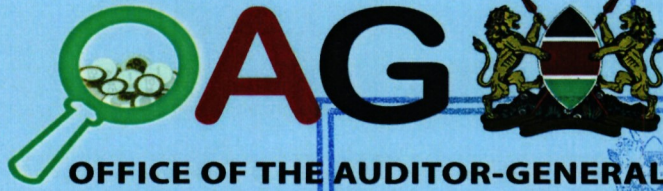


REPUBLIC OF KENYA

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OF KENYA  
LIBRARY



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPER NO. 1 AND

DATE: 24 MAR 2022

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REPORT

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**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
NAKURU TOWN EAST CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2020**





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NAKURU  
TOWN EAST CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2015. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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



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**Mission**

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

**Core Values**

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

**(b) Key Management**

The NGCDF NAKURU TOWN EAST Constituency 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 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	EDWARD WAYA RATEMO
2.	Sub-County Accountant	FRACIAH NYAMBURA GITHUA
3.	Chairman NGCDFC	NICODEMUS ONSERIO AKIBAH
4.	Member NGCDFC	FATUMA YUSUF

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -NAKURU TOWN EAST Constituency. 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) NGCDF Nakuru Town East Constituency Headquarters**

P.O. Box 1746-20100  
GPO Nakuru, KENYA  
FREEAREA D.O's OFFICE



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**(f) NGCDF Nakuru Town East Constituency Contacts**

Telephone: (254) 703107009

E-mail: [www.nakurutowneastconstituency@gmail.com](mailto:www.nakurutowneastconstituency@gmail.com)

**(g) NGCDF Nakuru Town East Constituency Bankers**

1. FAMILY BANK OF KENYA  
NAKURU FINANCE BRANCH  
KENYATTA AVENUE  
AC.NO 018000049926

**(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. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

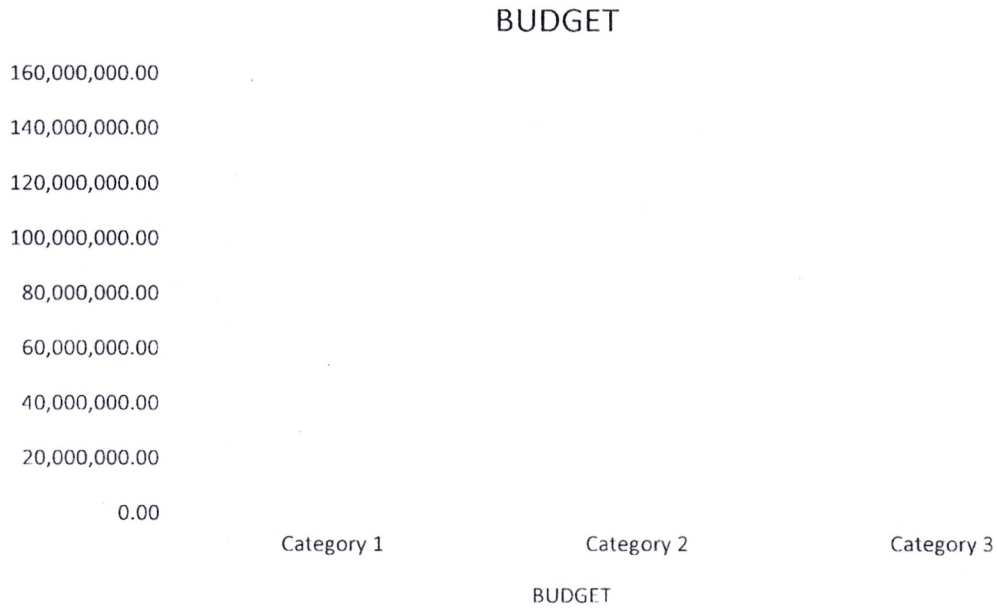
Include among others the following:



**FIGURE 1: USE OF GOODS AND SERVICES: COMPARISON BETWEEN TWO FINANCIAL YEARS**

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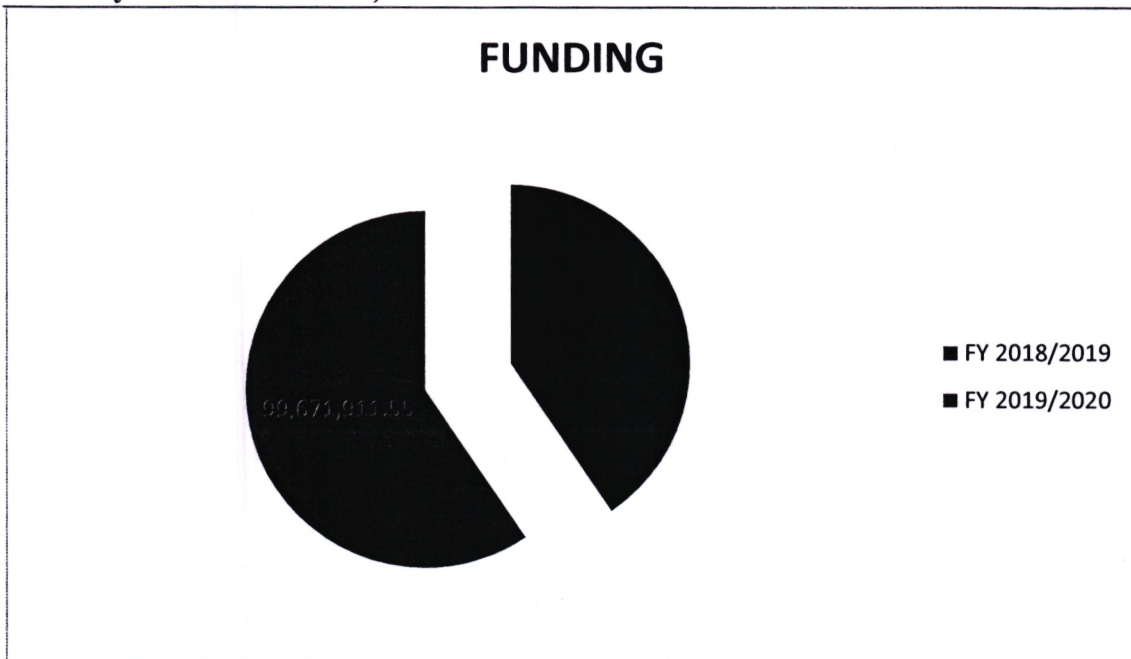
**KEY:**

1. ORIGINAL BUDGET
2. ADJUSTMENT DURING THE YEAR
3. ACTUAL ON COMPARABLE BASIS

**FIGURE 2: BUDGET ALLOCATION, ADJUSTMENT AND THE ACTUAL ON COMPARABLE BASIS.**



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**FIGURE 3: COMPARISON OF ALLOCATION BETWEEN FY2018/2019 AND 2019/2020**



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**Figure 4: TOTAL PAYMENTS MADE BY THE CLOSE OF THE FINANCIAL YEAR OF 2018/2019 AND 2019/2020**

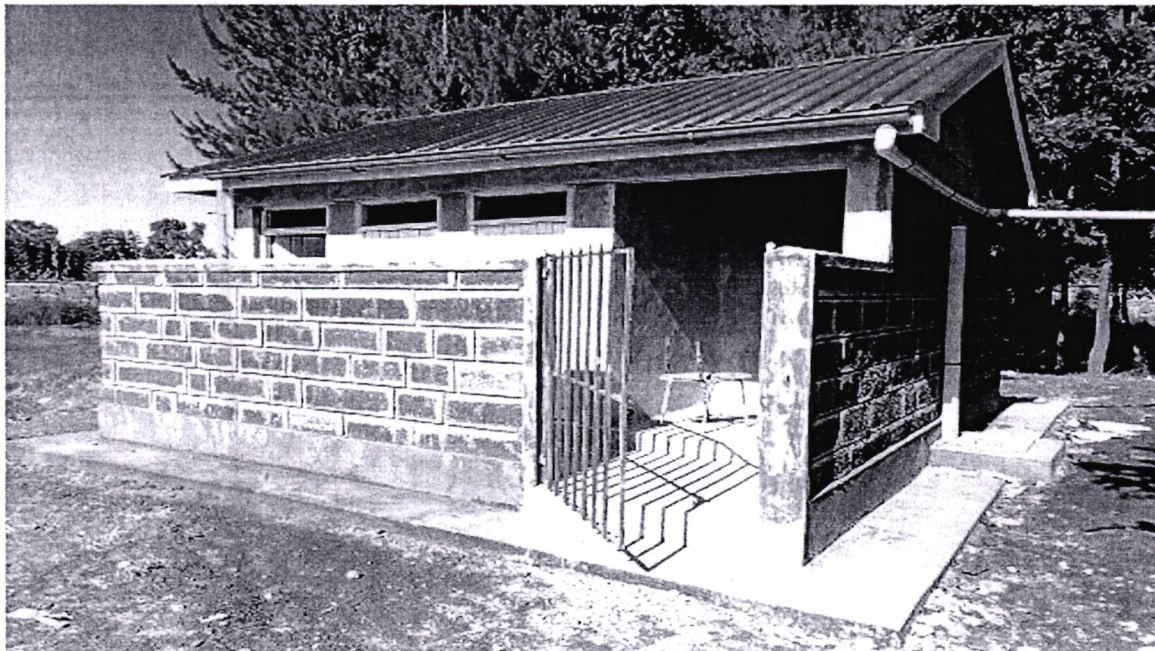


**Figure 1. Bondeni primary school construction of 3 door toilet under environment vote complete.**



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**Figure 2.** Construction of 5 Door Toilet at Lenana Primary School





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**Figure 3.** Nakuru East Mixed Secondary School that was established after Bondeni Primary School gave nine classrooms that were renovated



**Figure 4.** On-going construction of a twin laboratory at Kimathi secondary school.

Sign.....

Date...26/03/2021...

**CHAIRMAN NG-CDF COMMITTEE NAKURU TOWN EAST CONSTITUENCY**



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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED**

**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 NG-CDF Nakuru Town East Constituency in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government NG-CDF Nakuru Town East Constituency's performance against predetermined objectives.

Nakuru town east is a constituency whose potential is admirable. The constituency is among the eleven (11) existing constituencies in Nakuru County, a bosom of serenity and surrounded by the beautiful lake Nakuru. The drive of the constituency is towards improving the socio-economic conditions, constructing projects at the grassroots level in order achieve the development necessary for poverty reduction and overall national development by distribute resources to its residents through employment creation and eventually raise peoples' standard of living through better schools and improved security.

In achieving the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2022) outlined key strategic objectives that were to be used to spur development in the constituency. The plan acts a tool geared towards the attainment of the Kenya vision 2030 and the government's four main agendas and also opening platforms for youths in sporting activities, offering bursaries to the needy students, providing better housing for the policing, environmental conservation among others.

**The key objectives of Nakuru town east NGCDFCs 2018-2022 plan include;**

In underscoring the above, the key development objectives of NGCDFC-Nakuru Town East Constituency plan are focused on five main sectors;

**Strategic Area One: Education Sector**

The constituency's objective is to become a world class in education sector where each and every member of the constituency is given an equal opportunity to study. Emphasis is given to the girl child as they are prone to drop out of school due to high pregnancy rate. To offer equality, promote transition from primary school to the university, provide better education and enhance performance of the students through construction of new schools to create a conducive environment for learning, give the existing schools a face lift by renovation and upgrading, and ensure that the student remains in school through issuance of bursaries.

**Strategic Area Two: Security Sector**

Security projects in the constituency are set to ensure proper security in the constituency through establishing police posts, chief's and Dos offices in areas not sufficiently presented by the central administration.

**Strategic Area Three: Environment Sector**

To promote, conserve, protect and support environmental conservation and projects within the constituency. This is to be achieved by planting and distribution of trees to various schools, supplying water tanks and construction of friendly sanitation facilities to various schools within the constituency.



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**Strategic Area Four: Sports Sector**

Empower and develop the youth and other groups e.g. scouts to identify talented youths to participate in the sporting activities. This is targeted at promoting young talents, provide exposure and help in gaining experience and unity in the constituency through inter-ward tournaments.

**Strategic Area Five: Information Communication Technology**

To facilitate universal access to ICT infrastructure and services for the residents of the constituency, stimulate development through ICT and leverage on ICT to deliver efficient and effective service delivery.

**Progress on attainment of strategic development objectives**

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

Constituency program	Objectives	Outcome	Indicator	Performance
Education	To offer equality, promote transition from primary school to the university, provide better education and enhance performance of the students	Construction of new schools to create a conducive environment for learning Give the existing schools a face lift by renovation and upgrading Ensure that the student remains in school through issuance of bursaries.	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Construction of primary school classrooms was 26 and for secondary 14 classrooms, 9 door toilets constructed in primary school and seven door in secondary, 1 dormitory, renovation of 35 classrooms in primary schools and 13 in secondary school and construction of two laboratories for secondary school
Environment	To promote, conserve, protect and support environmental conservation and projects within the constituency	Construction of friendly sanitation facilities	Number of sanitation facilities built in primary and secondary	Construction of 15 door septic tank pit latrine in primary school.
Security	Ensure proper security in the constituency	Establishing police posts, chiefs and Dos offices in areas not sufficiently presented by the central administration.	Number of institution renovated Construction of perimeter walls, construction of friendly and	Construction of a perimeter wall.



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			modern police posts.	
Sports	Empower and develop the youth and other groups to identify talented youths to participate in the sporting activities	Promote young talents, exposure for the youth and experience	Number of teams uplifted by purchasing of uniforms, uplifting sports playgrounds.	Funded tournaments and buying awards I.e trophies, balls and games kit to the winning teams.
Disaster Management	To cater for any unforeseen occurrence in the constituency.	Ensuring timely funding to any unexpected occurrence that may pose danger to the citizens.	Measures to control the spread of Corona Virus, repairs of leaking septic tanks	Purchase of heavy duty 100 litres tapped plastic water tanks, 100 pieces of heavy duty arm plastic chairs, providing soap and sanitizers in all the wards.

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

NTEC-NGCDFC just like any Government NG-CDF Nakuru Town East Constituency has the responsibility of ensuring public involvement in identifying projects and adequately allocating funds to the project in order of priority and the needs of the people. When it comes to social responsibility, the core objective of Nakuru Town East Constituency NGCDFC is to understand the needs of the community through proper involvement of the representatives of the community and other stakeholders and accordingly select suitable projects which would cater to their needs. The projects are well selected to be in line with the ethical values, in compliance with legal requirements and based on respect for people, communities, and the environmental effects focusing on learning and accountability. Financial accountability in various involves assessment of risks, focus on short-term returns, long-term performance and responsible leadership.

**SUSTAINABILITY STRATEGY AND PROFILE**

The NTEC-NGCDFC purpose to Use the available policy Guidelines on service delivery to improve performance in terms of the issues identified and implemented in order to reach defined sustainability goals efficiently. The attainment of these goals was based on our vision, mission and core values as provided for in the strategic plan.

Model	Definitions	Relevance to sustainable strategy
Vision	To uplift the living standards and improving the quality of life for the residents through socio-economic development.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To promote economic growth, empower vulnerable groups and facilitate self-sustenance through prudent utilization of resources.	This communicates what the office does to attain sustainable developments
Core Values	Public participation, Transparency, Quality services, Integrity, Accountability, Sensitivity, Professionalism, Equity, timeliness	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives.

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring.

**ENVIRONMENTAL PERFORMANCE  
Environment policy and action plan**



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Nakuru town east constituency NGCDFC is committed to the conservation of the environment, prevention of pollution, effective waste management, minimization of consumption of resources and overall environmental the degradation and be a responsible steward of the natural environment.

- Promote social responsibility to the community through sustainable use of resources which directly benefits the local people
- Strive towards continuous improvement of operations by stimulating innovations and environmentally friendly alternatives and technologies
- Ensure compliance with this policy promoting utmost concern for the environment in all its operations.
- Improve NGCDFC members and staff awareness and concern of the environment through training and communication of this policy
- Compliance with all applicable environmental and health & safety laws, regulations and codes of conduct and apply responsible standards where regulations do not exist
- Demonstrate commitment to our, community and leadership in our industry in the protection of the natural environment
- Adopt and implement environment-friendly strategies to prevent pollution, reducing waste generation and minimizing the consumption of resources.

#### **EMPLOYEES' WELFARE**

Terms and conditions of service

This highlights the general rules governing employment of NG-CDFC staff in such matters as Appointments, promotions and related matters. Nakuru Town East constituency NGCDFC has borrowed some of its terms and conditions of service from the NGCDFB

##### **a. Basis of Human Resource Management**

The management of Human Resources at NTEC - NGCDFC level shall be in line with the Constitution of Kenya 2010, the Employment Act 2007, CDF Act 2015 and all laws governing labour.

##### **b. Recruitment**

Recruitment of NTEC - NGCDFC Staff shall be competitive to afford all candidates equal opportunity and ensure that the most qualified persons are hired. To ensure openness and

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opportunity to all eligible applicants, vacancies shall be publicized through various media including one or combination of electronic and print media of wide circulation; notices in various public offices; announcements in public forums such as public barazas, places of worship etc.

**c. Terms of Service.**

NTEC - NGCDFC Staff shall be employed on contract terms for a three year period, which may be renewable subject to performance.

**d. Qualifications for Employment**

To facilitate recruitment of qualified staff capable of handling the technical aspects of NTEC - NGCDFC mandates, the candidates must meet the minimum qualifications and experience outlined by the Board.

**e. Employee Records**

The Fund Account Manager shall maintain a file for each NTEC - NGCDFC Employee during and after the period of employment. Employee returns shall be forwarded to the Board immediately after recruitment, and the same shall be updated by the Fund Account Manager every six months.

**f. Recommended Posts To Be Filled At ConstituencyLevel**

The Board has identified the following as the critical positions to be filled for effective management of the Fund at the constituency level in line with the CDF Act 2015.

- a) Clerical Officer
- b) Accounts Assistant
- c) Clerk of works
- d) Records Management Officer
- e) Driver

**g. Remuneration and Salary Scales**

The remuneration for the NTEC - NGCDFC staff is determined by the NTEC - NGCDFCs. Basic Salary and allowances of the NTEC - NGCDFC staff shall be drawn from the funds allocated by the Constituency for Administrative and Recurrent Expenditures.

**h. Station Of Duty and Reporting Line**

Staff employed by the NTEC - NGCDFC shall unless otherwise stated owing to the nature of their duties, be based at the designated constituency office and shall be responsible to the officer of the Board Fund Account Manager) in each constituency for daily duties.

**i. Rules and Regulations Governing NTEC - NGCDFC Employees**



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As public servants all staff employed by the NTEC - NGCDFC shall abide by the laws, rules and regulations governing public employees and this shall be clearly stated in the letters of appointment. Specifically, the employee shall adhere to the constitution of Kenya 2010 chapter 4 Articles

**(Bill of Rights and Fundamental Freedoms, Chapter 6 on Leadership and Integrity, the Employment Act 2007, CDF Act 2015 and all laws governing labour.)**

**j. Letters of Appointment**

Each NTEC - NGCDFC employee shall be engaged through an appointment letter signed by the Fund Account Manager. The letter must clearly spell:

a) The position to which the employee has been appointed to; b) Reporting line c) Duties and responsibilities of the employee d) Contract period e) Place of work f) Remuneration g) Leave days

h) Gratuity i) Code of conduct j) Employment laws and staff rules and regulations k) Condition(s) for termination of service

Fund Account Managers are urged to avail these guidelines to their respective CDF Committees and the Members of Parliament to ensure compliance.

**Promotion**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal recommendations for promotion is only made by the NG-CDFC resolution

**HEALTH, SAFETY AND WELL BEING**

This contains a well laid set of guidelines on the health, safety and the well being of the NGCDFC staff in their everyday activities, the NGCDF premises and the properties therein.

**Guidelines to General Safety**

The goal of NGCDFC-NTEC is to provide safe and healthful working conditions for all the NGCDFC staff. Well laid rules have been set out Safety Rules have been developed to address behaviours and work practices that can lead to accidents and injuries.

Every staff should become familiar with and be committed to follow the General Safety Rules. The fund account manager must enforce Safe Work practices through strict adherence to the Safety Rules.

It is the responsibility of each staff to ensure safety for themselves first then for others and report any health and safety hazard matter within the place of work.

**Emergency Preparedness**

- Train workers to act as evacuation wardens to help move other workers from danger to safe areas during an emergency



## **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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- The NGCDFs are working on a proposition to have the installation of alarm system in the NGCDF premises for alerting everyone in the building incase of an emergency.
- The NGCDF offices have been equipped with fire extinguishers that are in good working condition to assist incase of a fire emergency.
- Emergency exits have been put into place to ensure that incase of a fire or natural disaster the employees are able to escape without having a stampede.
- The committee have been involved in putting together a comprehensive emergency action plan that involves conducting a hazard assessment to determine what, if any, physical or chemical hazards inside or from outside the workplaces could cause an emergency
- The NGCDFC have come up with a preferred method and procedures for accounting for the staff incase of an emergency by having a temporary fire point as they look forward to setting one that is permanent and definite.

#### **Reporting of an Accident**

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

#### **Guidance and Counselling**

The world is moving at a higher rate and everything moving so fast. This can cause an employee to be overwhelmed and find themselves in depression. This can cause them to have a go slow in performing their work at the office thus making them not to be productive. Other factors could be problems and stress from home or society which could also affect the employee's performance at work. When an employee is having any difficulties at work or personal stress the ability to concentrate is diminished or when the level of pain becomes uncomfortable and unbearable. To help the individual(s) it requires a respectable place for a counselor where an individual can experience privacy to express themselves to bring back work life balance and serve as developmental model rather than problem solving model.

#### **Healthcare Services**

The NTEC-NGCDFC are working towards incorporating a health insurance policy to benefit the staff alongside NHIF medical scheme that is currently in place as statutory deductions are done remitted on a monthly.

#### **Drugs and Substance Abuse**

Substance abuse and addiction cause damage in workplaces leading to negative effects in the work place and beyond. As a result there is lowered productivity, physical injuries and fatalities from the affected individual. Those who abuse drugs are not the only ones affected in the workplace. Friends, family members and co-workers report mental stress at work as well.

Drug addiction and substance abuse poses a threat to the institution. This may call for the affected individual to be forced to take some time off from work to seek help in a rehabilitation centre or be engaged in programs that can help the employee recover while retaining some normalcy at work. The NGCDFC –NTEC can chip in financially as far as they can and beyond the individual will be forced to use their resources.

#### **HIV /AIDS**



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HIV/ AIDS remains a major challenge in the Public Service. The impact of the epidemic continues to adversely affect service delivery. HIV/AIDS is also affecting the fundamental rights at the workplace, particularly with respect to discrimination and stigmatization of people living with and affected by the pandemic.

The NGCDFC-NTEC has ensured that the working environment is healthy and safe, adapting to the state of health and capabilities of workers, HIV-infected or not. The committee has also played a major role in minimizing the risk of HIV transmission by adopting appropriate First Aid/Universal infection control precautions at the workplace.

This has been effected by:

- ❖ Educating and training all its staff on HIV and AIDS related issues
- ❖ Mainstreaming HIV and AIDS in all training Programmes and undertaking regular updates to respond to the dynamics of HIV and AIDS.
- ❖ Creating a climate of openness about HIV and AIDS is an effective prevention and care strategy.
- ❖ No employee or job seeker is discriminated against in access to or continued employment, training, promotion and employee benefits on the basis of their actual or perceived HIV status.
- ❖ Disciplinary action, consistent with relevant legislation and regulations, is set to be taken against any employee who discloses a fellow employee's HIV status without consent.

**Persons Living with Disabilities**

People living with disability often times, face adversity due to stigmatization, isolation and neglect by the very society that is supposed to look out for them. In this day and age of knowledge and enlightenment there are stories of children with disabilities locked up and hidden away from view by their parents and guardians.

Nakuru Town East has opened its opportunities to people living with disabilities when advertising job vacancies. The positions are opened for every person in the society regardless of any disabilities.

To ensure that the offices are conducive for people with disability a ramp has been set up for ease getting to the office especially for people with disabilities. The NGCDFC- NTEC has also ensured that the employees are well verse with the sign language by encouraging them to go to the institutions where basic sign language is taught for them to learn.

**Sexual harassment and other forms of harassment**

Harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of that person's race, skin colour, religion, gender, national origin, age, or disability. Harassment in the workplace may or may not have physical evidence.

It has been made clear in the constituencies policies that types of workplace harassment are illegal and not only affect an employee's productivity, comfort, and safety at work, but also put the organization in legal jeopardy. Any harassing conduct including offensive jokes, slurs, epithets or name-calling, physical assaults or threats, intimidation, ridicule or mockery, insults or put-downs, offensive objects or pictures, and interference with work performance may result in prompt and certain disciplinary action, including possible termination.

**4. MARKET PLACE PRACTICES**



## **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

### **NAKURU TOWN EAST CONSTITUENCY**

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NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act

2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

#### **a) Responsible competitive practices**

The NGCDFC-NTEC ensures that all the projects are equally funded proportionate to the needs of the community and the varsity of the projects. All the factors are put into consideration to ensure that the institutions and areas I the constituency with dire need come first. This is also the case with the bursary the students from poor backgrounds are given the first priority. The funds are then sent to the PMCs accounts, once the projects have been approved, with minimal interference from the NGCDFC. The NGCDFC plays the supervisory role, but may come in if the PMC are not conducting the project against the bill of quantity and the approved code list.

#### **b) Responsible supply chains and supplier relations.**

NGCDF-NTEC understand the importance of maintain good relations with the suppliers and to maintain the interdependent relationship, payments are done promptly upon presentation of requisite supporting documents. When there is delayed release of funds from the NGCDFB this is communicated on time to have the suppliers to have them extend a grace period to the office till the funds are received.

#### **c) Responsible marketing and advertisement- outline efforts to maintain ethical marketing practices**

The NGCDFC-NTEC values its relationship with 'Wanjiku' and thus ensure effective communication. When advertising the information is given through print media and road shows where applicable. The road shows are done in line with NEMA guidelines to serve in respect for the laws of all governmental bodies. Tendering activities are done publicly and no form of discrimination is applied to ensure fair treatment for all out interested bidders including the youths, women and people living with disabilities.

#### **d) Product stewardship**

## **5. COMMUNITY ENGAGEMENTS**

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

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects,



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN EAST CONSTITUENCY**

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both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs.

When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

**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.

**Public Awareness and Sensitization Exercise Provide**

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects is transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**NAKURU TOWN EAST CONSTITUENCY**

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**V. STATEMENT OF NG-CDF NAKURU TOWN EAST CONSTITUENCY 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 NG-CDF Nakuru Town East Constituency shall prepare financial statements in respect of that NG-CDF Nakuru Town East Constituency. 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-NAKURU TOWN EAST Constituency is responsible for the preparation and presentation of the NG-CDF Nakuru Town East Constituency's financial statements, which give a true and fair view of the state of affairs of the NG-CDF Nakuru Town East Constituency for and as at the end of the financial year (period) ended on June 30, 2020. 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 NG-CDF Nakuru Town East Constituency; (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 NG-CDF Nakuru Town East Constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-NAKURU TOWN EAST Constituency accepts responsibility for the NG-CDF Nakuru Town East Constituency'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 NG-CDF Nakuru Town East Constituency's financial statements give a true and fair view of the state of NG-CDF Nakuru Town East Constituency's transactions during the financial year ended June 30, 2020, and of the NG-CDF Nakuru Town East Constituency's financial position as at that date. The Accounting Officer charge of the NGCDF-NAKURU TOWN EAST Constituency further confirms the completeness of the accounting records maintained for the NG-CDF Nakuru Town East Constituency, which have been relied upon in the preparation of the NG-CDF Nakuru Town East Constituency's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-NAKURU TOWN EAST Constituency confirms that the NG-CDF Nakuru Town East Constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF Nakuru Town East Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NG-CDF Nakuru Town East 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-NAKURU TOWN EAST Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_26/03\_\_\_\_\_ 2021.

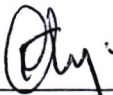


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN EAST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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Fund Account Manager  
Name: EDWARD RATEMO

  
Sub-County Accountant  
Name: FRACIAH N. GITHUA  
ICPAK Member Number: 19541



# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NAKURU TOWN EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Nakuru Town East Constituency set out on pages 26 to 55, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined 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 - Nakuru Town East Constituency as at 30 June, 2020, 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 National Government Constituency Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1.0 Inaccuracies in the Financial Statements

The financial statements prepared and presented for audit had the following inaccuracies:

- 1.1 The statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects transfers from the CDF board budget utilization difference of Kshs.100,753,724 while a recast revealed an amount of Kshs.101,407,044 resulting to an unreconciled and an explained variance of Kshs.653,320;



1.2 Note 14 to the financial statements reflects outstanding imprest of Kshs.1,690,000 for the year under review and a comparative balance of Kshs 2,000,000. However, these balances are not reflected in the statement of assets and liabilities.

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.

## 2.0 Variance Between the Financial Statements and Supporting Schedules

A review of the statement of receipts and payments for the year ended 30 June, 2020 revealed various expenditure items were at variance with the supporting schedules/ledgers provided for audit amounting to Kshs.6,152,283 as detailed below.;

Component	Note	Financial Statements Kshs.	Schedules Figures Kshs.	Variance Kshs.
Compensation of Employees	3	2,946,300	2,972,800	(26,500)
Committee Allowances	4	3,213,000	3,797,000	(584,000)
Utilities, Supplies and Services	4	151,730	0	151,730
Communication, Supplies and Services	4	701,630	684,150	17,480
Domestic Travel	4	287,600	257,600	30,000
Printing, Advertising and Information Supplies and Services	4	1,162,796	1,121,246	41,550
Training Expenses	4	465,000	0	465,000
Hospitality Supplies and Services	4	259,229	240,249	18,980
Office and General Supplies and Services	4	786,885	723,225	63,660
Other Operating Expenses	4	1,499,430	1,492,430	7,000
Bursary to Secondary Schools and Tertiary Institutions	6	21,082,496	15,115,112	5,967,384
<b>Total</b>		<b>32,556,096</b>	<b>26,403,812</b>	<b>6,152,283</b>

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.

## 3.0 Use of Goods and Services

The statement of receipts and payments for the year ended 30 June, 2020 reflects use of goods and services expenditure of Kshs.9,782,900 and as disclosed under Note 5 to the financial statements. A review of the expenditure related records revealed the following unsatisfactory matters;



### **3.1 Unsupported Expenditure**

Included in the use of goods and services amount are utilities, supplies and services expenses of Kshs.151,730 and committee expenses of Kshs.1,255,600 which includes Kshs.660,000 totaling to Kshs.811,730 that were not supported with expenditure records including payment schedules, vouchers and related supporting documents.

Under the circumstances, the accuracy and completeness of expenses totaling Kshs.811,730 included under use of goods and services could not be confirmed.

### **3.2 Unsupported Other Operating Expenses**

Included under use of goods and services expenditure of Kshs.9,782,900 is other operating expenses amount of Kshs.1,499,430 out of which Kshs.300,000 is described as bank charges but which could not be traced in the bank statements. Further, the nature of these charges was not explained, Payment vouchers and detailed schedules were also not provided for audit review.

Under the circumstances, the accuracy and completeness of other operating expenses of Kshs.1,499,430 for the year ended 30 June, 2020 could not be confirmed.

### **4.0 Unsupported Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other government units of Kshs.53,300,000 as disclosed under Note 5 to the financial statements. Included in the expenditure is Kshs.15,850,000 in respect to transfers to secondary schools. However, transfers amounting to Kshs.10,400,000 to seven (7) secondary schools was not supported with project files and project management committee bank statements.

Under the circumstances, the validity, accuracy and completeness of transfers to secondary schools of Kshs.10,400,000 for the year ended 30 June, 2020 could not be confirmed.

### **5.0 Other Grants and Transfers**

The statement of receipts and payments for the year ended 30 June, 2020, reflects other grants and transfers of Kshs.34,071,885 as disclosed under Note 6 to the financial statements. A review of the expenditure records revealed the following unsatisfactory matters;

#### **5.1 Unsupported Grants on Sports and Environment Projects**

Included in other grants and transfers amount of Kshs.34,071,885 are sports and environment projects expenditure of Kshs.2,659,389 and Kshs.500,000 respectively.



However, the expenditure was not accounted for by way of delivery notes and acknowledgements of receipt of the sports items and environmental related supplies by the recipients.

Under the circumstance, the validity, accuracy and completeness of sports projects expenditure of Kshs.2,659,389 and environment projects expenditure of Kshs.500,000 for the year ended 30 June, 2020 could not be confirmed.

## **5.2 Unsupported Covid-19 Expenses**

Other grants and transfers expenditure of Kshs. 34,071,885 includes payments in respect to emergency projects of Kshs.8,830,000 out of which Kshs.2,400,000 was spent on COVID-19 related expenses. However, the expenditure was not supported with procurement records, stores records and records to show their distribution and usage.

Under the circumstance, the validity, accuracy and completeness of COVID-19 related expenses of Kshs.2,400,000 for the year ended 30 June, 2020 could not be confirmed.

## **6.0 Inaccuracy of Cash and Cash Equivalents**

As disclosed under Note 10A to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.224,147. A review of the bank reconciliation statement for the month of June, 2020 revealed that the statement reflects unpresented cheques totaling to Kshs.4,554,623 out of which cheques worth Kshs.1,243,038 were stale with some dating far back to the year 2014 and which had not been reversed in the cashbook.

Further, the unpresented cheques also include employee pay as you earn (PAYE) deductions totalling Kshs.370,495 some dating back to the year 2014 that has remained unremitted to Kenya Revenue Authority. No explanation was provided for failure to replace these cheques.

In addition, the statement reflects payments in the bank statement not recorded in the cash book totalling Kshs.90,916 with some dating back to the year 2016. No explanation was provided by Management for the failure make these adjustments in the cashbook.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.224,147 as at 30 June, 2020 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund- Nakuru Town East 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. Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget Kshs.201,135,956 and actual receipts on comparable basis of Kshs. 99,728,912 resulting to an under-funding of Kshs.101,407,044 or 50% of the budget. Similarly, the Fund expended Kshs.100,101,085 against an approved budget of Kshs.201,135,956 resulting to an under-expenditure of Kshs.101,034,871 or 50% of the budget. The underfunding affected the planned activities and may have impacted negatively on service delivery for the constituents of Nakuru Town East Constituency.

### **2. Projects Implementation**

#### **2.1. Delay in Project Implementation**

The project implementation status report for the year ended 30 June, 2020 indicates that thirty-nine (39) projects of the projects budgeted for implementation with funding allocation of Kshs.49,749,00, were at various implementation status out of which three (3) with a funding allocation of Kshs. 6,600,000 were not started and thirty six (36) with allocated funding of Kshs. 43,149,000 were ongoing. The Fund management attributed the delay in completing the projects to slow tendering processes and delayed disbursements from the NGCDF- Board.

Delay in project implementation denies the residents of the Nakuru Town East Constituency the intended benefits.

#### **2.2. Project Verification**

Twenty (20) projects with a funding allocation of Kshs.34,450,000 were sampled for verification during the month of February 2021 and the status of the specific projects is outlined in **Appendix 1**. No satisfactory explanation has been rendered for the anomalies noted and delays in completing the projects.



Under the circumstances, the delivery of services to the Constituents is affected and the Constituents are not receiving the intended benefits from the projects.

## 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 Errors in Presentation of Financial Statements

The financial statements prepared and presented for audit for the year ended 30 June, 2020 contained various omissions and errors in their presentation as highlighted below;

- 1.1 Pages 28 and 64 are blank;
- 1.2 Forward report by the chairman NGCDF committee on page 11 is not signed;
- 1.3 Note referenced in the statement of receipts and payments and the statement of assets and liabilities do not match the actual notes.
- 1.4 Progress on follow-up of auditor recommendations indicates that issues have been resolved on management letter, but the 2018/2019 audit report has not been discussed by the parliament.
- 1.5 The statement of appropriation: recurrent and development combined reflects other grants and transfers final budget of Kshs.65,021,432, other grants and transfers actual amount of Kshs.34,071,885, transfers from NGCDF board budget adjustments of Kshs.63,711,232 and nil budgeted amounts for other payments. While the footnotes for the statement reflect Kshs. 64,676,931, Kshs.35,071,885 Kshs.32,268,232 and Kshs.8,650,000 respectively resulting to unreconciled variances.

Consequently, the annual report as prepared and presented does not comply with the requirements of International Financial Reporting Standards and as prescribed by the Public Sector Accounting Standards Board.

## **2.0 Unutilized Project Management Committee Bank Balances**

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.6,153,649 as at 30 June, 2020 out of which funds totaling Kshs.1,168,778 in respect to nine (9) projects were lying idle since the respective projects were complete. The unutilized funds have not been transferred to the Nakuru East Constituency CDF account. This is contrary to section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.

In the circumstances, the Fund Management is in breach of the law.

## **3.0 Irregular Procurement of Goods and Services**

The statement of receipts and payments for the year ended 30 June, 2020 reflects use of goods and services balance of Kshs.9,782,900 as disclosed under Note 5 to the financial statements. The amount includes payments amounting to Kshs.5,268,700 relating to for various components out of which Kshs.435,790 were procured through cash. This is contrary to Section 107(b) of the Public Procurement and Asset Disposal Act, 2015 which states that the estimated value of the goods, works or non-consultancy services being procured are less than or equal to the maximum value per financial year for that low-value procurement procedure as may be prescribed. The Second Schedule sets the maximum level of expenditure at Kshs.30,000 for this method of procurement. In addition, the supporting cash sales receipts lacked ETR receipts and approval from the procuring officer.

To this extent, the Fund was in breach of the law.

## **4.0 Unsupported Communication, Supplies and Services Expenses**

Included under use of goods and services is Kshs.701,630 on communication, supplies and services out of which Kshs.291,810 was expenditure on purchase of airtime to members of staff. However, the authority and criteria of allocation of the airtime allowance and the distribution list /acknowledgements by the recipients was not provided for audit verification.

In the circumstances, it was not possible to confirm the regularity of the expenditure of Kshs.291,810 on airtime expenditure.

## **5.0 Irregular Committee Allowances**

Included in the use of goods and services expenses is committee expenses of Kshs.3,213,000. A review of records associated with the expenditure revealed that the committee held thirty-eight (38) meetings contrary to National Government Constituencies Development Act, 2015 Section 43(11) which states that Constituency



Committee shall hold at least six times and not more than twenty-four (24) meetings in a year. This resulted to irregular expenditure of Kshs.1,875,000 on the extra sittings. In addition, a payment of Kshs.469,000 was made to non-committee members.

Under the circumstances, the propriety of the expenditure on committee allowances could not be confirmed.

## 6.0 Irregular Bursary Payments

The statement of receipts and payments for the year ended 30 June, 2020, reflects other grants and transfers of Kshs.34,071,885 as disclosed under Note 6 to the financial statements. Included in this balance are bursaries to secondary schools amounting to Kshs.15,544,406 and tertiary institutions of Kshs.5,538,090 both totaling to Kshs.21,082,496. However, one-hundred and forty-eight (148) beneficiaries who received Kshs.2,073,725 did not have admission numbers. Further, three-hundred seventy-three (373) beneficiaries received multiple bursaries totaling to Kshs.3,523,993. In addition, twelve (12) beneficiaries from same institution shared registration numbers and were issued with an amount of Kshs.193,516.

Under circumstance, the validity, regularity and completeness of bursary payments of Kshs.4,791,234 to beneficiaries with incomplete details could not be confirmed.

## 7.0 Irregular Use of Emergency Funds

The statement of receipts and payments for the year ended 30 June, 2020 reflects other grants and transfers amount of Kshs.34,071,885 as disclosed under Note 6 to the financial statements. Included in this amount is Kshs.8,830,000 incurred on emergency projects out of which Kshs.4,330,000 was spent on nine (9) projects which did not meet the set criteria for emergency projects as detailed below;

No	Project Beneficiary and Details	Allocation Amount Kshs.	Observation
1	Ndimu primary school - Repair of Classrooms	400,000	The Project is not of emergency nature
2	Rhino Primary School - Completion of Classrooms	400,000	The Project is not of emergency nature
3	Mirugi Kariuki primary school - Plastering and renovation of classrooms	400,000	The Project is not of emergency nature
4	Nairobi Road primary school - Fixing windowpanes for 13 classrooms	400,000	The Project is not of emergency nature
5	Madaraka primary school - Rehabilitation of	400,000	The Project is not of emergency nature

*Report on National Government Constituencies Development Fund – Nakuru Town East Constituency for the year ended 30 June, 2020*

No	Project Beneficiary and Details	Allocation Amount Kshs.	Observation
	classrooms and fixing windowpanes		
6	Nakuru Central Secondary School – one classroom	1,000,000	The funds allocated for emergency were utilized but the project was not of emergency in nature and undertaken without approvals from the board. The project file was not provided to confirm procurement process and payment details. The project was not labelled contrary to National Government Constituencies Development Regulations, 2016 Section 11 (1)(cc) which requires the constituency committee to ensure all projects are labelled.
7	Saham assurance Company Kenya Limited - Purchase of Insurance cover for St. Xaviers Primary	250,000	The Project is not of emergency nature
8	St. Xaviers primary school - Construction of a parking shade/garage for the bus	300,000	The Project is not of emergency nature
9	Accounts office - Renovation of ACC's offices	780,000	The funds allocated for emergency were utilized but the project was not of emergency in nature and undertaken without approvals from the board. The project file was not provided to confirm procurement process and payment details.
	<b>Total</b>	<b>4,330,000</b>	

This is contrary to Section 8(3) of National Government Constituencies Development Fund Act, 2015 which states that "Emergency" shall be construed to mean an' urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.



To this extent, the Fund Management is in breach of the law.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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



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

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

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

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

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

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



Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 February, 2022



## APPENDIX 1

No.	Project Beneficiary and Details	Allocation Kshs.	Observation
1	Primary Schools desks and lockers project.	8,800,000	The funds were for purchase of lockers and chairs. However, only Kshs.5,100,000 was acknowledged as received by the schools resulting to Kshs.3,700,000 not acknowledged. In addition, details of how the desks and lockers were procured, received, inspected and paid were not availed for audit.
2	Racetrack Primary School - Construction of 2 storeyed classrooms to completion	1,600,000	The project is incomplete with pending works of plastering, window and door panes, flooring, and painting.
3	Mirugi Kariuki Primary School - Construction of 1 classroom to completion	800,000	The project is complete and in use but not branded/labelled
4	Lionhill Primary School - Construction of 1 classroom to completion	800,000	The project received funding on 7 May 2020. At the time of physical verification, the allocation had been exhausted and the project was incomplete with pending works of wiring, painting, fitting windowpanes and branding/labeling.
5	Mburu Gichua Primary School - Construction of 1 classroom to completion	800,000	The project is complete and in use but not branded/labelled
6	Lakeview Primary School - Construction of 1 classroom to completion	800,000	The project is complete and in use but not branded/labelled
7	Kimathi Primary School - Renovation of 5 classrooms (flooring@400,000.00, windowpanes@150,000, painting @250,000.00)	800,000	Physical verification revealed complete renovations works and classrooms were in use
8	Lenana Primary School - Construction of 6 door ablution block to completion	1,200,000	The project is complete but not in use awaiting water connection. The project was also not branded/labelled
9	Ngala Special Primary School - Construction of 2 classrooms	1,200,000	The project received funding on 29 May, 2020. Physical verification revealed that only 1 classroom was complete and in use. The other remained unattended.

No.	Project Beneficiary and Details	Allocation Kshs.	Observation
10	Nairobi Road Primary School - Completion of Kitchen and staff hall, cold-room, changing room, working area and dry store	800,000	The project is complete and in use but not branded/labelled
11	Naka Primary School - Construction of 2 classrooms to completion	1,600,000	The project has not started off and Fund management attributed this to unresolved land dispute in the school. The PMC bank statements were not provided for audit to verify the receipt and utilization of the funds and therefore, we could not confirm the authenticity of the transfer
12	Rhino Primary School - Construction of 1 classroom to completion	800,000	The entire allocation had been exhausted and physical verification revealed that classroom is incomplete but in use. Pending works includes fixing windowpanes, wiring, painting and branding.
13	Maria Veronica - Construction of one classroom @ 1,000,000.00 and purchasing of 40 pieces of desks and lockers @5000	4,200,000	Physical verification revealed that the school received Kshs.1,200,000 resulting under receipt of Kshs.3,000,000. Also, Kshs.1,000,000 allocated for construction of one (1) classroom was diverted to completion of staff quarters without the approval of the board. The delivered desks and lockers were in use but not branded
14	Kimathi Secondary School - Construction of twin laboratory two classrooms	2,000,000	The project is complete and in use but not branded/labelled.
15	Kivumbini Secondary School - Construction of Multipurpose Complex and 2 classrooms	2,000,000	The project is incomplete with pending works of painting and tiling. Labour based contracting was used without evidence of quotation being sent to prequalified contractors, evaluations and award.
16	Nakuru East Mixed Secondary School - Renovation of 9 classrooms	2,000,000	The project is complete and in use but not branded/labelled
17	Kimathi Secondary School - Construction of 1 laboratory to completion.	1,450,000	The project was verified to be ongoing but pending works included painting, plumbing, electrical work, flooring and equipping the laboratory.
18	Muguga Chief's Office - Construction of a perimeter wall	1,000,000	The project is incomplete with pending works in construction and fixing of the gate, front grill and plastering. The project file and PMC bank statements were not availed for audit, we could




No.	Project Beneficiary and Details	Allocation Kshs.	Observation
			therefore not verify the procurement process used identifying, evaluating and awarding of the construction works.
19	Free area Chief's ground - Construction of 15 door toilet and one toilet for persons with disability	1,400,000	The project is complete but not in use and not labelled. Also, project file and PMC bank statements were not provided to confirm the procurement process and payment details.
20	CDF office - Repair and renovation of septic tank	400,000	There was no evidence of any works in the septic tank. Also, the project file was not provided to confirm procurement process and payment details.
	<b>Total</b>	<b>34,450,000</b>	

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**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	99,671,912	67,748,274
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	57,000	-
<b>TOTAL RECEIPTS</b>		<b>99,728,911</b>	<b>67,748,274</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,946,300	2,111,050
Use of goods and services	5	9,782,900	7,578,338
Transfers to Other Government Units	6	53,300,000	17,046,000
Other grants and transfers	7	34,071,885	44,006,512
Acquisition of Assets	8	-	-
Other Payments	9	-	<u>2,900,000</u>
<b>TOTAL PAYMENTS</b>		<b>100,101,085</b>	<b>73,641,900</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(372,174)</u></b>	<b><u>(5,893,626)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAKURU TOWN EAST Constituency financial statements were approved on 26/03 2021 and signed by:



Fund Account Manager  
Name: EDWARD RATEMO



National Sub-County Accountant  
Name: FRACIAH N. GITHUA  
ICPAK Member Number: 19541

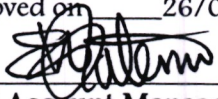


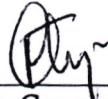
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**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	224,147	596,320
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>224,147</b>	<b>596,320</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>224,147</b>	<b>596,320</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable		-	-
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>224,147</u></b>	<b><u>596,320</u></b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	<b>13</b>	596,320	6,489,946
Prior year adjustments	14	-	-
Surplus/Deficit for the year		<b><u>(372,174)</u></b>	(5,893,625)
<b>NET FINANCIAL POSITION</b>		<b><u>224,147</u></b>	<b><u>596,320</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAKURU TOWN EAST Constituency financial statements were approved on 26/03 2021 and signed by:

  
Fund Account Manager  
Name: EDWARD W. RATEMO

  
National Sub-County Accountant  
Name: FRACIAH N. GITHUA  
ICPAK Member Number: 19541

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
***NAKURU TOWN EAST CONSTITUENCY***  
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**IX. STATEMENT OF CASHFLOW**

		2019 – 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	99,671,912	67,748,274
Other Receipts	3	57,000	-
<b>Total receipts</b>		<b>99,728,912</b>	<b>67,748,274</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,946,300	2,111,050
Use of goods and services	5	9,782,900	7,578,338
Transfers to Other Government Units	6	53,300,000	17,046,000
Other grants and transfers	7	34,071,885	44,006,512
Other Payments	9		2,900,000
<b>Total payments</b>		<b>100,101,085</b>	<b>73,641,900</b>
<b>Total Receipts Less Total Payments</b>		<b>(372,174)</b>	<b>(5,893,626)</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>(372,174)</b>	<b>(5,893,626)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(372,174)</b>	<b>(5,893,626)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>596,320</b>	<b>6,489,946</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>224,147</u></b>	<b><u>596,320</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAKURU TOWN EAST Constituency financial statements were approved on 26/03 2021 and signed by:

  
Fund Account Manager  
Name: EDWARD W. RATEMO

  
National Sub-County Accountant  
Name: FRACIAH GITHUA  
ICPAK Member Number: 19541



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	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 %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	137,367,724	63,711,232	201,078,956	99,671,912	100,753,724	50%
Proceeds from Sale of Assets				-	-	
Other Receipts		57,000	57,000	57,000	-	
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>63,768,232</b>	<b>201,135,956</b>	<b>99,728,912</b>	<b>100,753,724</b>	<b>50%</b>
<b>PAYMENTS</b>						
Compensation of Employees	4,069,203	-	4,069,203	2,946,300	1,122,903	72%
Use of goods and services	7,643,502	2,653,320	10,296,822	9,782,900	513,922	95%
Transfers to Other Government Units	54,150,000	20,300,000	74,450,000	53,300,000	21,150,000	68%
Other grants and transfers	55,706,521	9,314,912	65,021,432	34,071,885	30,949,547	54%
Acquisition of Assets	5,500,000	-	5,500,000	-	5,500,000	0%
Other Payments						0%
	10,298,499	31,500,000	41,798,499	-	41,798,499	
<b>TOTALS</b>	<b>137,367,724</b>	<b>63,768,232</b>	<b>201,135,956</b>	<b>100,101,085</b>	<b>101,034,871</b>	<b>50%</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

The ksh 57,000 collected from sell of tenders was there after geared to the CDF account; therefore it never formed part on AIA.

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Compensation of employees: 72.40% part of compensation of employee's amount to gratuity granted to employees; given that they were not paid during this financial year the difference resulted to the unutilized amount in the table above.
- ii. Transfer to other government units : 68.37% due to the COVID 19 pandemic amount set aside by the national government for schools and other institutions was slashed down ward , so the underutilization was as a result of under financing from the national government.
- iii. Other grants and transfers: 543% the percentage for unutilized funds resulted from under financing from the national government. The budget set aside for the grants and other transfers was ksh 55,305,019 with an additional ksh 9,371,912 to



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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- give a total of kshs 64,676,931 but due under financing the CDF was under financing resulting to spending of ksh 35,071,885. Meaning amount remitted to the CDF account for the same was below what was budgeted for.
- iv. Acquisition of assets: the budget for purchase of assets was kshs 5,500,000 but given that they never financed it during the year 2019/2020 then the percentage of 0% underutilization was as a result of it.
  - v. Other payments had been budgeted for kshs 8,650,000 for the financial year 2019/2020 but due to other reasons the amount was not remitted to the CDF kit account to support such expenses resulting to the 0% underutilization.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.93.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The difference was obtained by the adjustment of Kshs. 32,268,232 which was as a result of funds from the previous financial year 2018/19 funding that had not been remitted then until in the financial year 2019/2020 amounting to Kshs. 31671911.50. to add to the amount is Kshs. 596,3200 being the cash book balances as per the closure of the financial year 2018/19. The summation of the two figures results to the changes that is reflected between the original budget and the final budget.

The NGCDF-NAKURU TOWN EAST Constituency financial statements were approved on 26/03 2021 and signed by:



Fund Account Manager  
Name: EDWARD W. RATEIMO



Sub-County Accountant  
Name: FRACIA N. GITHUA  
ICPAK Member Number: 19541

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**  
**Reports and Financial Statements**  
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**I. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	4,069,203	-	4,069,203	2,946,300	1,122,903
1.2 Committee allowances	1,368,000	600,000	1,968,000	1,818,600	149,400
1.3 Use of goods and services	2,375,502	1,000,000	3,375,502	3,354,300	21,202
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,400,000	53,320	1,453,320	1,430,000	23,320
2.2 Committee allowances	1,500,000	500,000	2,000,000	1,680,000	320,000
2.3 Use of goods and services	1,000,000	500,000	1,500,000	1,500,000	-
<b>3.0 Emergency</b>					
<b>3.1 Primary Schools</b>	1,500,000	1,354,409	2,854,409		4,409
RHINO PRIMARY SCHOOL				400,000	-
NDIMU PRIMARY SCHOOL				400,000	-
MIRUGI KARIUKI PRIMARY SCHOOL				400,000	-
NAIROBI ROAD PRIMARY SCHOOL				400,000	-
MADARAKA PRIMARY SCHOOL				400,000	-
KISILISULI PRIMARY SCHOOL				300,000	-
ST. XAVIERS PRIMARY SCHOOL				550,000	-
<b>3.2 Secondary schools</b>	-	-	-	-	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	2,800,000	1,273,466	4,073,466	1,000,000	893,466
Rhino Police Station				1,000,000	
ACC's Office				780,000	
Freeara Chief's Office				1,400,000	
3.5 Others	2,898,241		2,898,241		98,241
CORONA VIRUS PANDEMIC				2,400,000	
CDF OFFICE				400,000	
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	30,001,503	4,000,000	34,001,503	15,499,406	18,502,097
4.3 Tertiary Institutions	11,400,000	-	11,400,000	3,321,390	8,078,610
4.4 Universities	-	2,631,036	2,631,036	2,261,700	369,336
4.5 Social Security	-	-	-	-	-
5.0 Sports					
5.1 sports	2,603,389	56,000	2,659,389	2,659,389	-
5.2	--	-	-	-	-
5.3	-	-	-	-	-
6.0 Environment					
6.1 Lanet primary school	500,677	-	500,677	-	500,677
6.2 Bondeni Primary School	500,678	-	500,678	500,000	678
6.3 Nakuru Primary School	500,678	-	500,678	-	500,678

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.4 Kenyatta Primary School	500,678	-	500,678	-	500,678
6.5 Largalanga Primary School	500,678	-	500,678	-	500,678
7.0 Primary Schools Projects (List all the Projects)	-	-	-	-	-
7.1 PRIMARY SCHS DESKS AND LOCKERS		8,900,000	8,900,000	8,800,000	100,000
7.2 ST. JOSEPH'S PRIMARY SCHOOL	1,000,000	-	1,000,000	800,000	200,000
7.3 MADARAKA PRIMARY SCHOOL	800,000	-	800,000	800,000	-
7.4 MIRUGI KARIUKI PRIMARY SCHOOL	800,000	-	800,000	800,000	-
7.5 BONDENI PRIMARY SCHOOL	800,000	-	800,000	800,000	-
7.6 BAHARINI PRIMARY SCHOOL	800,000	-	800,000	800,000	-



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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.7	800,000	-	800,000	800,000	-
LIONHILL PRIMARY SCHOOL					
7.8	800,000	-	800,000	800,000	-
CRATER PRIMARY SCHOOL					
7.9	800,000	-	800,000	800,000	-
MENENGAI PRIMARY SCHOOL					
7.1	650,000	-	650,000	650,000	-
LANGALANGA PRIMARY SCHOOL					
7.11	800,000	-	800,000	800,000	-
ST. THERESA'S PRIMARY SCHOOL					
7.12	800,000	-	800,000	800,000	-
KARIBA ROAD PRIMARY SCHOOL					
7.13	800,000	-	800,000	800,000	-
NAKURU TEACHERS PRIMARY SCHOOL					

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7.14	800,000	-	800,000	800,000	-
MBURU GICHUA PRIMARY SCHOOL					
7.15	800,000	-	800,000	800,000	-
LAKEVIEW PRIMARY SCHOOL					
7.16	800,000	-	800,000	800,000	-
KIMATHI PRIMARY SCHOOL					
7.17	800,000	-	800,000	800,000	-
NAKURU PRIMARY SCHOOL					
7.18	800,000	-	800,000	800,000	-
UMOJA PRIMARY SCHOOL					
7.19	800,000	-	800,000	800,000	-
FLAMINGO PRIMARY SCHOOL					
7.2	800,000	-	800,000	800,000	-
ST. MARY'S PRIMARY SCHOOL					
7.21	800,000	-	800,000	800,000	-
KENYATTA PRIMARY SCHOOL					
7.22	800,000	-	800,000	800,000	-
KISULISULI PRIMARY SCHOOL					



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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**For the year ended June 30, 2020**

7.23	800,000	-	800,000	800,000	-
ST.PAUL'S PRIMARY SCHOOL					
7.24	800,000	-	800,000	800,000	-
KALOLENI PRIMARY SCHOOL					
7.25	800,000	-	800,000	800,000	-
HARAMBEE PRIMARY SCHOOL					
7.26	1,200,000	-	1,200,000	1,200,000	-
LENANA PRIMARY SCHOOL					
7.27	800,000	-	800,000	800,000	-
ST. JOHN'S PRIMARY SCHOOL					
7.28	800,000	-	800,000	800,000	-
JAMHURI PRIMARY SCHOOL					
7.29	800,000	-	800,000	800,000	-
PANGANI PRIMARY SCHOOL					
7.3	1,200,000	-	1,200,000	1,200,000	-
NGALA SPECIAL PRIMARY SCHOOL					
7.31	800,000	-	800,000	800,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**  
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NAIROBI ROAD PRIMARY SCHOOL									
7.32	1,600,000	-	1,600,000	1,600,000	-				
NAKA PRIMARY SCHOOL									
7.33	1,600,000	-	1,600,000	1,600,000	-				
RACETRACK PRIMARY SCHOOL									
7.34	800,000	-	800,000	800,000	-				
RHINO RIMARY SCHOOL									
7.35 HYRAX PRIMARY SCHOOL	400,000	-	400,000	-	-				400,000
7.36 ABERDARE PRIMARY SCHOOL	800,000	-	800,000	-	-				800,000
7.37 ST. XAVIERS PRIMARY SCHOOL	800,000	-	800,000	-	-				800,000
7.38 LANET PRIMARY SCHOOL	800,000	-	800,000	-	-				800,000
7.39 NDIMU PRIMARY SCHOOL	800,000	-	800,000	-	-				800,000
7.40 FREEHOLD PRIMARY SCHOOL	800,000	-	800,000	-	-				800,000
7.41 NAKURU EAST PRIMARY	800,000	-	800,000	-	-				800,000
7.42 PANGANI SPECIAL PRIMARY SCHOOL	1,000,000	-	1,000,000	-	-				1,000,000
8.0 Secondary Schools Projects (List all the Projects)									
8.1	1,200,000	700,000	1,900,000	700,000	700,000				1,200,000
HILLCREST SECONDARY SCHOOL									



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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8.2	1,200,000	500,000	1,700,000	500,000	1,200,000
RHINO SECONDARY SCHOOL					1,200,000
8.3	-	1,000,000	1,000,000	1,000,000	-
NATEWA SECONDARY SCHOOL					
8.4	1,450,000	2,000,000	3,450,000	3,450,000	-
KIMATHI SECONDARY SCHOOL					
8.5	200,000	4,200,000	4,400,000	4,200,000	200,000
MARIA VERONICA					
8.6	200,000	2,000,000	2,200,000	2,000,000	200,000
KIVUMBINI SECONDARY SCHOOL					
8.8	3,000,000	-	3,000,000	3,000,000	-
NAKURU EAST MIXED SECONDARY SCHOOL					
8.9 MENENGAI HIGH SCHOOL	1,200,000	-	1,200,000	-	1,200,000
8.10 NAKURU DAY SECONDARY	800,000	-	800,000	-	800,000
8.11 FLAMINGO SECONDARY SCHOOL	1,200,000	-	1,200,000	-	1,200,000
8.12 LANGALANGA HIGH SCHOOL	1,200,000	-	1,200,000	-	1,200,000
8.13 UPPERHILL SECONDARY	1,200,000	-	1,200,000	-	1,200,000
8.14 NAKURU CENTRAL SEC	1,200,000	1,000,000	2,200,000	1,000,000	1,200,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**

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8.15 ST MARYS SECONDARY	1,200,000	-	1,200,000	-	1,200,000	-	1,200,000
8.16 NAIROBI ROAD	1,200,000	-	1,200,000	-	1,200,000	-	1,200,000
8.16 NGALA SECONDARY	1,450,000	-	1,450,000	-	1,450,000	-	1,450,000
8.17 AFHARA HIGH SCHOOL	1,200,000	-	1,200,000	-	1,200,000	-	1,200,000
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>							
9.1	-	-	-	-	-	-	-
9.2	-	-	-	-	-	-	-
9.3	-	-	-	-	-	-	-
9.4	-	-	-	-	-	-	-
<b>10.0 Security Projects</b>							
10.1 mugunga chiefs office	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-
10.2nakuru central police station	1,000,000	-	1,000,000	-	1,000,000	-	1,000,000
10.3							
<b>11.0 Acquisition of assets</b>							
11.1 Motor Vehicles (including motorbikes)	5,500,000	-	5,500,000	-	5,500,000	-	5,500,000
11.2 Construction of CDF office	-	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-	-
<b>12.0 Others</b>							
12.1 Strategic Plan	-	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-	-
Unapproved Funds/Projects	10,298,499	31,500,000	41,798,499	41,798,499	41,798,499		41,798,499
<b>GRAND TOTAL</b>	<b>197,967,724</b>	<b>63,768,292</b>	<b>201,135,956</b>	<b>100,101,085</b>	<b>101,034,871</b>		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN EAST CONSTITUENCY**  
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(NB: This statement is a disclosure statement indicating the utilisation in the same format at the NG-CDF Nakuru Town East Constituency's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

## **II. 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 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 NG-CDF Nakuru Town East Constituency**

The financial statements are for the NGCDF-Nakuru Town East Constituency. The financial statements encompass the reporting NG-CDF Nakuru Town East Constituency 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 NG-CDF Nakuru Town East Constituency for all the years presented.

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

The NG-CDF Nakuru Town East Constituency recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the NG-CDF Nakuru Town East Constituency.

##### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to NG-CDF Nakuru Town East Constituency)

##### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving NG-CDF Nakuru Town East Constituency.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
NAKURU TOWN EAST CONSTITUENCY  
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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient NG-CDF Nakuru Town East Constituency or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

The NG-CDF Nakuru Town East Constituency recognises all payments when the event occurs and the related cash has actually been paid out by the NG-CDF Nakuru Town East Constituency.

**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 public NG-CDF Nakuru Town East Constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
NAKURU TOWN EAST CONSTITUENCY  
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**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the NG-CDF Nakuru Town East 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 NG-CDF Nakuru Town East 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 the Central Bank of Kenya and 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 and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. 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 recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NG-CDF Nakuru Town East Constituency at the end of the 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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
NAKURU TOWN EAST CONSTITUENCY**

**Reports and Financial Statements**

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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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 2020.

**14. Errors**

Material prior period errors shall be 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**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**III. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
	B005329		5,000,000
	B005387		2,048,274
	B030324		6,700,000
	B030286		10,000,000
	B005430		15,000,000
	B006478		6,000,000
	A724491		11,000,000
	B042957		12,000,000
AIE NO	B041060	29,040,876	
AIE NO	B047165	2,631,036	
AIE NO	B041252	4,000,000	
AIE NO	B047990	6,000,000	
AIE NO	B041098	15,000,000	
AIE NO	B047628	20,000,000	
	B104431	23,000,000	
<b>TOTAL</b>		<b>99,671,912</b>	<b>67,748,274</b>

**1. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**2. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	57,000	0
Other Receipts Not Classified Elsewhere	0	0
	-	-
<b>Total</b>	<b>57,000</b>	<b>0</b>

**3. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,772,778	1,776,250
Personal allowances paid as part of salary (HOUSE ALLOWANCE)	168,522	-
Pension and other social security contributions (Gratuity PAID)	948,600	334,800
Employer Contributions Compulsory national social security schemes	2,400	-
CONTRIBUTION TO NHIF	54,000	-
<b>Total</b>	<b>2,946,300</b>	<b>2,111,050</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**4. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	1,255,600	-
Utilities, supplies and services	151,730	540,239
Communication, supplies and services	701,630	252,000
Domestic travel and subsistence	287,600	-
Printing, advertising and information supplies & services	1,162,796	-
Rentals of produced assets	-	-
Training expenses	465,000	1,161,000
Hospitality supplies and services	259,229	-
Insurance costs	-	-
Specialized materials and services	-	-
Other committee expenses	-	2,770,260
Committee allowance	3,213,000	2,503,000
Office and general supplies and services	786,885	100,000
Other operating expenses	1,499,430	-
Routine maintenance – vehicles and other transport equipment		-
Routine maintenance – other assets		251,839
<b>Total</b>	<b>9,782,900</b>	<b>7,578,338</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	37,450,000	9,246,000
Transfers to secondary schools (see attached list)	15,850,000	7,800,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
<b>TOTAL</b>	<b>53,300,000</b>	<b>17,046,000</b>

**6. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,544,406	19,357,012
Bursary – tertiary institutions (see attached list)	5,538,090	14,075,000
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	1,000,000	3,100,000
Sports projects (see attached list)	2,659,389	1,825,000
Environment projects (see attached list)	500,000	1,902,000
Emergency projects (see attached list)	8,830,000	3,747,500
<b>Total</b>	<b>34,071,885</b>	<b>44,006,512</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**7. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**8. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	2,200,000
Construction of NGCDF office	0	700,000
	<b>0</b>	<b>2,900,000</b>



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

**9. Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
family bank acc no 0180000049926	224,147	596,320
<b>Total</b>	<b>224,147</b>	<b>596,320</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

**10. OUTSTANDING IMPRESTS**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
	0	0	0	0
	0	0	0	0
<b>Total</b>				<b>0</b>

**11. A. RETENTION**

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**12. B. GRATUITY DEPOSITS**

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	0	948,600
Add as appropriate		
<b>Total</b>	<b>0</b>	<b>948,600</b>

**12. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	596,320	6,489,946
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>596,320</b>	<b>6,489,946</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**13. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
	-	-	-

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

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	1,690,000	2,000,000
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**16. OTHER IMPORTANT DISCLOSURES**

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

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

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

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others (specify)	0	0
	0	0

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

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,122,903	1,859,096
Use of goods and services	513,922	1,372,824
Amounts due to other Government entities (see attached list)	21,150,000	21,300,000
Amounts due to other grants and other transfers (see attached list)	30,949,547	5,105,276
Acquisition of assets	5,500,000	-
Others payments	-	-
Un approved projects	41,798,499	34,131,036
<b>TOTALS</b>	<b>101,034,871</b>	<b>63,768,232</b>



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

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

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	6,153,649	3,279,079
	<b>6,153,649</b>	<b>3,279,079</b>

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

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



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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.	-	-	-	-	-	-
2.	-	-	-	-	-	-
3.	--	-	-	-	-	-
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.	-	-	-	-	-	-
5.	-	-	-	-	-	-
6.	--	-	-	-	-	-
<b>Sub-Total</b>						
<b>Union sable Employees</b>						
7.	-	-	-	-	-	-
8.	-	-	-	-	-	-
9.	--	-	-	-	-	-
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.	-	-	-	-	-	-
11.	-	-	-	-	-	-
12.	--	-	-	-	-	-
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	-	1,122,903	-	-
Use of goods & services	-	513,922	2,653,320	-
<b>Amounts due to other Government entities</b>	-	-	-	-
Primary Schools		6,500,000	8,900,000	-
Secondary School		14,650,000	11,400,000	-
		-	-	-
<b>Sub-Total</b>	-	<b>21,150,000</b>	<b>20,300,000</b>	-
<b>Amounts due to other grants and other transfers</b>				
Bursary		26,950,043	6,631,036	
Sport	-	0	56,000	-
Environment	-	2,003,387	0	-
Emergency		996,117	2,627,876	
Security		1,000,000	0	
		-	-	
<b>Sub-Total</b>	-	<b>30,949,547</b>	<b>9,314,912</b>	-
<b>Sub-Total</b>	-	-	-	-
Acquisition of assets		5,500,000	-	
		-	-	
<b>Others (specify)</b>	-	-	-	-
	-	-	-	-
	-	-	-	-
Unallocated Funds/Projects	-	41,798,499	31,500,000	-
<b>Sub-Total</b>	-	<b>41,798,499</b>	<b>31,500,000</b>	-
<b>Grand Total</b>	-	<b>101,034,871</b>	<b>63,768,232</b>	-



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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/20</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2018/19</b>
Land	-	-	-	-
Buildings and structures	19,200,000	-	-	19,200,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	691,393	-	-	691,393
ICT Equipment, Software and Other ICT Assets	2,200,000	-	-	2,200,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>22,091,393</b>	<b>-</b>	<b>-</b>	<b>22,091,393</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2020/19	Bank Balance 2019/18
HILLCREST SEC	FAMILY BANK		0	26
RHINO SEC	FAMILY BANK		0	20,867
MBURU CICHUA PRI	FAMILY BANK		0	1043
BONDENI PRI	FAMILY BANK		84,880	0
NATEWA SEC	FAMILY BANK		18,464	0
KIMATHI SEC	FAMILY BANK		2,371	0
MARIA VERONICA	FAMILY BANK		430	0
KIVUMBINI SEC	FAMILY BANK		10,694	0
RACETRACK PRI	FAMILY BANK		12,096	0
NAKURU EAST MIXED SEC	FAMILY BANK		7,760	0
KIMATHI SEC	FAMILY BANK		2,371	0
BONDENI PRI	FAMILY BANK		84,880	0
NAKURU CENTRAL SEC	FAMILY BANK			2,611
CORONA VIRUS	FAMILY BANK		596	0
RHINO CHIEFS OFFICE	FAMILY BANK		-	94
CDF MAIN ACCOUNT	FAMILY BANK		-	3,254,438
NAKURU TEACHERS PRI	FAMILY BANK		2,114	-
KIMATHI PRI	FAMILY BANK		7,090	-
UMOJA PRI	FAMILY BANK		202	-
KALOLENI PRI	FAMILY BANK		724,570	-
HARAMBEE PRI	FAMILY BANK		102,590	-
KIMATHI SEC	FAMILY		2,371	-



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PMC	Bank	Account number	Bank Balance 2020/19	Bank Balance 2019/18
	BANK			
ST JOHNS PRI	FAMILY BANK		250,081	-
JAMHURI PRI	FAMILY BANK		527	-
PANGANI PRI	FAMILY BANK		2,168	-
NAIROBI ROAD PRI	FAMILY BANK		3,116	-
RHINO PRI	FAMILY BANK		1,094	-
ST XAVIERS PRI	FAMILY BANK		71,173	-
MUGUGA CHIEFS OFFICE	FAMILY BANK		56	-
CDF MAIN ACCOUNT	FAMILY BANK		4,487,854	-
<b>Total</b>			<b>6,153,649</b>	<b>3,279,079</b>

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**XIV. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	The amount that was transferred to other government entities was interchanged ,that is transfer to secondary was recorded as 0 while transfer to tertiary institutions was record as ksh 15,537,854 .	Transposition on reporting of financial figures .An error occurred when the figures were being entered into the financial statements. The error on transposition on note 6 has been corrected. Please see the attached financial statement.	F.A.M- EDWARD WAYA RETEMO	Resolved on ML	4 DAYS
3	PMC account balances, according to the balances as per the certificate ksh 6,476,424.the figures had been captured elsewhere but the correct treatment was done on it.	The correct PMC balances were captured as required by the auditors finding.	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4 DAYS
4	The bank reconciliation statement for the account as at that date reflected unrepresented cheques totalling to ksh 17,858,265 but as the bank statement ksh 6,489,948.	Cash and cash equivalent had an issues on capturing of actual figures but upon revisiting it was found out that there was an issue on recording of actual expenditures hence they were rectified.	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4 DAYS
4	Compensation of employees expenditure analyses ksh 3,970,146 was the budget against actual expenditure of ksh 2,111,050 the variance of ksh 1,859,096.	The variance was as a result on an underutilization on the amount allocated to salaries and allowances based to the employees. The underutilization was allocated to other areas upon agreement with board	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4 DAYS



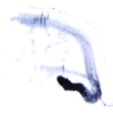
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		members.			
5	Unapproved projects was amounting to ksh 34,131,036 as captured on the financial reporting was as a result of not financed as prepared on the actual budget.	The CDF members sat and agreed that during the following financial year 2019/2020 the projects shall be looked onto and the necessary action shall be reached.	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4 DAYS
5	Project implementation of Kiratinaksh 4,000,000, Kiratinaprimary school of ksh 1,000,000, Rhino AP camp ksh 5,0000.	The implementation of the above projects had not taken place as per the financial year 2018/2019 but as per the financial year 2019/2020 the projects had been financed and some had completed.	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4 DAYS
6	Casting error on unutilized funds total. Reported Ksh 63,709,766 instead of ksh 63,768,232 was noted in the financial reporting statement.	The error on overstating was identified and necessary correction made on the financial statement. That was after kneel and correct figures being captured due to error of omission.	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4DAY S
6	Unsupported training expenses that were not supported .the expense were incurred during staff training in kazkazi beach hotel Diani on 13 <sup>th</sup> march 2019.	An omission was done doing a proper documentation on its payment. So a proper documentation was done to show why such payments were done apart the hotel booking and other things. Also the training report was attached to show that such meeting took place in Diani. Also the hotel the receipts to support that payments were done to diani hotel were attached.	F.A.M EDWARD WAYA RATEMO	Resolved on ML	4 DAYS

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