

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

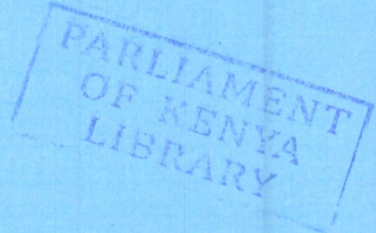


THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 17 SEP 2019 Day. TUESDAY

BY: MAJORITY LEADER OF

*[Signature]*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
NAIVASHA CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2018**





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NAIVASHA  
CONSTITUENCY**

**AMENDED REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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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)**  
**NAIVASHA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. 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

**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 NAIVASHA 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 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Samuel Mwangi
3.	Sub-County Accountant	Allan Mutange
4.	Chairman NGCDFC	Stanley Mugo Mwaura
5.	Member NGCDFC	Recho Kabura Mwangi

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 1918-20117,  
CDF BULDING,  
Mama Ngina Road,  
Naivasha, KENYA.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAIVASHA CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**(f) NGCDF - NAIVASHA Constituency Contacts**

E-mail: [naivashangcdf.go.ke](mailto:naivashangcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF - NAIVASHA Constituency Bankers**

1. Equity Bank, (Naivasha Branch)  
P.O. Box  
Naivasha, Kenya

**(h) Independent Auditors**

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

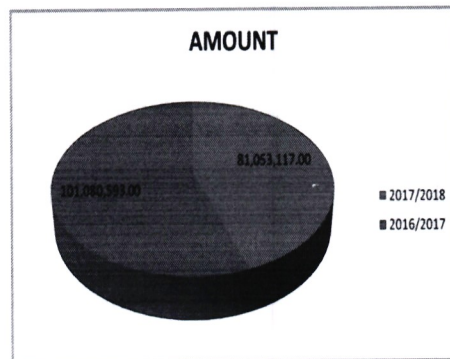
**(i) Principal Legal Adviser**

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



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

On behalf of Naivasha NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2017/2018. In the year under review our overall performance was at 68% which was slightly average. This was because it was our first year in office and the previous committee had not utilized their funds fully hence we could not receive our funding before utilizing the previous funding.




We envisage a better performance in the financial year 2018/2019 bearing in mind the capacity of the committee and the PMCs are build and were are now informed to exercise our mandate.

However after a very successful public participation exercise in the eight wards in the constituency, we were able to prioritize the community needs and prepare our proposal based on the identified community needs. Despite late disbursement of funds we were able to carry out a successful sports events and we engaging the youths positively in football and volley ball.



Involvement of the youths in NG CDF related activities remain an emerging issue. They are now actively being involved right from the NG-CDF committee to implementation of the projects.

However, there are several challenges facing NG CDF among them low capacity of the PMCs in project implementation, low capacity of the CDFCs, political interference, unqualified staff among others. Frequent development forums and awareness forums should be held to bring awareness to the public and the PMC's should be trained in order to enhance their capacity in project implementation. Despite all the challenges associated with the NG- CDF it is the only remaining mechanism to address local development and bridge the development gaps left between the county and the national government.

<b>Name</b>	<b>Designation</b>	<b>Sign.</b>	<b>Date</b>
<b>Stanely Mugo Mwaura</b>	<b>NG-CDFC Chairman</b>	<i>for</i>  .....	<i>12<sup>th</sup> APRIL 2019.</i> .....



**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF-NAIVASHA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-NAIVASHA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-NAIVASHA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

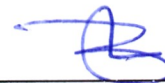
**Approval of the financial statements**

The NGCDF-NAIVASHA Constituency financial statements were approved and signed by the Accounting Officer on 15<sup>th</sup> April, 2019.



Fund Account Manager  
Name: Samuel Mwangi.

NAIVASHA CONSTITUENCY  
DEVELOPMENT FUND  
P.O. Box 1918 NAIVASHA  
DATE: 15/4/2019



Sub-County Accountant  
Name: Allan Mutange  
ICPAK Member Number:



# REPUBLIC OF KENYA

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NAIROBI



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NAIVASHA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund Naivasha Constituency set out on pages 8 to 34, which comprise the statement of assets and liabilities as at 30 June 2018, statement of receipts and payments, statement of cash flows and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund Naivasha Constituency as at 30 June, 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### Bank Balance

The statement of assets and liabilities reflects bank balance of Kshs.10,459,869; (2017-Kshs.1,889,262) and disclosed under Note 10A to the financial statements. The bank balance excludes stale cheques amounting to Kshs.1,752,517 which were not reversed as at year end. The project management committee bank balances was reported at Kshs.31,654,839.75; (2017-Kshs.1,628,468.75) under annex 5 to the financial statements, but the disbursement to Maryland Police Post project and Maraigushu Secondary School of Kshs.993,950 and Kshs.616,986.10 respectively remained unutilized and the respective accounts deactivated for being dormant.

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund Naivasha Constituency for the year ended 30 June 2018*



In the circumstance, the accuracy of the reported bank balances of Kshs.10,459,869 could not be confirmed

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund Naivasha Constituency in accordance with ISSAI 30 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**

### **Budget Analysis and Performance**

The summary statement of appropriation: recurrent and development combined reflects final approved budget receipts for the year of Kshs.105,878,587 comprising of transfers from the CDF Board and other receipts of Kshs.98,189,655 and Kshs.7,688,932 respectively. Of the CDF Board approved receipts, only Kshs.72,253,447 was received resulting in a variance of Kshs.22,936,208 or 31.73%. Consequently, the budgeted expenditure was adversely impacted by the underfunding which effected the planned projects and effective service delivery to the residents.

## **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 matter(s) 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. Improperly Approved Projects**

Included in the transfer to other government units payments of Kshs.26,100,000 are payments to projects for which were made without the Board approval contrary to the requirements of the NGCDF Act, 2015. These are namely: -

- a) Transfer of Kshs.2,400,000 to St. Paul's primary school for construction of three (3) classrooms against a bill of quantities of Kshs.2,552,400. No procurement



records were made available for audit review, consequently I cannot confirm whether due process was followed in identifying the contractor. Verification of the construction works on the ground revealed notable pending works and poor workmanships. The classes under construction could not be confirmed as newly constructed or renovated.

- (b) Transfer of Kshs.2,500,000 to Nyonjoro primary school for administration block against a bill of quantities amount of Kshs.3,758,264. There was notable discrepancy between the purpose for the allocation - completion of administration block and the bill of quantities in support was for construction of storey classrooms. Further the bill of quantities was unsupported by structural drawing contrary to section AA 11.2 of the Planning and Building Regulations 2009. Physical verification on site revealed significant pending works and poor workmanships and the contractor absence. There is likelihood the project may have stalled despite having spent Kshs.2,500,000.
- (c) Transfers of Kshs.2,400,000 to Ndabibi Secondary School for completion three (3) classrooms. Project documents, procurement records and expenditure returns were not made available for audit verification. Although the Fund management explained that Kshs.2,400,000 was on account of 2015/2016 works, available information indicate it had received a request in the year to the tune of Kshs.4,000,000.
- (d) The Fund transferred funds to Nyakairu Senior, Maella Central Mixed and Rubiri secondary schools for the completion of construction of three (3) classrooms in each of the schools at total cost of Kshs.7,900,000. Site verification confirmed them as incomplete.

## **2. Irregular Reallocation of Project Funds**

The statement of receipts and payments reflects payments on account of other grants and transfers of Kshs.36,653,606 ; (2017- Kshs.32,098,885) and as disclosed under Note 7 to the financial statements. Included in this balance is Kshs.2,000,000 and Kshs.1,000,000 for completion of eight (8) rooms police houses at Maiella Police Station and construction of chief's office at Naivasha town location respectively. However, the funds were irregularly reallocated to other an unapproved activities by the project management committees.

## **3. Land Ownership Documents**

The following projects funded by the Fund were lacking in ownership documents and agreements: -

- (a) The Fund disbursed Kshs.600,000 for construction of five (5) Administration Police houses at Mountain View Police. The land in question Naivasha/Mwichiringiri block 2/621 where the project is being undertaken is registered in the name of other persons. Further, there is notable conflict on the access route.
- (b) The Fund disbursed Kshs.2,000,000 towards the construction of chief's office for Kirima location on a donated parcel of land.

In the circumstances, the ownership of the parcels land could be a source of dispute in the future.

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

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, management is responsible for assessing the ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the of National Government Constituencies Development Fund Naivasha Constituency or to cease operations, or have no realistic alternative but to do so.

The 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

Because of its inherent limitations, internal 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 Constituency's policies and procedures may deteriorate.

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

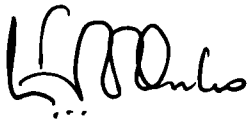
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern 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 Constituency's ability 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 National Government Constituencies Development Fund- Naivasha Constituency 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 Constituency 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**21 August 2019**



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

**NAIVASHA CONSTITUENCY**


**Reports and Financial Statements**

**For the year ended June 30, 2018**


**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	75,253,447.00	101,080,593
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	5,799,670.00	-
<b>TOTAL RECEIPTS</b>		<b><u>81,053,117.00</u></b>	<b><u>101,080,593</u></b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,407,852.60	3,605,918.00
Use of goods and services	5	6,923,955.34	8,873,670.00
Transfers to Other Government Units	6	26,100,000.00	67,600,000
Other grants and transfers	7	36,653,606.00	32,098,885
Acquisition of Assets	8	397,096.00	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>72,482,509.94</b>	<b>112,178,473.00</b>
<b>SURPLUS/DEFICIT</b>		<b><u>8,570,607.06</u></b>	<b><u>(11,097,880.00)</u></b>

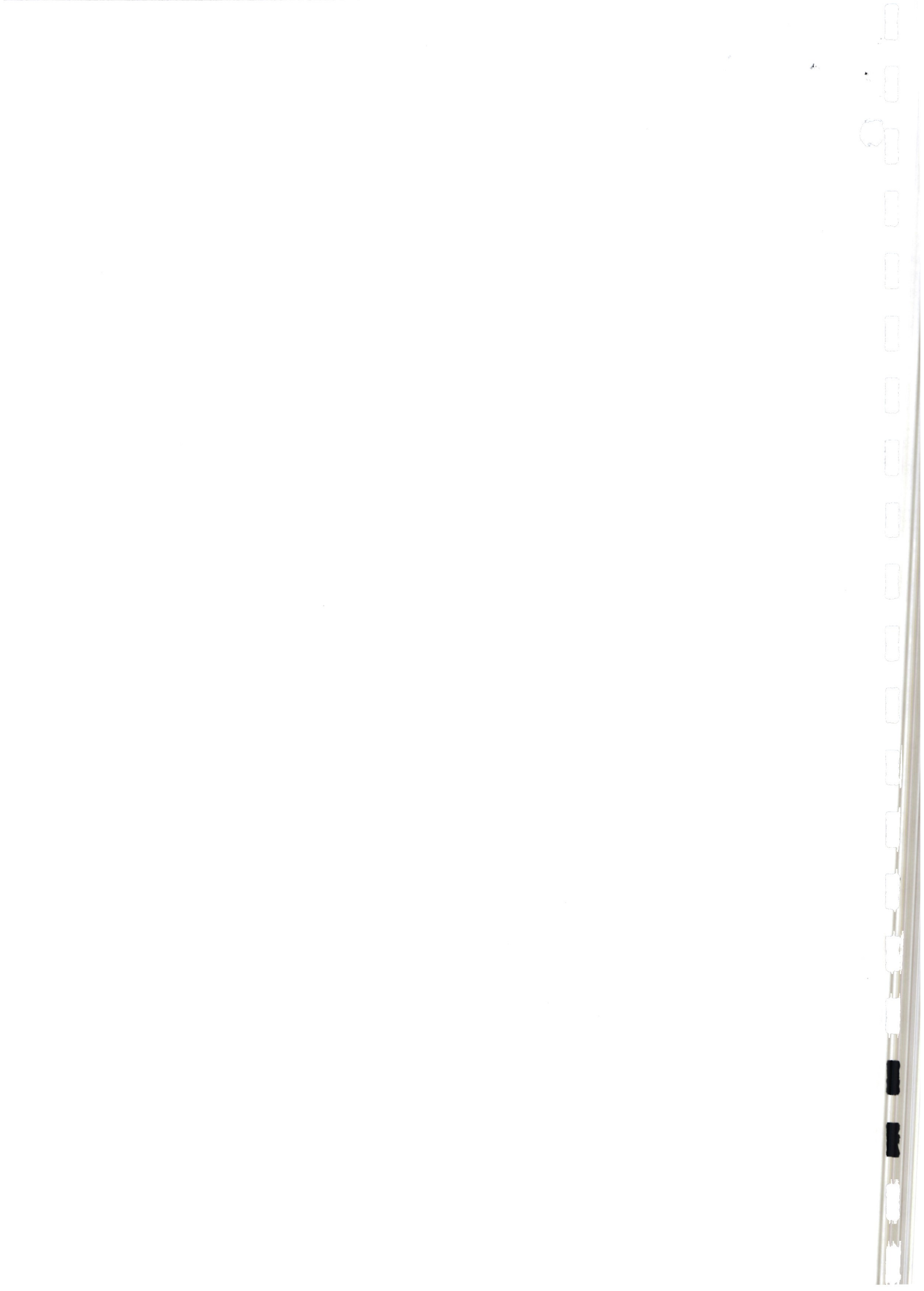
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAIVASHA Constituency financial statements were approved on 15<sup>th</sup> April, 2019 and signed by:

  
Fund Account Manager  
Name: Samuel Mwangi

NAIVASHA CONSTITUENCY  
DEVELOPMENT FUND  
P.O. Box 1918 NAIVASHA  
DATE: 15/4/2019

  
Sub-County Accountant  
Name: Allan Mutange  
ICPAK Member Number:






**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 NAIVASHA CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2018**


**V. STATEMENT OF ASSETS & LIABILITIES**

	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	10,459,869.23	1,889,262.17
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>10,459,869.23</b>	
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>10,459,869.23</b>	<b>1,889,262.17</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12	-	-
<b>NET FINANCIAL ASSETS</b>		<b><u>10,459,869.23</u></b>	<b><u>1,889,262.17</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	1,889,262.17	9,640,236.30
Surplus/Deficit for the year		8,570,607.06	(11,097,880.00)
Prior year adjustments	14	-	3,346,906.00
<b>NET FINANCIAL POSITION</b>		<b><u>10,459,869.23</u></b>	<b><u>1,889,261.30</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAIVASHA Constituency financial statements were approved on 15<sup>th</sup> April, 2019 and signed by:

  
 Fund Account Manager  
 Name: Samuel Mwangi

NAIVASHA CONSTITUENCY  
 DEVELOPMENT FUND  
 P.O. Box 1918 NAIVASHA  
 DATE: 15/4/2019

  
 Sub-County Accountant  
 Name: Allan Mutange  
 ICPAK Member Number:





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

**NAIVASHA CONSTITUENCY**


**Reports and Financial Statements**

**For the year ended June 30, 2018**


**VI. STATEMENT OF CASHFLOW**

<b>Receipts for Operating Income</b>	<b>Note</b>	<b>2017-2018</b>	<b>2016-2017</b>
Transfers from CDF Board	1	75,253,447.00	101,080,593.00
Other Receipts	3	5,799,670.00	-
<b>Total Receipts for Operating Income</b>		<b>81,053,117.00</b>	<b>101,080,593.00</b>
<b>Payments for Operating Expenses</b>			
Compensation of Employees	4	2,407,852.60	3,605,918.00
Use of goods and services	5	6,923,955.34	8,873,670.00
Transfers to Other Government Units	6	26,100,000.00	67,600,000.00
Other grants and transfers	7	36,653,606.00	32,098,885.00
Other Payments	9	-	-
<b>Total Payments for Operating Expenses</b>		<b>72,085,413.94</b>	<b>112,178,473.00</b>
<b>Adjusted for:</b>			
<b>Net cash flow from operating activities</b>		<b>8,967,703.06</b>	<b>112,178,473.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			<b>112,178,473.00</b>
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(397,096)	-
<b>Net cash flows from Investing Activities</b>		<b>(397,096.00)</b>	<b>112,178,473.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>8,570,607.06</b>	<b>(11,097,880.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>1,889,262.17</b>	<b>9,568,263.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>10,459,869.23</u></b>	<b><u>1,889,262.17</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAIVASHA Constituency financial statements were approved on 15<sup>th</sup> April, 2019 2018 and signed by:

  
 Fund Account Manager  
 Name: Samuel Mwangi

NAIVASHA CONSTITUENCY  
 DEVELOPMENT FUND  
 P.O. BOX 1918 NAIVASHA  
 DATE -- 15/4/2019

  
 Sub-County Accountant  
 Name: Allan Mutange  
 ICPAK Member Number:





Reports and Financial Statements  
For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,344.52	11,379,310.34	98,189,654.86	75,253,447.00	22,936,207.86	77
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	-	7,688,932.17	7,688,932.17	7,688,932.17	-	100
<b>TOTAL</b>	<b>86,810,344.52</b>	<b>19,068,242.51</b>	<b>105,878,587.03</b>	<b>82,942,379.17</b>	<b>22,936,207.86</b>	<b>78</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,928,000.00	1,000,000.00	2,928,000.00	2,407,852.60	520,147.40	82
Use of goods and services	5,884,931.80	1,831,607.00	7,716,538.80	6,923,955.34	792,583.46	90
Transfers to Other Government Units	29,550,000.00	9,687,670.00	39,237,670.00	26,100,000.00	13,137,670.00	67
Other grants and transfers	38,870,385.52	6,548,965.51	45,419,351.03	36,653,606.00	8,765,745.03	81
Acquisition of Assets	400,000.00	-	400,000.00	397,096.00	2,904.00	99
Other Payments	10,177,027.20	-	10,177,027.20	-	10,177,027.20	0
<b>TOTALS</b>	<b>86,810,344.52</b>	<b>19,068,242.51</b>	<b>105,878,587.03</b>	<b>72,482,509.94</b>	<b>33,396,077.09</b>	<b>68</b>

(a) Other Receipts Adjustments of Kshs. 7,688,932.17 consists of the following:

- Kshs. 1,889,262.17 cash balance brought forward from the previous financial year and therefore appropriated in the current financial year under compensation of employees and use of goods and services
- Kshs. 5,799,670 recalled from already disbursed funds to KMTC, Naivasha in previous financial years (2014/15 and 2015/16) and re-allocated to projects under Transfers to Other Government Units in the current financial year.





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**(b) Significant underutilization (below 90% of utilization) and any overutilization (above 100%)**

- i. Transfers from the Board – 77%**  
*The percentage was at 77%. This was because the Board had not released all the funds totalling to Ksh. 98,189,654.86. At the close of the financial year, the Board had only disbursed Kshs. 75,253,447.00 out of the appropriated transfers.*
- ii. Transfer to other government units – 67%**  
*The percentage of utilization is 67%. This is because of the funds not disbursed by the Board during the current financial year. Additionally, late disbursement by the NG-CDF Board resulted to Kshs. 10,459,869.23 not being utilized as at the close of the financial year hence the low percentage.*

**iii. Other Payments – 0%**

*The percentage of utilization is 0%. This is because of the funds for the earmarked projects were not undertaken in the current financial year due to lack of approved AIEs and disbursements. The projects are the strategic plan, office renovation and the ICT Hubs.*

The NGCDF-NAIVASHA Constituency financial statements were approved on 15<sup>th</sup> April, 2019 and signed by:



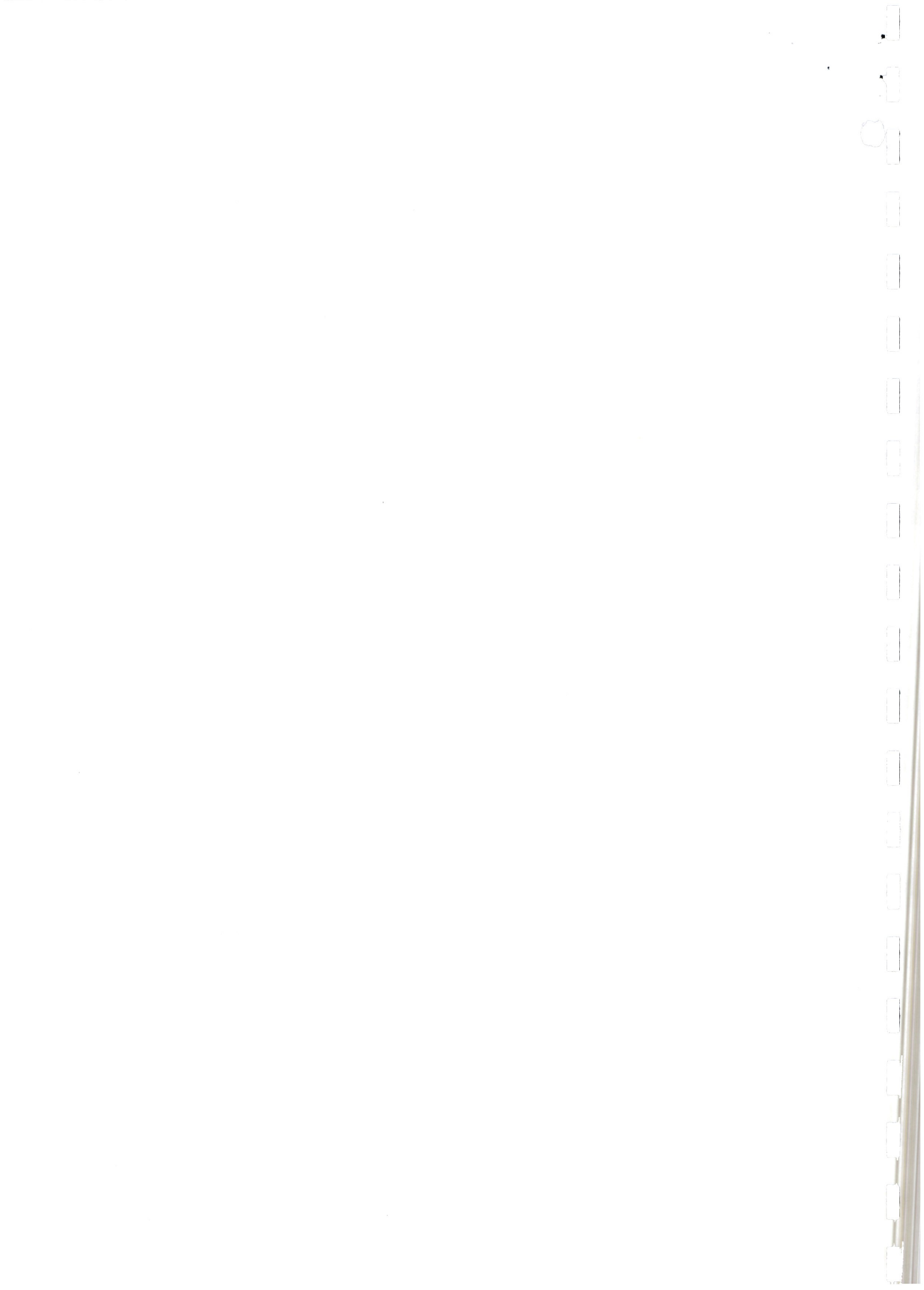
Fund Account Manager  
Name: Samuel Mwangi



Sub-County Accountant  
Name: Allan Mutange  
ICPAK Member Number:

NAIVASHA CONSTITUENCY  
DEVELOPMENT FUND  
P.O. BOX 1918 NAIVASHA  
DATE: 15/4/2019





## **VIII. 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 Entity**

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

### **3. Reporting Currency**

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

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

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

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

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

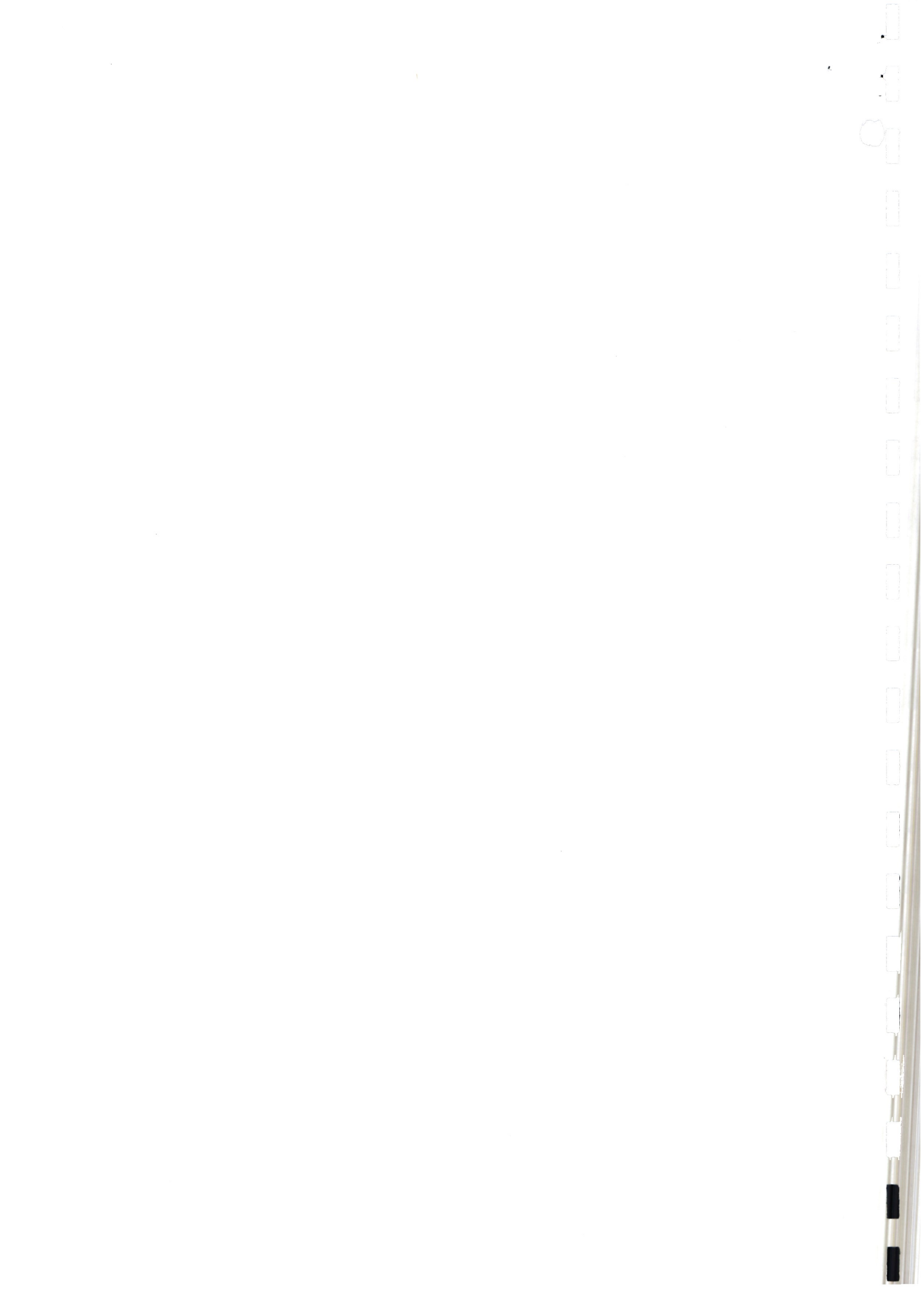
#### **Tax Receipts**

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 entity)

#### **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 entity.





## **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 entity 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 2018, 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 Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

### **Compensation of Employees**

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

### **Use of Goods and Services**

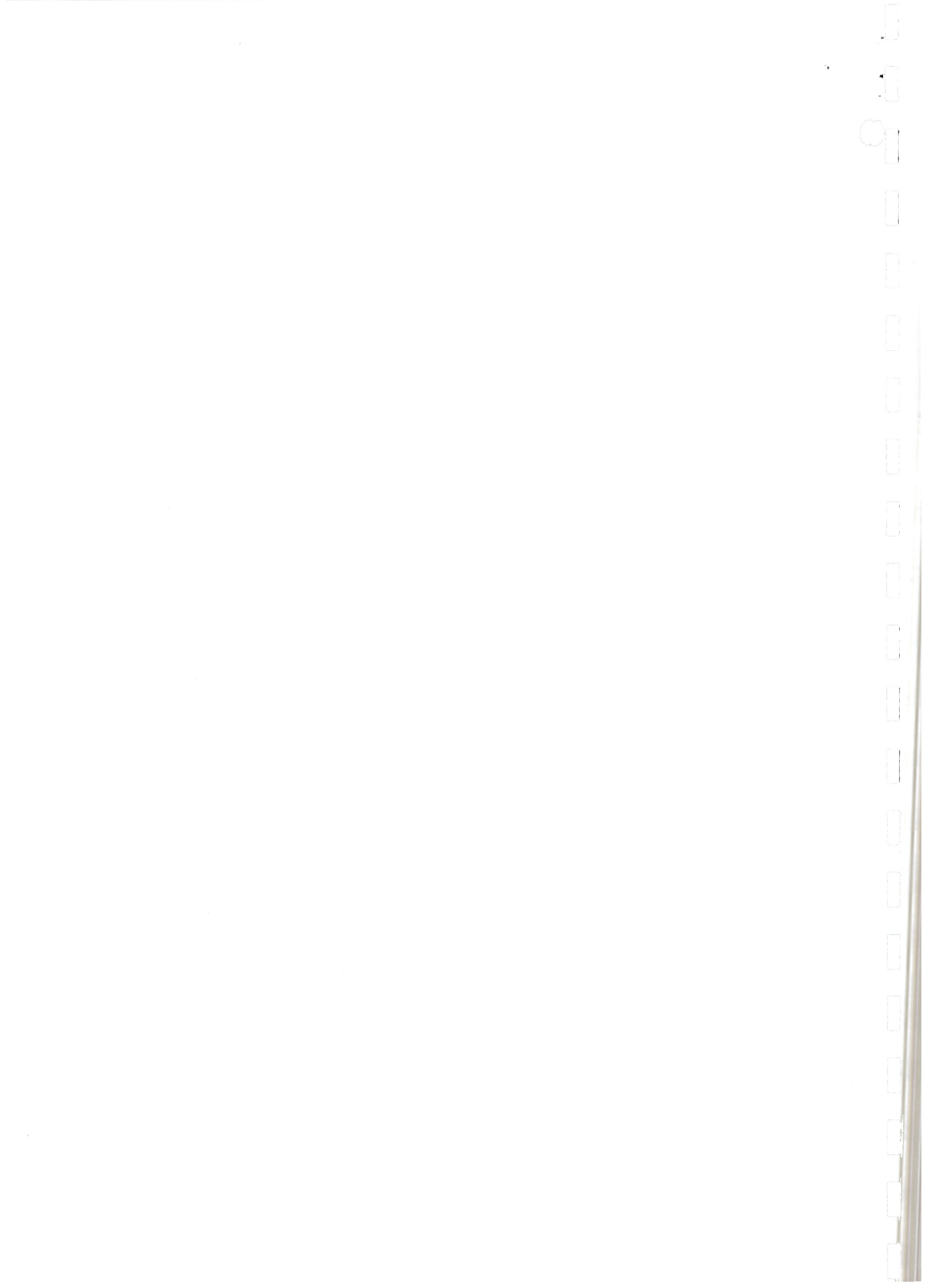
Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

### **Acquisition of Fixed Assets**

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

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





**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity 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 Entity 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.

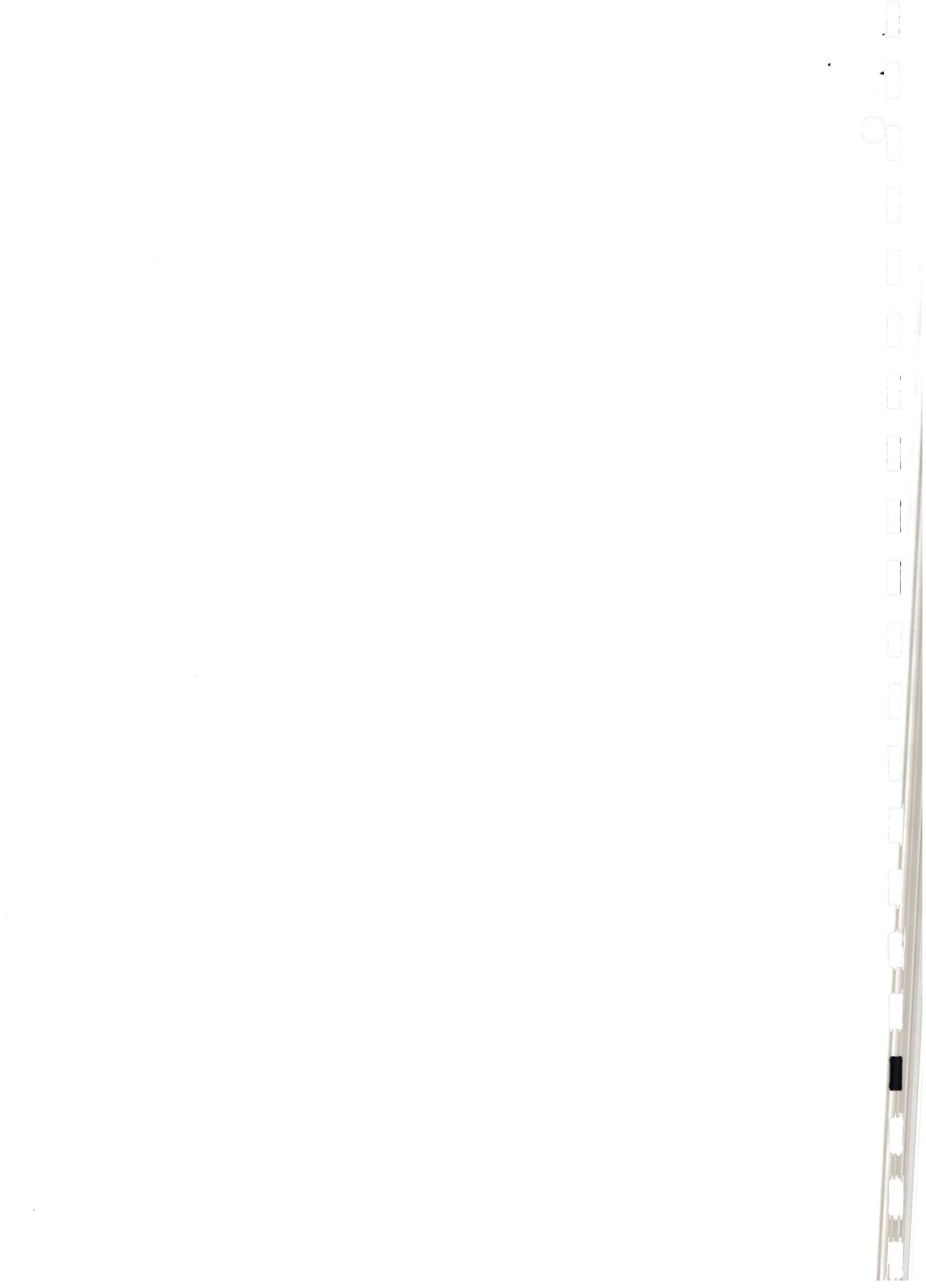
**9. Pending Bills**

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 Entity 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 Funds**

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.





## **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 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 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 2018.

### **14. Errors**

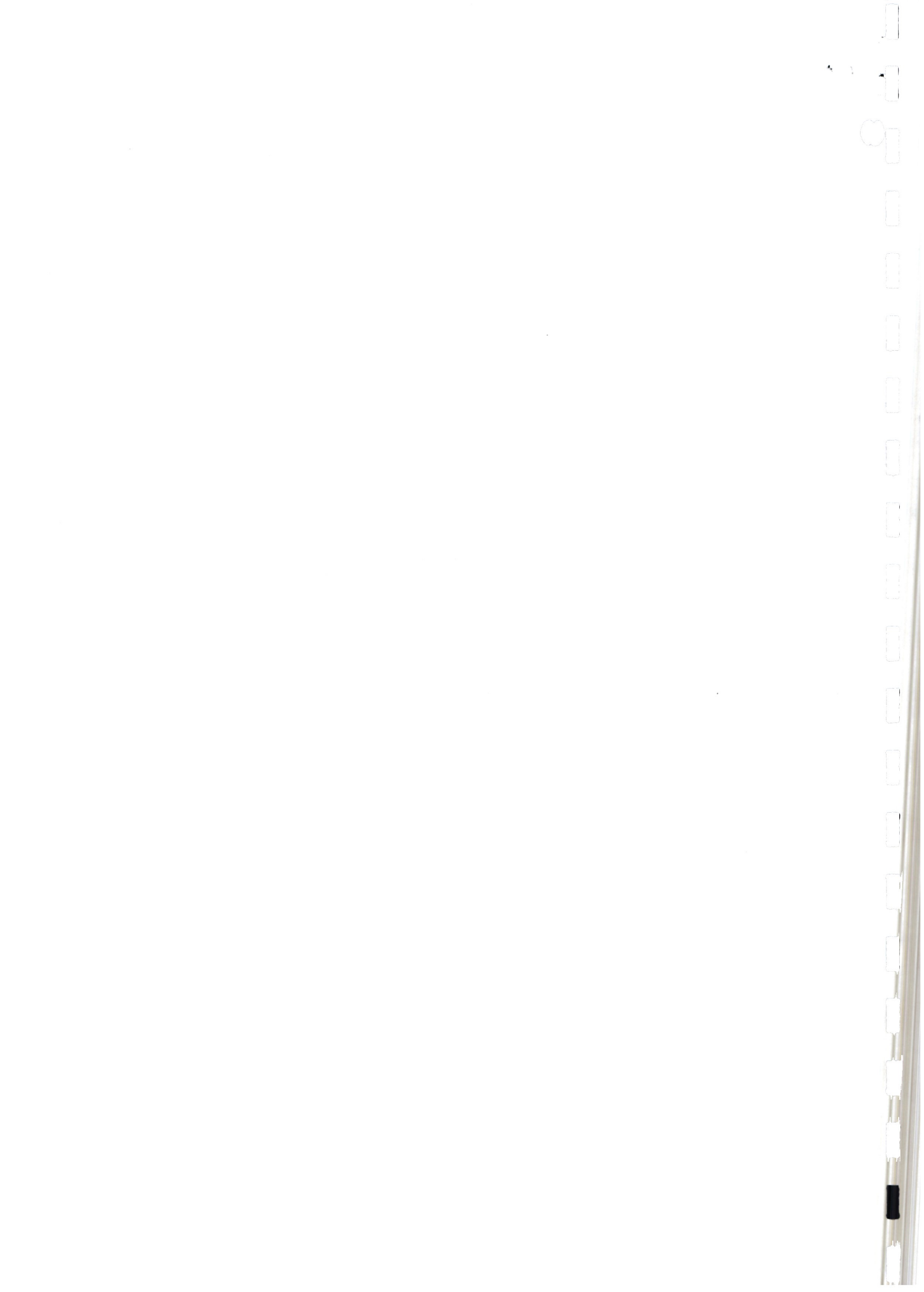
Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior 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) –  
 NAIVASHA CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2018**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

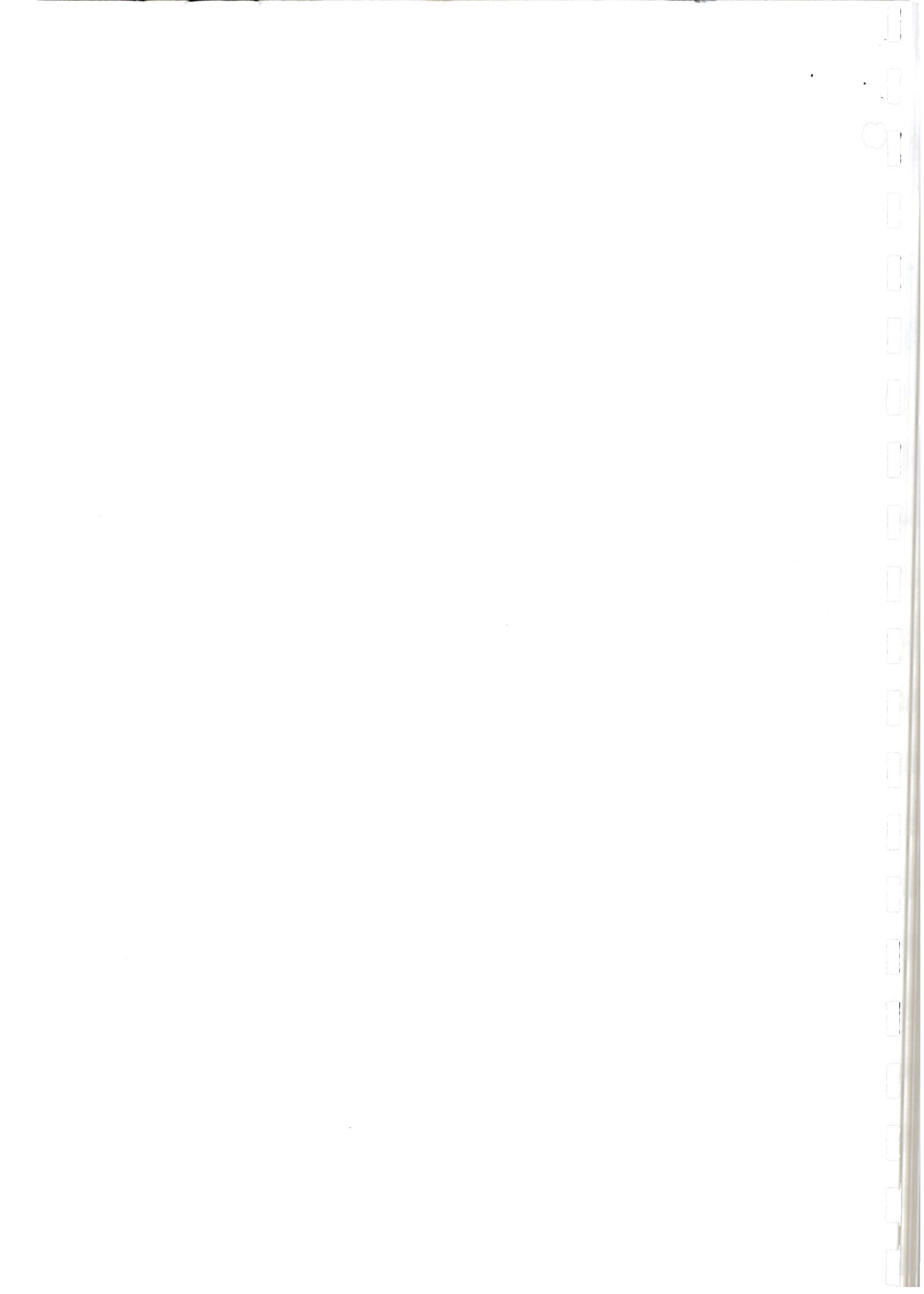
**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2017-2018</b>	<b>2016 - 2017</b>
Normal Allocation		<b>Kshs</b>	<b>Kshs</b>
	AIE NO.		60,132,317.00
	AIE NO.		4,094,827.00
	AIE NO.		36,853,449.00
	AIE NO. A855956	5,500,000	-
	AIE NO. A892701	31,848,275	-
	AIE NO. A892967	37,905,172	-
Conditional grants	AIE NO...	-	-
Receipt from other Constituency		-	-
<b>TOTAL</b>		<b><u>75,253,447</u></b>	<b><u>101,080,593.00</u></b>

**2. PROCEEDS FROM SALE OF ASSETS**

<b>Description</b>	<b>2017-2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
<b>TOTAL</b>	-	-





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 NAIVASHA CONSTITUENCY  
 Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

Description	2017-2018	2016 - 2017
	Kshs	Kshs
Receipts from Naivasha KMTC after Re-allocation	5,799,670.00	
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>5,799,670.00</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

Description	2017-2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,847,860	1,699,255.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	-	-
Gratuity-contractual employees	559,992	1,906,663.00
<b>TOTAL</b>	<b><u>2,407,852</u></b>	<b><u>3,605,918.00</u></b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
NAIVASHA CONSTITUENCY  
Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

Description	2017-2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	570,000	4,348,970.00
Electricity	74,489	
Water & sewerage charges	26,350	
Office rent	-	
Communication, supplies and services	847,733	-
Domestic travel and subsistence	130,640	-
Printing, advertising and information supplies & services	-	880,000.00
Rentals of produced assets	-	
Training expenses	448,800	-
Hospitality supplies and services	-	-
Other committee expenses	1,170,000	-
Committee allowance	1,714,000	3,184,600.00
Insurance costs	-	
Specialised materials and services	-	
Office and general supplies and services	694,835	-
Fuel , oil & lubricants	420,000	-
Other operating expenses	347,358	-
Bank service commission and charges	-	
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	479,750	460,100.00
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b><u>6,923,955</u></b>	<b><u>8,873,670.00</u></b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 NAIVASHA CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2018**

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

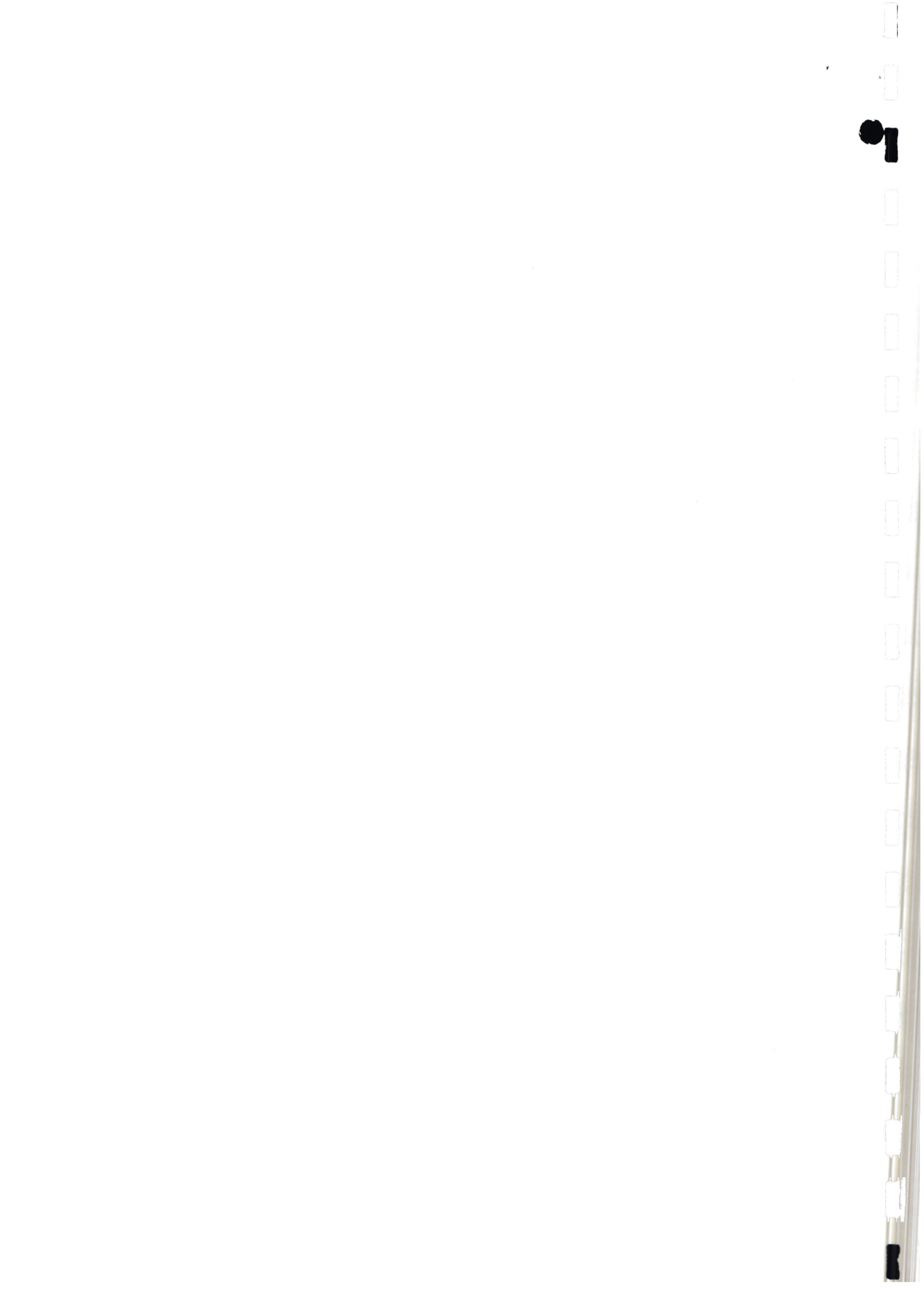
**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary schools	15,800,000.00	27,850,000.00
Transfers to Secondary schools	10,300,000.00	30,200,000.00
Transfers to Tertiary institutions	-	7,850,000.00
Transfers to Health institutions	-	1,700,000.00
<b>TOTAL</b>	<b><u>26,100,000.00</u></b>	<b><u>67,600,000.00</u></b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary -Secondary	8,058,815	8,152,000.00
Bursary -Tertiary	11,168,585	14,096,885.00
Bursary-Special schools	5,490,000	-
Mocks & CAT	-	-
Water	-	4,300,000.00
Food security	-	-
Electricity	-	-
Security	7,600,000	3,350,000.00
Roads and Bridges	-	700,000.00
Sports	-	1,500,000.00
Environment	1,736,206	-
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	2,600,000	-
<b>TOTAL</b>	<b><u>36,653,606</u></b>	<b><u>32,098,885.00</u></b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 NAIVASHA CONSTITUENCY  
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 For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

Non-Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	397,096	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b><u>397,096</u></b>	<b><u>=</u></b>

**9. OTHER PAYMENTS**

specify	-	-
specify	-	-
specify	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>





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

**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	Account Number	2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
<i>Equity Bank, Naivasha Branch . Naivasha NG-CDFC</i>	<i>A/C no.0200261809700</i>	10,459,869.23	1,889,262.17

**10B: (CASH IN HAND)**

	2017-2018	2016-2017
	Kshs (30/6/2018)	Kshs (30/6/2017)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	-	-
	<i>[Provide cash count certificates for each]</i>	



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

**11: OUTSTANDING IMPRESTS**

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2018)</i>
	<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

**12 RETENTION**

<b>Supplier/Contractor</b>	<b>PV No.</b>	<b>2017-2018</b>	<b>2016-2017</b>
		-	-
<b>TOTAL</b>		-	-

**13. BALANCES BROUGHT FORWARD**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs (1/7/2017)</b>	<b>Kshs (1/7/2015)</b>
Bank accounts	1,889,262.23	8,616,455.02
Cash in hand		-
Imprest		-
<b>TOTAL</b>	<b>1,889,262.23</b>	<b>8,616,455.02</b>





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

**14. PRIOR YEAR ADJUSTMENTS**

Bank accounts	Kshs	Kshs
Cash in hand	-	3,346,906
Imprest	-	-
<b>TOTAL</b>	-	<b>3,346,906</b>

**15. OTHER IMPORTANT DISCLOSURES**

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

	2017-2018	2016-2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	-	-

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

	2017-2018	2016-2017
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (Staff on contract ( 3 years))	565,440	-
	<b>565,440</b>	-

**15.3: UNUTILIZED FUNDS (See Annex 3)**

	2017-2018	2016-2017
	Kshs	Kshs
Compensation of Employees	1,145,689.00	-
Use of Goods and Services	3,309,585.00	-
Amounts due to other Government entities (see attached list)	34,071,959.00	-
Amounts due to other grants and other transfers (see attached list)	8,085,594.00	-
Other Payments (see attached list)	10,167,027.00	-
	<b><u>56,779,854.00</u></b>	-

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Reports and Financial Statements  
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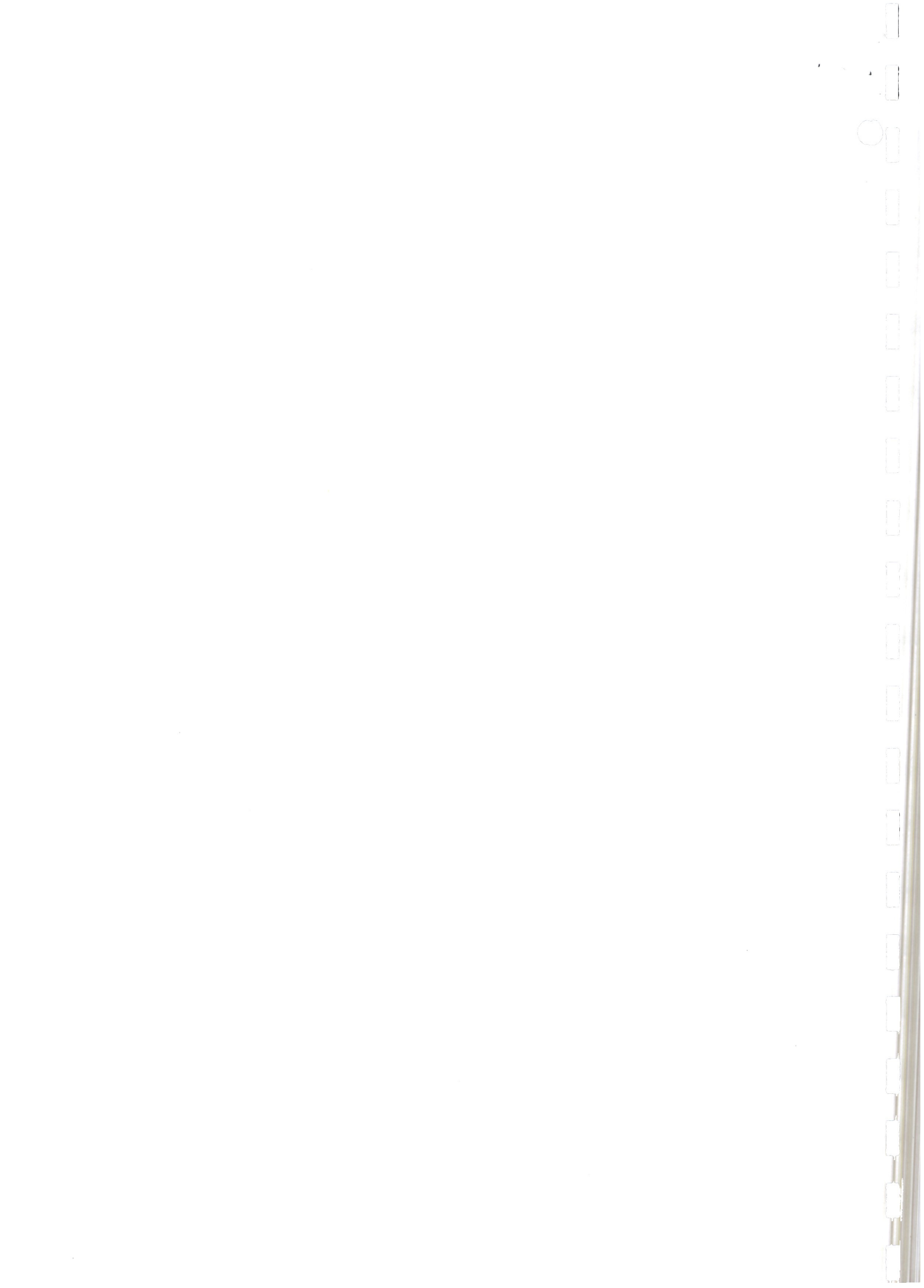
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

	<b>2017- 2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	31,654,839.75	1,628,468.75
	<b>31,654,839.75</b>	<b>1,628,468.75</b>





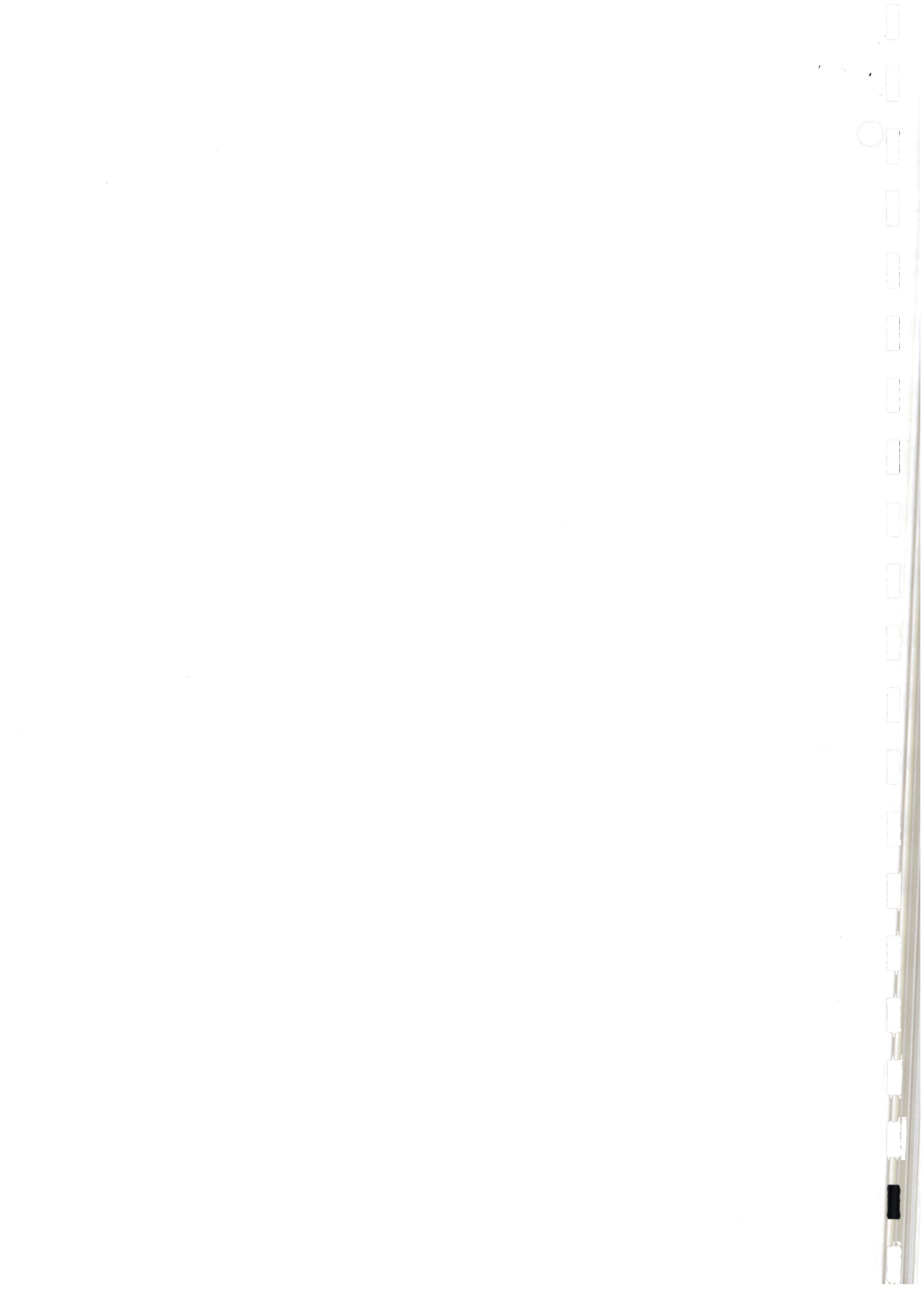
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY**

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**X. ANNEXURES**

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



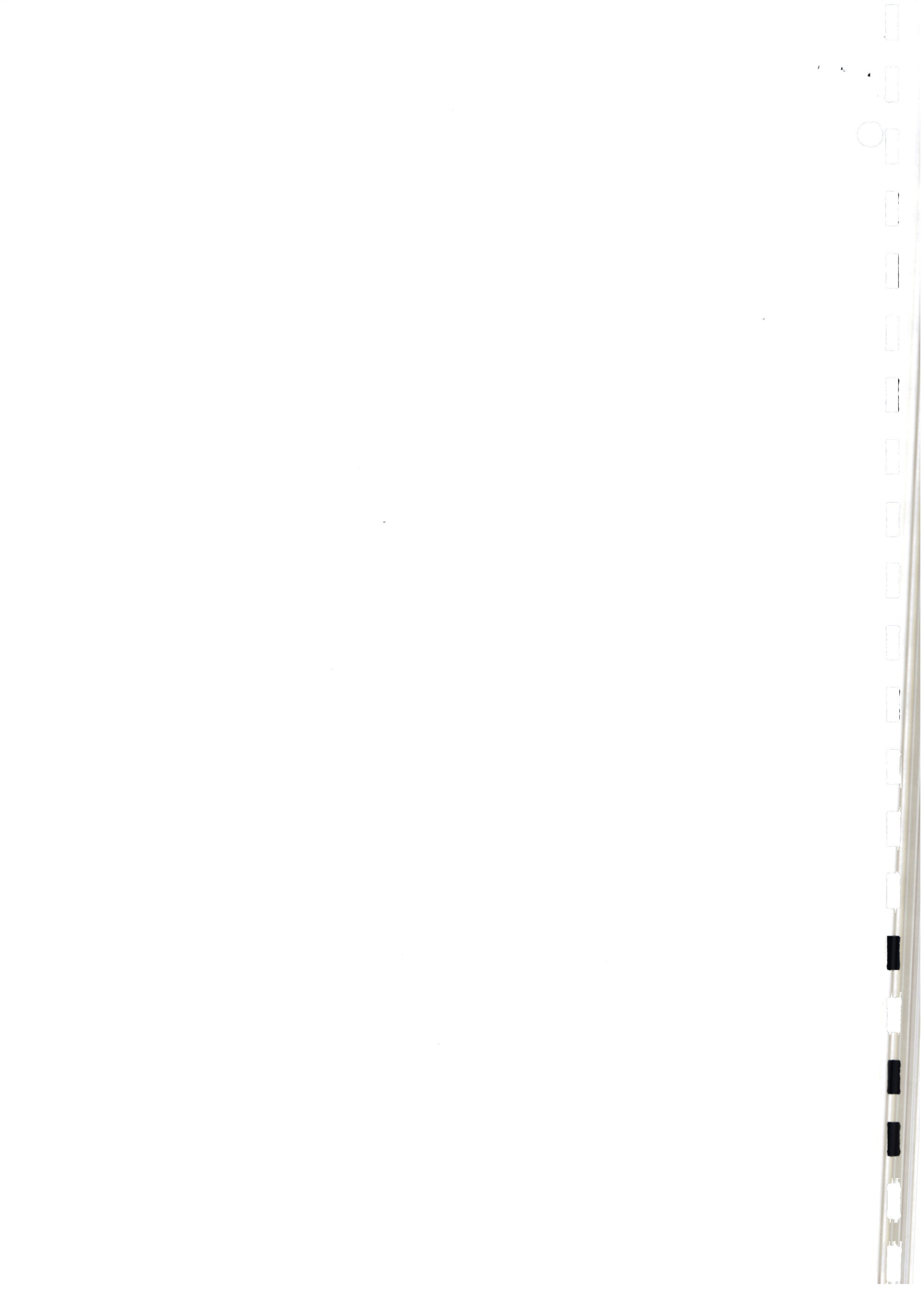


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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	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>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (Office staff on a three year contract)</b>							
10. Patricia Wangari	55,800.00						
11. Nancy Wangui							



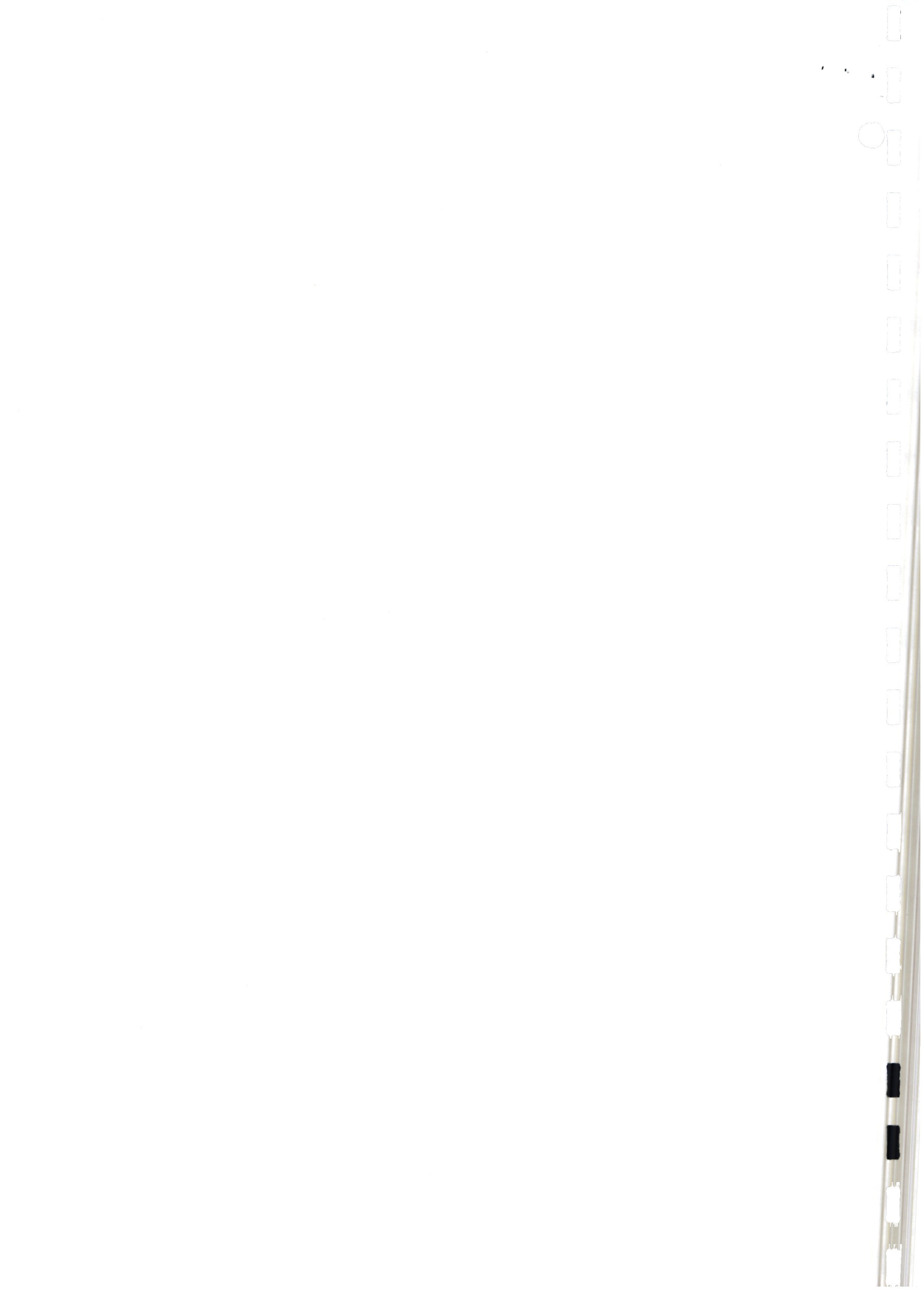
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY**

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	81,840.00								
12. Boniface Kamau	167,400.00								
13. Esther Wanja	74,400.00								
14. Martha Mwangi	111,600.00								
15. Peter Chage	74,400.00								
<b>Sub-Total</b>	<b>565,440.00</b>								
<b>Grand Total</b>									

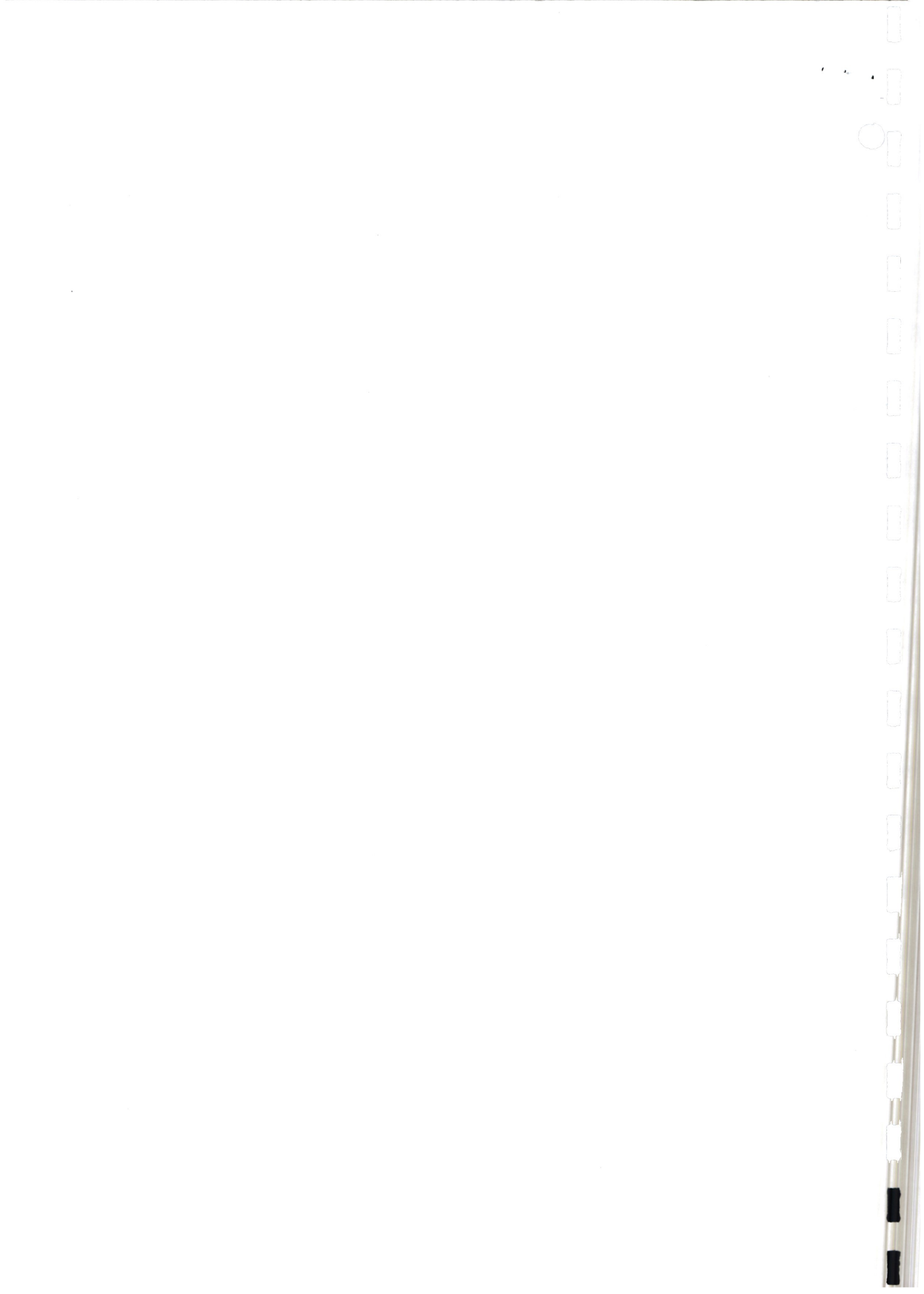




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY**  
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**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Comments
		a	b	c	d=a-c	
<b>Compensation of Employees</b>						
Staff Wages	Basic wages for contractual employees	1,145,689.00	30/06/2018	-	1,145,689.00	Funds not yet disbursed
<b>Sub-Total</b>	-	<u>1,145,689.00</u>	-	-	<u>1,145,689.00</u>	
<b>Use of Goods and Services</b>						
Goods and Services	Purchase of goods and services for administration	3,309,585.00	30/06/2018	-	3,309,585.00	Funds not yet disbursed
<b>Sub-Total</b>	-	<u>3,309,585.00</u>	-	-	<u>3,309,585.00</u>	
<b>Amounts due to other Government entities</b>						
1. Transfer to Primary Schools	Construction of Classrooms	18,571,959.00	30/06/2018	-	18,571,959.00	Funds not yet disbursed
2. Transfer to Secondary Schools	Construction of Classrooms	15,500,000.00	30/06/2018	-	15,500,000.00	Funds not yet disbursed
<b>Sub-Total</b>		<u>34,071,959.00</u>			<u>34,071,959.00</u>	
<b>Amounts due to other grants and other transfers</b>						
1. Security Projects	Construction of Chiefs Offices and Police Posts	4,980,000.00	-	-	4,980,000.00	Funds not yet disbursed
2. Roads and Bridges Projects	-	-	-	-	-	



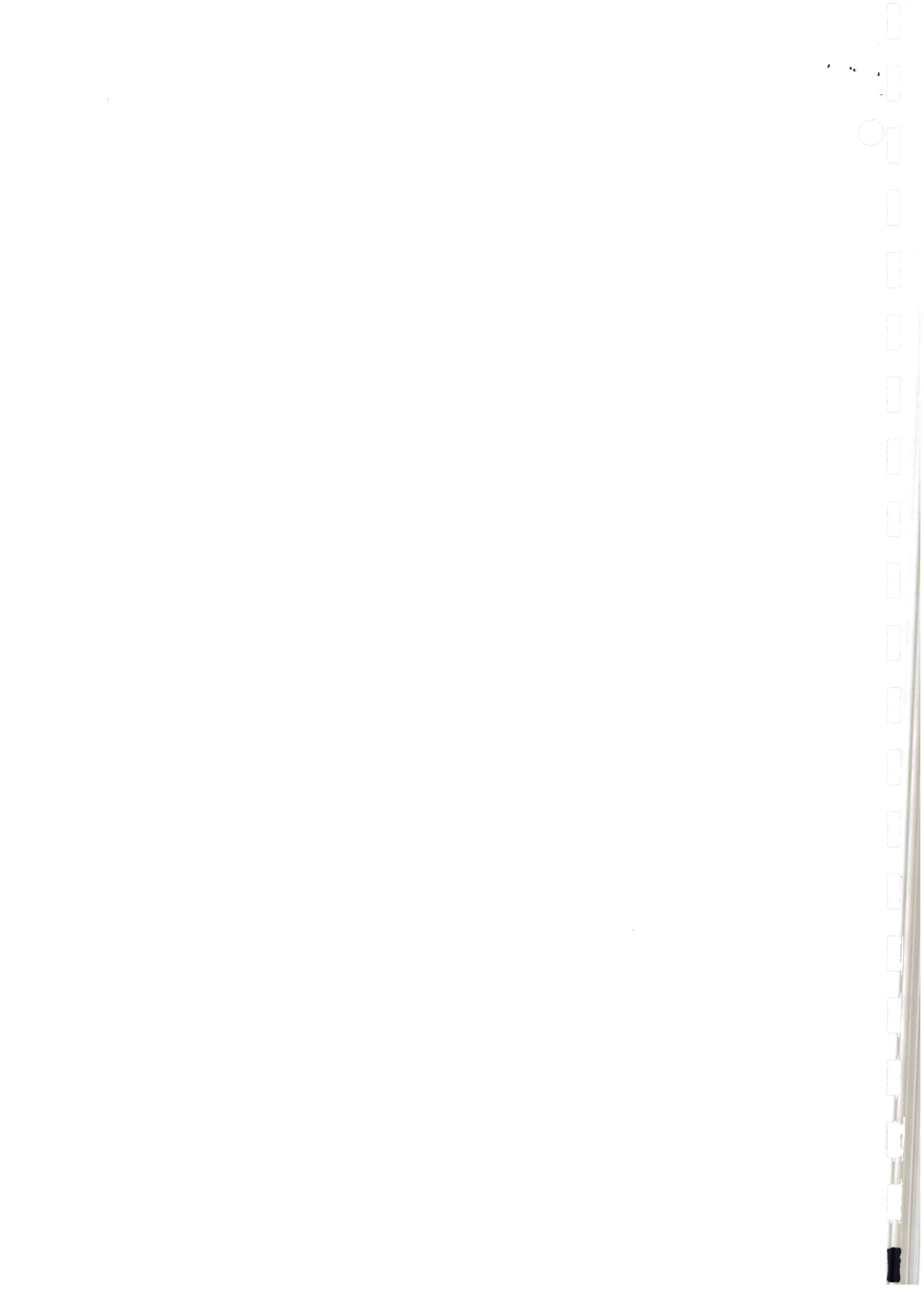


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY**

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3. Environmental Projects	Construction of Toilets	3,105,594.00	30/06/2018	-	3,105,594.00	Funds not yet disbursed
<b>Sub-Total</b>	-	<b>8,085,594.00</b>			<b>8,085,594.00</b>	
<b>Other Payments</b>						
1. NG CDF Office	Renovation of NG-CDF Offices in Naivasha Town	2,000,000.00	30/06/2018	-	2,000,000.00	Funds not yet disbursed
2. Strategic Plan	Preparation and Publishing of a 3 - year Strategic Plan	3,500,000.00	30/06/2018	-	3,500,000.00	Funds not yet disbursed
3. ICT Hubs	Connection of 4 Locations with ICT Equipment	4,667,027.00	30/06/2018	-	4,667,027.00	Funds not yet disbursed
<b>Sub-Total</b>		<b>10,167,027.00</b>			<b>10,167,027.00</b>	
<b>Grand Total</b>		<b>56,779,854.00</b>			<b>56,779,854.00</b>	



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures	4,000,000	-	-	4,000,000
Transport equipment	4,200,000	-	-	4,200,000
Office equipment, furniture and fittings	305,905	-	-	305,905
ICT Equipment, Software and Other ICT Assets	478,390	397,096	-	875,486
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>8,984,295</b>	<b>397,096</b>		<b>9,381,391</b>





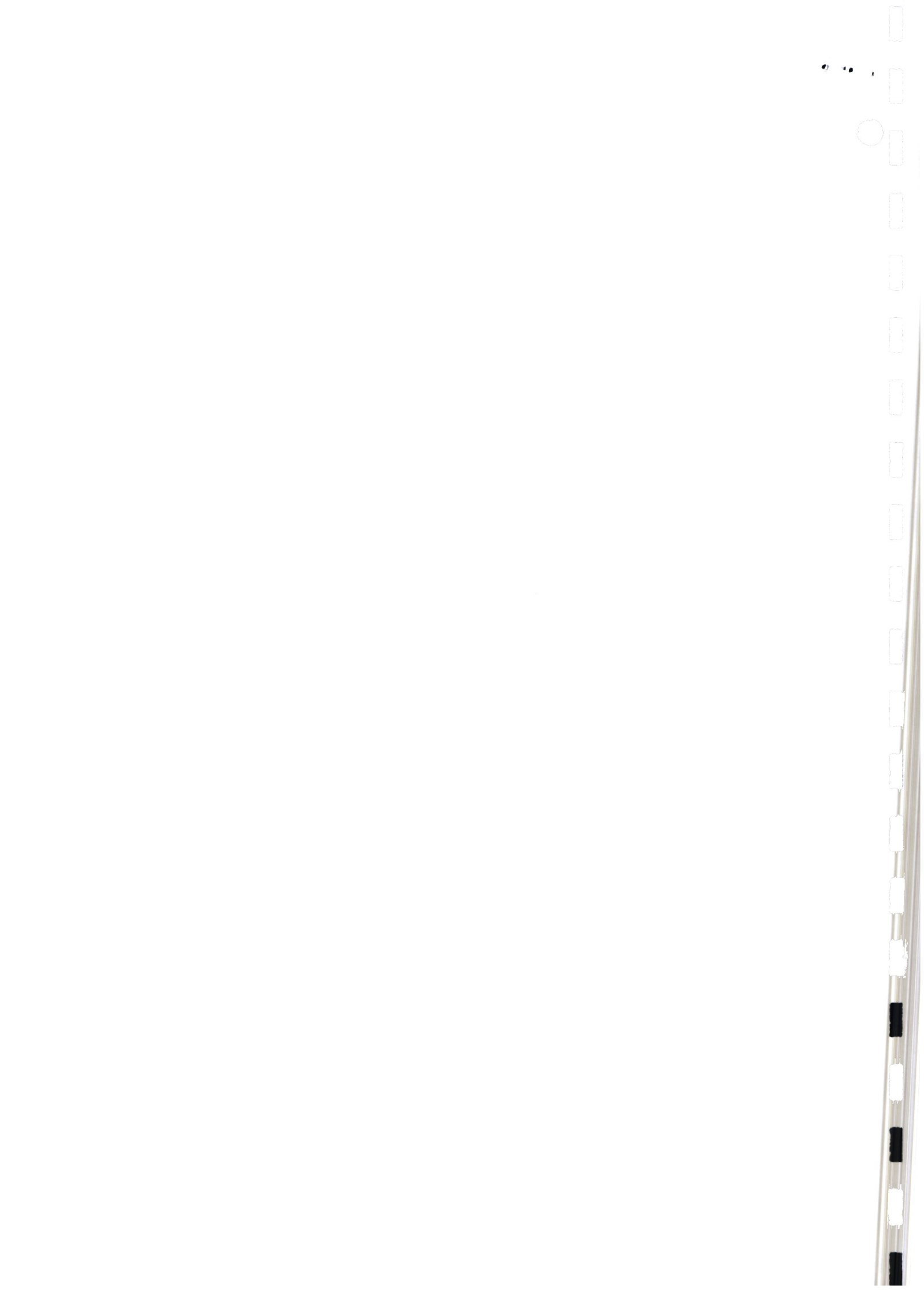
**NATIONAL GOVERNMENT ENTITY CONSTITUENCIES DEVELOPMENT FUND  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018  
(EQUITY BANK – NAIVASHA BRANCH)**

	PROJECT NAME	ACCOUNT NUMBER	30TH JUNE 2018	30TH JUNE 2017
1	Naivasha Ncdfsports	0200277375783	0.00	0.00
2	Shindano Primary School	0200277353510	798,100.00	0.00
3	Unity Primary School	0200262312422	2,101,290.00	1,290.00
4	Longonot Deb Primary School	0200264942732	436,326.00	120.00
5	Nyakairu Primary School	0200264731230	1,402,009.00	2,009.00
6	Ihindu Primary School	0200262321878	800,907.00	907.00
7	Kanjogo Primary School	0200264917803	9.15	9.15
8	Dric Vocational Training Centre	0200277363839	2,400,000.00	0.00
9	Kamuyu Primary School	0200277349608	0.00	0.00
10	Gathima Primary School	0200277352509	3,200,000.00	0.00
11	Ereri Primary School	0200270334806	1,000,045.00	45.00
12	Milimani Primary School	0200262827638	50.00	7,625.00
13	Nyakairu Senior Secondary School	0200277351284	2,750,000.00	0.00
14	Maiella Central Mixed Secondary School	0200277345126	2,550,000.00	0.00
15	Rubiri Secondary School	0200277353373	2,400,000.00	0.00
16	Maraigushu Secondary School	0200265598682	616,986.10	616,986.10
17	Utheri Wa Lari Police Station	0200277375661	2,000,000.00	0.00
18	Naivasha Town Location Chiefs Office	0200277360208	1,000,000.00	0.00
19	Maella Police Station	0200266380391	2,000,100.00	20.00
20	Mountain View A.P Post	0200272136385	601,645.00	1,645.00
21	Kirima Chiefs Office	0200277379959	2,000,000.00	0.00
22	Karai Primary School	0200262325315	400,867.50	867.50
23	Maai Mahiu Boys Secondary School	0200261809700	800,000.00	0.00
24	Mitamaiyu Primary School	0200262583520	1,230.00	1,450.00
25	Moi Ndabi Secondary School	0200262877008	400,440.00	440.00
26	Narasha Primary School	0200268970615	600,090.00	90.00
27	Ngondi Secondary School	0200263789083	400,795.00	1,015.00
28	Maryland Police Post	0200272287509	993,950.00	993,950.00
<b>Total</b>			<b>31,654,839.75</b>	<b>1,628,468.75</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. 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 Auditor	/ from	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)
4.1	Financial statements errors		The errors were noted and corrected. A copy of the amended financial statement was availed to the audit team.	Samuel Mwangi-FAM	Resolved	-
4.2	Unconfirmed receipt of 1,500,000	ksh	It was treated as a prior year adjustment and a copy availed to the auditors.	Samuel Mwangi-FAM	Resolved	-
4.3	Variance in compensation of the staff		The variance was due to the staff gratuity	Samuel Mwangi-FAM	Resolved	-
4.4 (i)	Cash and equivalents	Cash	the corrected financial statements capturing the correct balances was availed to the auditors.	Samuel Mwangi-FAM	Resolved	-
(ii)	Stale cheques		The cheques were reversed	Samuel Mwangi-FAM	Resolved	-
(iii)	Long outstanding reconciling item		It was corrected and a recent bank reconciliation statement presented to proof it was corrected	Samuel Mwangi-FAM	Resolved	-
(iv)	Unspent funds		The correct position was stated	Samuel Mwangi-FAM	Resolved	-
4.4.1	Outstanding imprests		The imprests were surrendered and surrender vouchers	Samuel Mwangi-FAM	Resolved	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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Reference No. on the external audit Report	Issue Observations Auditor	/ from	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)
			and imprest register attached			
4.5	Projects implemented not approved	but	The projects were approved by the board as per the codelist attached.	Samuel Mwangi-FAM	Not resolved	1 month
4.6	Projects Budgeted but not implemented	not	The projects were approved by the board as per the codelist attached.	Samuel Mwangi-FAM	Not resolved	1 month
4.7	Emergency		Copy of the funded project provided	Samuel Mwangi-FAM	Not resolved	1 month
4.8	Bursary		Awarding criteria	Samuel Mwangi-FAM	Not resolved	1 month
4.9	Completion certificates		No completion certificates	Samuel Mwangi-FAM	resolved	



