary School	Construction of 1 classroom to completion	800,000		
Nasolot Primary School	Renovation of 8 classroom: Plastering, Painting, flooring, fixing of steel doors and windows to completion	800,000		
Lomut Primary School	Purchase of a 51-seater school bus purchased on a one-off basis	7,162,250		
Chopotwo Primary School	Construction of 1 classroom to completion	800,000		
Pekon Primary School	Construction of 2 classroom to completion	1,600,000		
Sekerot Primary School	Renovation of 8 classroom: Plastering, Painting, flooring, fixing of steel doors and windows to completion	1,000,000		

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Kangisia Primary School	Construction of 1 classroom to completion	800,000	
Masol Girls Secondary school	Construction of two classroom to completion	2,000,000	
Fr. Leo Staples Girls Secondary School	Purchase of a 51seater school bus purchased on a one-off basis	7,162,250	
<b>Sub-Total</b>		<b>30,324,500</b>	<b>34,949,843</b>
<b>Amounts due to other grants and other transfers</b>			38,082,863
1.1 Secondary School	Bursary to Secondary School	6,154,932	
1.2 Tertiary Institutions	Bursary to Tertiary Institutions	9,505,075	
1.3. Environment	Environment allocation	1,267,239	
1.4. sports		204,486	
<b>Sub-Total</b>		<b>17,131,732</b>	<b>38,082,863</b>
<b>Acquisition of assets</b>			
	Construction of motor vehicle shade for 4 vehicles to completion	386,361	
	Purchase of furniture	699,385	1,107,594
	Construction of CDF office (balance)	265,759	
	Purchase of motor vehicle (balance)	70,000	407,608
<b>Others (specify)</b>			
Strategic plan	Strategic plan (balance)	407,608	
	-		
	-		
<b>Sub-Total</b>		<b>1,829,113</b>	<b>1,515,202</b>
<b>Funds pending approval</b>			
<b>Grand Total</b>		<b>50,365,337</b>	<b>74,547,908</b>

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

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	22,098,570	-	-	22,098,570
Transport equipment	10,330,000	-	-	10,330,000
Office equipment, furniture and fittings	2,510,000	-	-	2,510,000
ICT Equipment, Software and Other ICT Assets	878,000	-	-	878,000
Other Machinery and Equipment	1,781,000	-	-	1,781,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>37,597,570</b>	<b>-</b>	<b>-</b>	<b>37,597,570</b>

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

PMC	Bank	Account number	<b>Bank Balance 2020/21</b>	Bank Balance 2019/2020
Chesta Girls Sec sch	Equity	1070280163236	1160	2,000,000
Chorwa Primary School	Equity	1070280180596	220	800,000
Kaporon Primary School	Equity	1070280132021	1760	463,461.92
Kiwakan Primary School	Equity	1070280038907	760	550.00
Kokwokochiy Primary School	Equity		0	2510.00
kokwositet Primary School	Equity	1070280134091	315	1,400,000
Lokarkar Primary school	Equity	1070280154910	480	800,000
Marus Primary School	Equity	1070280180117	695	800,000
Orwa Primary School	Equity	1070280182748	700,000	700,000
Parek Primary School	Equity	1070277817478	198	400,000
Sangat Secondary School	Equity	1070280166736	810	800,000
Sigor Girls Primary School	Equity	1070177626867	2440	551,000
Symbol Primary School	Equity	1070280154964	495	800,000
Sokka Primary School	Equity	1070280158999	280	1,000,000
Sostin Secondary School	Equity	1070280134631	768	1,000,000
Arpollo Primary School	Equity	1070280137866	400	1,000,000
Cheptokol Primary School	Equity	1070280134715	400	500,000
Katugh Secondary School	Equity	1070280162645	1495	1,000,000
<b>TOTAL</b>			<b>712,676</b>	<b>14,017,521</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.

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QUERY TITLE	AUDIT QUERY	MANAGEMENT RESPONSE	SUPPORTING DOCUMENT
4.1 Cash and Cash Equivalents	<p>The statement of assets and liabilities reflects bank balance figure of Kshs.5,718,983 as at 30 June 2020 held at Equity Bank Ltd as disclosed in note 10A to the financial statements. The 30 June 2020 bank reconciliation statement reflects: unrepresented cheques amounting to Kshs.6,229,152.60, receipts in bank statement not recorded in cash book amount of Kshs.10,000.92 and payments in bank statement not recorded in the cash book amounting to Kshs.660. However, the following observations were made:</p> <p>(i) The unrepresented cheques of Kshs.6,229,152.60 includes cheques amounting to Kshs.684,415 as indicated in <b>Appendix I</b> which had become stale as at 30 June 2020. At the time of audit in March 2021, there was no evidence of reversal and replacement of the stale cheques amounting to Kshs.684,415.</p> <p>(ii) Cheques amounting to Kshs.5,268,513 out of the remaining unrepresented cheques of Kshs.5,544,737 cleared between July and September 2020. However, unrepresented cheques amounting to Kshs.276,224 had not cleared at the time of audit in March 2021 and had therefore become stale. There was no evidence of reversal and replacement of the stale cheques.</p> <p>(iii) Bank reconciliation statement reflects bank charges of Kshs.660 that ought to have been charged in the statement of receipts and payments. Further, review of fund bank statement for the year ended 30 June 2020 revealed total bank charges incurred during the year amounted to Kshs.102,470. These bank charges were not recorded in the cash book and expensed in statement of receipts and payments. However, bank charges amounting to Kshs.660 are reflected in bank</p>	<p>The bank reconciliation statement and a certificate of bank balance were availed for audit review and are hereby attached for your perusal.</p>	Financial statement

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	reconciliation statements resulting in variance of Kshs.101,810.		
	<p><b>Risk(s)/Effect(s)/Implications</b></p> <p>The accuracy of bank balance of Kshs.5,718,983 as at 30 June 2020 cannot be confirmed.</p> <p><b>Recommendation</b></p> <p>Management should ensure that stale cheques are promptly reversed and replaced and appropriate adjustments are made to the financial statements to correct errors/omissions.</p>		
<p><b>4.2 Project Management Committee Bank Balance</b></p>	<p>Annex 5 to the financial statements reflect Project Management Committee (PMC) bank balances amounting to Kshs.782,366.97 as at 30 June 2020 held in eleven (11) bank accounts at Equity Bank Ltd. However, cash books, bank reconciliation statements, certificates of bank balance and bank statements for the eleven (11) bank accounts have not been availed for audit review. Further, during the year, a total of Kshs.61,611,262 was disbursed to seventy-nine (79) projects an indication of non-disclosure of some project management bank balances as at 30 June 2020.</p> <p><b>Risk(s)/Effect(s)/Implications</b></p> <p>The existence, accuracy, and completeness of the project management committee bank balance amount of Kshs.782,366.97 as at 30 June 2020 cannot be confirmed.</p> <p><b>Recommendation</b></p> <p>The management should ensure project management committee bank accounts are disclosed and supported by adequate and appropriate supporting documents/records.</p>	<p>The PMC bank account statements have since been availed for your review</p>	<p>PMC statements bank</p>

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<p><b>4.3 Financial Statements</b></p>	<p>The financial statements of the National Government Constituencies Development Fund Sigor Constituency for the year ended 30 June 2020 were prepared in accordance with IPSAS- Cash Basis Financial Reporting framework and applicable government legislations and regulations. However, an examination of the financial statements revealed the following:</p> <p><b>4.3.1 Presentation and Disclosure</b></p> <p>(i) <b>Name of Entity</b> The name of the entity is not indicated in the header of pages 3-13 of the financial statements.</p> <p>(ii) <b>Key Entity Information</b> The postal address of independent auditor is indicated as GOP 00100 instead of GPO.</p> <p><b>4.3.2 Corporate Responsibility Statement</b> Statement on page 13- Responsible completion practice refers Public Procurement and Disposal Act, 2005 instead of 2015.</p> <p><b>4.3.3 Report of Independent Auditor</b> The header indicates report of independent auditor of entity instead of Report of the Auditor-General.</p> <p><b>4.3.4 Statement of Assets and Liabilities</b> The statement of assets and liabilities is indicated for the year ended 30 June 2020 instead of as at 30 June 2020.</p> <p><b>4.3.5 Progress on Auditors Recommendations</b> The progress report on auditor's recommendations does not include all issues in the report of the Auditor-General for the year ended 30 June 2019.</p> <p><b>4.3.6 Inaccuracies in Financial Statements</b></p>	<p>The Financial statement has since been amended</p> <p>Amended Financial Statement</p>
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<b>4.3.6.1 Comparative Figures</b>					
Comparison of financial statements figures and comparative figures for the previous year (2018/2019) revealed variances as indicated below:					
Item	Statement/Annex	2019/2020 Financial Statements (Kshs)			
Other grants and Transfers	Statement of receipt	56,313,505			
Surplus/Deficit for the year-	Statement of Assets and liabilities	8,351,020			
Prior year adjustment	Statement of Assets and liabilities	-			
Use of goods and services	Statement of cash flow	7,359,296			
Other grants and Transfers	Statement of cash flow	56,313,505			
Gratuity deposit	Statement of Assets and liabilities	829,560			
Unutilized fund	Other important disclosures	71,553,989			
PMC account balances	Other important disclosures	6,141			
Historical cost of assets	Summary of Fixed asset Register	22,579,052			
<b>4.3.7 Financial Statement and Note to Financial Statements</b>					
Comparison of financial statements figures and notes to the financial statements revealed differences as indicated below:					

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Item	Note	Financial Statement Figure (Kshs)	Amount in note (Kshs)	Variance (Kshs)
Deposits	-		1,659,120	(1,659,120)
Gratuity	12B		0	

**4.3.8 Financial Statements and Supporting Schedules**

Comparison of financial statements figures and supporting schedules revealed variances as summarized below:

Component	Financial statement (Kshs)	Supporting Schedules (Kshs)	Variance (Kshs)
Utilities Supplies and Services	117,450	45,000	72,450
Other operating expenses	79,771	72,271	7,500
<b>Total</b>	<b>197,221</b>	<b>117,271</b>	<b>79,950</b>

**4.3.9 Summary Statement of Appropriation and Budget Execution by Programmes**

Comparison of summary statement of appropriation: Recurrent and Development combined and budget execution by programmes and sub-programmes revealed variances as indicated below:

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Item	Summary of appropriation (Kshs)	Programme / Sub Programme (Kshs)	Variance (Kshs)
Original Budget	137,367,724	134,620,370	2,747,354
Adjustment	71,553,989	66,142,618	5,411,371
Final Budget	208,921,713	200,762,988	8,158,725
Actual on comparable basis	130,465,316	127,668,316	2,797,000

**4.3.10 Summary Statement of Appropriation - Adjustments**  
The summary statement of appropriation recurrent and development combined reflects an adjustment figure of Kshs.71,553,989. However, cumulative amount of opening cash balance of Kshs.12,604,625 and budgeted funds for prior years received during the year of Kshs.55,040,875 amounts to Kshs.67,645,500 resulting to variance of Kshs.3,908,489.

**4.3.11 Arithmetic Errors**  
Annex 3 - Unutilized funds reflects total outstanding balance of Kshs.78,456,397 in respect of 2019/2020 financial year. However, correct total is Kshs.82,233,424 resulting in difference of Kshs.3,777,027.  
Annex 4- Summary of Fixed Asset Register reflects total historical cost of Kshs.34,595,002. However, the correct total is Kshs.15,499,000 resulting in difference of Kshs.19,096,002.

**4.3.12 Prior Year Adjustment**  
The statement of assets and liabilities reflects prior year adjustment of Kshs.538,798 which affects 2018/2019 opening bank balances of Kshs.123,040,876 to Kshs.123,579,674 as

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	disclosed in note 14 to the financial statements. However, the opening bank balance is Kshs.12,604,625. Further, justification for adjustment has not been availed for audit review. <b>Risk(s)/Effect(s)/Implications</b> The financial statements do not reflect fairly the state of affairs of the fund as at 30 June 2020. <b>Recommendation</b>  The management should make appropriate adjustment and amendments to the financial statements to correct errors and omissions.																											
5.0 Budget Control and Performance	<p>The National Government Constituencies Development Fund-Sigor Constituency had a final budget for the year ended 30 June 2020 amounting to Kshs.208, 921,713 comprising of approved budget for the year amounting to Kshs.137,367,724, and unutilized funds for 2018/2019 financial year amounting to Ksh.71,553,989.</p> <p>During the year, payments amounting to Kshs.130,465,316 or approximately 62.5% of the final budget were made resulting into an under expenditure of Kshs.78,456,397 or approximately 37.5% of the final budget as indicated below:</p> <table><tr><th>Budget Item</th><th>Approved Budget</th><th>Actual Expenditure</th><th>Under Expenditure</th><th>Utilization %</th></tr><tr><td>Compensation of Employees</td><td>4,119,475</td><td>2,899,622</td><td>1,219,853</td><td>70</td></tr><tr><td>Use of goods and services</td><td>9,096,642</td><td>8,295,076</td><td>801,566</td><td>91</td></tr><tr><td>Transfers to Other Government Units</td><td>94,539,685</td><td>61,611,262</td><td>32,928,423</td><td>65</td></tr><tr><td>Other grants and transfers</td><td>87,634,758</td><td>45,643,406</td><td>41,991,352</td><td>52</td></tr></table>	Budget Item	Approved Budget	Actual Expenditure	Under Expenditure	Utilization %	Compensation of Employees	4,119,475	2,899,622	1,219,853	70	Use of goods and services	9,096,642	8,295,076	801,566	91	Transfers to Other Government Units	94,539,685	61,611,262	32,928,423	65	Other grants and transfers	87,634,758	45,643,406	41,991,352	52	The management has agreed to work towards 100% utilization of allocated funds in a financial year and also liaise with the NGCDF Board to release funds on time to ensure that all the projects and service which were planned to be implemented through CDF funds should be done according to the budget and in the correct financial year to avoid delay of services to the people of Sigor constituency.	
Budget Item	Approved Budget	Actual Expenditure	Under Expenditure	Utilization %																								
Compensation of Employees	4,119,475	2,899,622	1,219,853	70																								
Use of goods and services	9,096,642	8,295,076	801,566	91																								
Transfers to Other Government Units	94,539,685	61,611,262	32,928,423	65																								
Other grants and transfers	87,634,758	45,643,406	41,991,352	52																								

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Acquisition of Assets	13,123,545	12,015,950	1,107,595	92
Other Payments	407,608	0	407,608	-
Total	208,921,713	130,465,316	78,456,397	62

Non-utilization of Kshs.78,456,397 during the year ended 30 June 2020 is an indication that approved projects or activities were not implemented and therefore denying the residents of Sigor Constituency from enjoying the benefits accruing from complete projects/activities.

#### 5.1 Budget Performance

The National Government Constituencies Development Fund-Sigor Constituency had a final budget for the year ended 30 June 2020 amounting to Kshs.208, 921,713 comprising of approved budget for the year amounting to Kshs.137,367,724, and unutilized funds for 2018/2019 financial year amounting to Ksh.71,553,989.

During the year, payments amounting to Kshs.130,465,316 or approximately 62.5% of the final budget were made resulting into an under expenditure of Kshs.78,456,397 or approximately 37.5% of the final budget as indicated below:

Budget Item	Approved Budget	Actual Expenditure	Utilization %
Compensation of Employees	4,119,475	2,899,622	70

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## National Government Constituencies Development Fund (NGCDF)

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Use of goods and services	9,096,642	8,295,076	91
Transfers to Other Government Units	94,539,685	61,611,262	65
Other grants and transfers	87,634,758	45,643,406	52
Acquisition of Assets	13,123,545	12,015,950	92
Other Payments	407,608	0	-
<b>Total</b>	<b>208,921,713</b>	<b>130,465,316</b>	<b>62</b>

Non-utilization of Kshs.78,456,397 during the year ended 30 June 2020 is an indication that approved projects or activities were not implemented and therefore denying the residents of Sigor Constituency from enjoying the benefits accruing from complete projects/activities.

## 5.2 Project Implementation Status

The statement of appropriation: Recurrent and Development reflects final budget amount of Kshs.208,921,713 for the year ended 30 June 2020 which includes transfer to other government entities amount of Kshs.94,539,685, other grants and transfers amount of Kshs.87,634,758, acquisition of assets amount of Kshs.13,123,544 and other payments amount of Kshs.407,608 all totaling to Kshs.195,705,595 to finance various projects in the county.

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	<p>The project implementation status report availed indicates that during the year, the fund had a budget of Kshs.161,708,318 to finance 113 project. Fund disbursement amounting to Kshs.119,695,566 was made to 79 projects while 34 projects with total budgeted amount of Kshs.40,091,108 were not funded during the year as summarized in <b>Appendix II</b>. However, the status report reflects project budgeted amount of Kshs.161,708,318 while the statement of appropriation: recurrent and development reflects project budget amount of Kshs.195,705,595 resulting in difference of Kshs.33,997,277 an indication of that the projects status report is not complete.</p> <p><b>5.3 Project Verification</b></p> <p>During the year under review, nine (9) projects with a budget and fund disbursement of Kshs.34,824,500 were verified on March 2021 and seven (7) were found to be complete and two are ongoing as indicted in <b>Appendix III</b>.</p> <p><b>Risk(s)/Effect(s)/Implications</b></p> <p>Delay in implementing projects adversely affects service delivery to the constituents.</p> <p><b>Recommendation</b></p> <p>Management should put measures in place to ensure that the projects are implemented as initially scheduled.</p>		
<b>Lawfulness and Effectiveness in Utilization of Public Funds</b>	<p>The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board during the year ended 30 June 2020 amounting to Kshs.123,040,876. The amount includes Kshs.55,040,875 or 45% of total receipts for the year budgeted for in the 2018/2019 financial year. Further, during the year ended 30</p>	<p>The management is engaging the board to ensure timely disbursement of funds.</p>	

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<p><b>Disbursements of Funds from the Board</b></p>	<p>June 2020, the fund received Kshs.68,000,000 out of the budgeted funds of Kshs.137,367,724 or approximately 49.5 % of budgeted funds resulting to budget underfunding of Kshs.69,367,721 or approximately 50.5 % of the budgeted funds.</p> <p><b>Risk(s) /Effect(s)/Implications</b> The Board is in breach of the law and delay in fund disbursements results in delayed implementation of approved projects or programs and thereby denying the residents Sigor Constituency the services and benefits accruing from completed projects.</p> <p><b>Recommendation</b> The board should ensure funds are promptly disbursed to constituencies.</p>	
<p><b>Transfers to Other Government Entities</b></p>	<p>The statement of receipts and payments reflects transfer to other government entities figure of Kshs.61,611,262 which comprises transfers to primary school amount of Kshs.28,124,512 and secondary schools amount of Kshs.33,486,750 as disclosed in note 6 to the financial statement for the construction of classrooms and purchase of a 51-seater school bus. However, approved work plans, procurement plans and expenditure returns and reports were not availed to show the project management committees utilized the funds for intended purpose contrary to National Government Constituencies Development Fund Regulations, 2016 Section 25.</p> <p><b>Risk(s) /Effect(s)/Implications</b> The propriety of transfers to other government entities amount of Kshs.61,611,261 for the year ended 30 June 2020 cannot be confirmed and there is risk of loss of funds through procurement of works that is not competitive.</p> <p><b>Recommendation</b></p>	<p>Procurement plan</p>

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<b>Bursary Disbursement</b>	The management should ensure all procurements plans and expenditure returns are done in accordance with the Public Procurement and Asset Disposal Act, 2015 and project implementation complies with National Government Constituencies Development Fund Regulations.			Documentation and samples are hereby attached for your reference in form of acknowledgements from schools and institutions. Was provided for audit.	Amount (Kshs)	Cheque No.
	Date	Payee				
	22/07/2019	Tilakai Primary School				5807
	30/7/2019	Katugh Secondary School				5952
	30/07/2019	St. Anthony Mtelo Boys Secondary School				5953
	18/10/2019	Lomut Mixed Primary School				6097
	19/11/2019	Sigor Girls Primary School				6122
	2/12/2019	Lomut Chief's Office				6131
	10/12/2019	Canon Price Secondary School Tamkal				6137
	5/1/2020	Sukuk Primary School				6197
	5/1/2020	Ptirap Primary School				6198
	5/1/2020	Kokwositet Primary School				6199
	5/1/2020	Parkino Primary School				6200
	5/1/2020	Orolwo Primary School				6201
	5/1/2020	Sintai Primary School				6202
	5/1/2020	Lomut Primary School				6203
	20/5/2020	Kokworitit Secondary School				6277
	20/5/2020	Muino Police Post				6278
	5/1/2020	Sengelel Primary School				6204
	12/16/2020	Sangat Secondary School				6147
		<b>Total</b>				<b>7,250,000</b>

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	<p>The statement of receipts and payments reflect other grants and transfers balance of Kshs.56,650,643 disclosed in note 7 to the financial statements which include total bursaries amount of Kshs.41,168,500 comprising of disbursements of Kshs.34,895,000 to secondary schools and Kshs.6,273,500 to tertiary institutions. However, the minutes of the bursary sub-committee indicating how the beneficiaries were identified and evidence that two members of whom one should be area education officer or officer seconded from the Ministry of Education were co-opted as required by the CDF Board circular Ref. CDF Board circulars/Vol 1/111 dated 13 September 2010 were not provided for audit review. In addition, no documentary evidence in form of acknowledgements from schools and institutions was provided for audit verification to confirm receipt of these bursaries.</p>		
<b>Emergency Projects</b>	<p>The statement of receipts and payments reflects other grants and other payments figure of Kshs.45,643,406 which includes emergency projects payments of Kshs.7,250,000 as disclosed in note 7 to the financial statements. Emergency payments of Kshs.7,250,000 was made to eighteen (18) projects summarized below:</p> <p>However, evidence to show the nature of payments met the emergency criteria has not been availed for audit review. Further, evidence to indicate the constituency committee reported to the Board within thirty days of occurrence of emergency in respect to utilization of Kshs.7,250,000 in emergencies during the year in accordance with Section 20(2) of National Government Constituencies Development Fund Regulations, 2016 has not been availed.</p> <p><b>Risk(s)/Effect(s)/Implications</b></p> <p>There is risk of using the emergency funds on projects that do not meet emergency criteria.</p>	<p>The management strictly ensure that projects that benefit from emergency funds meet the set emergency criteria in accordance with CDF Act and Regulation. Attached is the letters from institutions requesting for emergency funding. The applications that the management received met the set emergency criteria in accordance with CDF Act.</p>	<p>Application letters and acknowledgement letters. PIS Report sent to the board capturing emergency funds to various institution.</p>

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	<b>Recommendation</b>  The management should ensure projects that benefit from emergency funds meet the set emergency criteria in accordance with CDF Act and Regulation.		
<b>Acquisition of Assets</b>	The statement of receipts and payments reflects acquisition of assets figure of Kshs.12,015,950 which includes an amount of Kshs.1,685,950 as disclosed in note 8 to the financial statements incurred on the construction of a perimeter wall of CDF office at Sigor. The works involved construction of perimeter wall, fixing of grill metals around the fence, plastering and finishing, construction of a gate house and fixing of a steel gate. Physical verification of the project in March 2021 confirmed that the works had been completed. However, the inspection and acceptance committee report and certificate of practical completion have not been availed for audit review.	Procurement procedures were followed and all procurement files were availed for audit review. Certificate of practical completion of works has also been issued.	Certificate of payments and certificate of completion
	<b>Risk(s)/Effect(s)/Implications</b>  Management may be in breach of the law by not issuing completion certificates for works carried out. There is a likelihood of payment being made for works not satisfactorily completed.		
<b>Construction of CDF Office</b>	<b>Recommendation</b>  The management should ensure that completion certificates are issued before payments are made for all works carried. As reported in the previous year, a contract was awarded to a construction firm in the 2015/2016 financial year at a contract sum of Kshs.13,710,381 for construction of CDF office at Sigor. Available information indicates that the contractor was paid a total of Kshs.12,332,012 or about 90% of the contract sum as at 30 June 2019. Later, the contractor vacated site without completing the work. Subsequently, the fund management	The payments to the contractor was done with certificates of payments. And the same having been availed for audit review. The certificate of practical completion was also issued	Certificate of completion and certificate of payments

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	<p>opted for direct procurement of materials and labour totalling Kshs.11,066,635 as indicated below:</p> <table><tr><th>Financial Year</th><th>Amount (Kshs)</th></tr><tr><td>2016/2017</td><td>5,000,140</td></tr><tr><td>2017/2018</td><td>3,063,927</td></tr><tr><td>2018/2019</td><td>3,002,568</td></tr><tr><td>Total</td><td>11,066,635</td></tr></table> <p>to bring total cost of the project to Kshs.23,398,647 as at 30 June 2019. During the year ended 30 June 2020, no additional payments were incurred towards project. Physical verification of the project confirmed that the project is complete and in use. However, the procurement records such as tender advertisement, opening minutes, evaluation, award of tender minutes and contract document were not availed for audit review. The payment vouchers were also not supported by minutes of site meeting and interim certificates. It was further noted that the contractor abandoned the project after payment of 90% of the contract sum. The management did not explain why the contractor was paid without certificates of completion and evidence of work done.</p> <p>Further, the management did not provide evidence that the direct procurement of labour and materials was done competitively as per the provisions of Public Procurement and Asset Disposal Act, 2015.</p> <p><b>Risk/Effect/Implication</b> The propriety of the total expenditure of Kshs.23,398,647 on construction of the CDF office as at 30 June 2020 cannot be confirmed.</p> <p><b>Recommendation</b></p>	Financial Year	Amount (Kshs)	2016/2017	5,000,140	2017/2018	3,063,927	2018/2019	3,002,568	Total	11,066,635	<p>and has since been presented for audit review. In line with this, the management has put in place measures to ensure that all procurement laws and regulations are followed and this includes the preparation of annual procurement plan (see attached)</p>
Financial Year	Amount (Kshs)											
2016/2017	5,000,140											
2017/2018	3,063,927											
2018/2019	3,002,568											
Total	11,066,635											

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	The management should put in place appropriate internal controls measures to ensure all procurements of goods and services are done in accordance with the law and relevant records are kept and maintained.		
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