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REPORT	DATE: 01 MAR 2023
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TABLED BY:	Majority party whip
OF	Finlays Muriuki
PRESENT AT THE TABLE:	

THE AUDITOR-GENERAL

ON

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

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



NAKURU TOWN EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Nakuru Town East Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Edward Waya Ratemo
2.	Sub-County Accountant	Fracia Nyambura Githua
3.	Chairman NGCDFC	Nicodemus Onserio Akibah
4.	Member NGCDFC	Fatma Yusuf Alhajji

(d) Fiduciary Oversight Arrangements

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

(e) Nakuru Town East Constituency NGCDF Headquarters

P.O. Box 1746-20100,
NAKURU TOWN EAST Building/House/Plaza
NAKURU TOWN EAST Avenue/Road/Highway
Nairobi, KENYA

(f) Nakuru Town East Constituency NGCDF Contacts

Telephone: (254) 703107009
E-mail: nakurueastngcdf@gmail.com
Website: www.cdf.go.ke

(g) Nakuru Town East Constituency NGCDF Bankers

Family Bank
Nakuru Finance
P.o Box 74145-00200
Nairobi.

(h) Independent Auditors

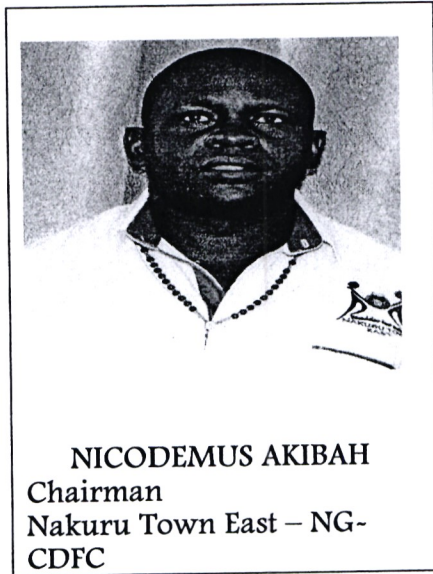
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN’S REPORT

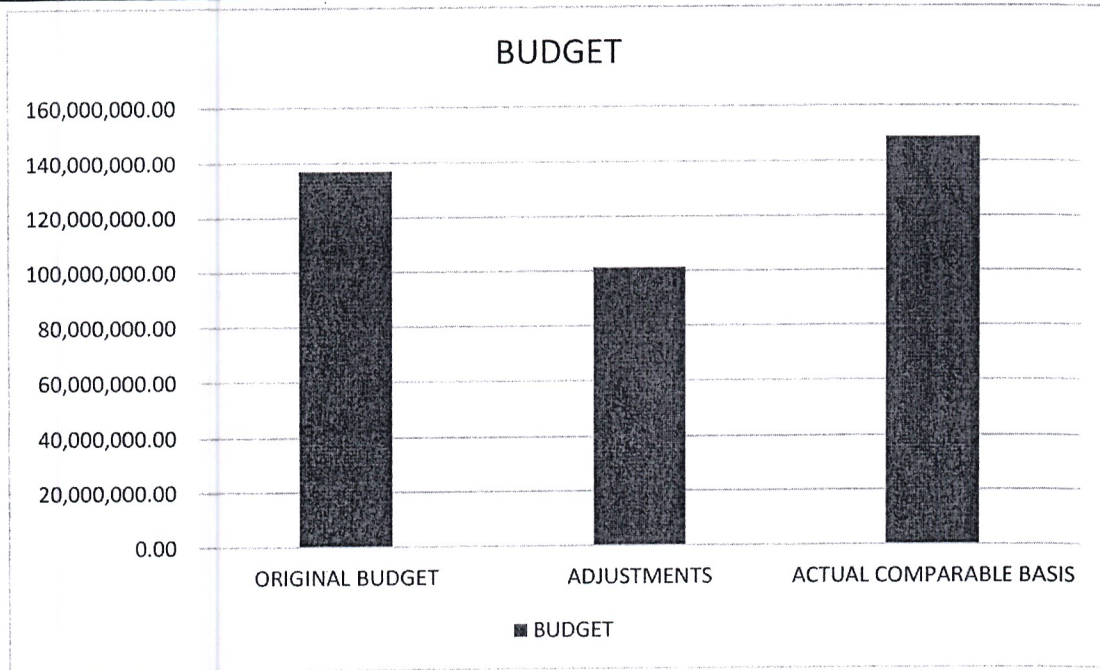
Include among others the following:



Below I present to you the performance of Nakuru town East NG-CDF for the Year 2020-2021



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



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.

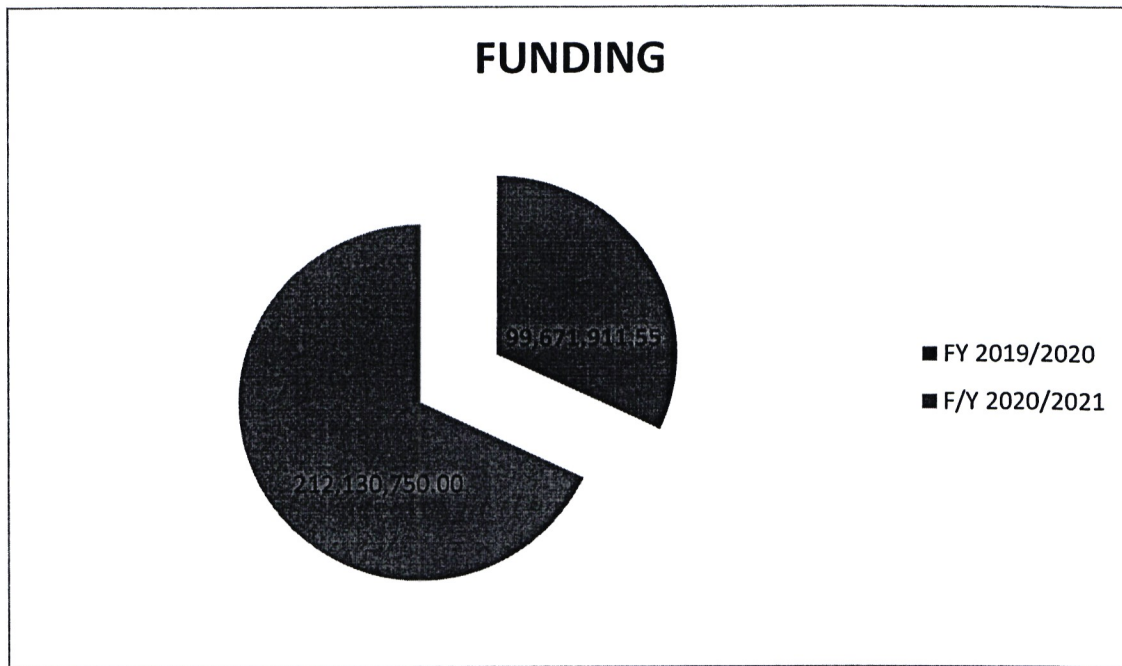


FIGURE 3: COMPARISON OF ALLOCATION BETWEEN FY 2019/2020 AND 2020/2021

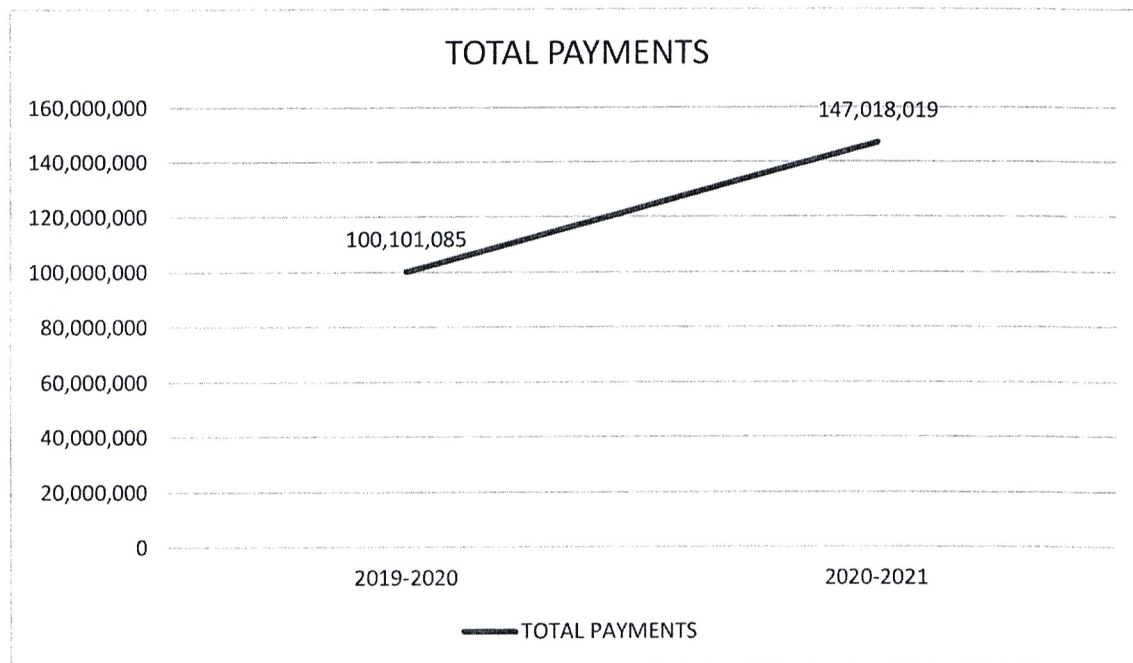


Figure 4: TOTAL PAYMENTS MADE BY THE CLOSE OF THE FINANCIAL YEAR OF 2019/2020 AND 2020/2021



Figure 1. Painting, Classroom Repairs, Window panes and Mirror replacements at Hyrax Primary School by the NG-CDF Nakuru Town East Constituency in the financial year 2020-2021

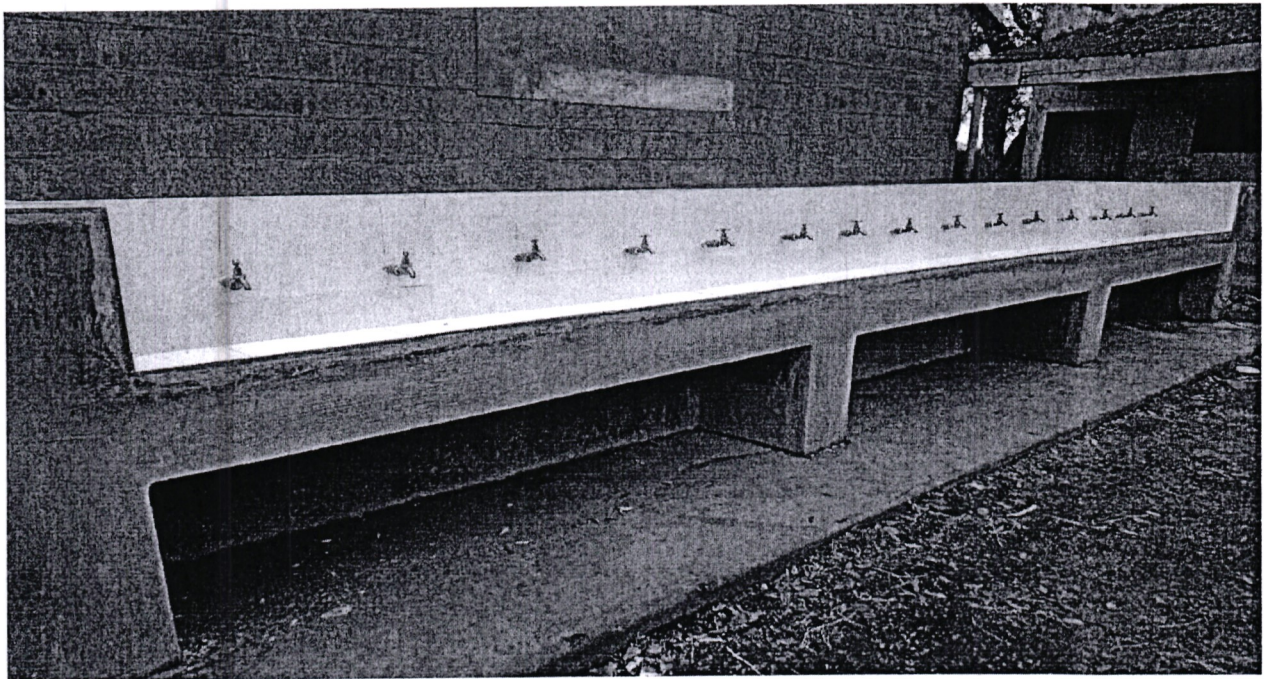




Figure 2 and 3. Construction of water points at St Paul Primary School for the financial year 2020/2021



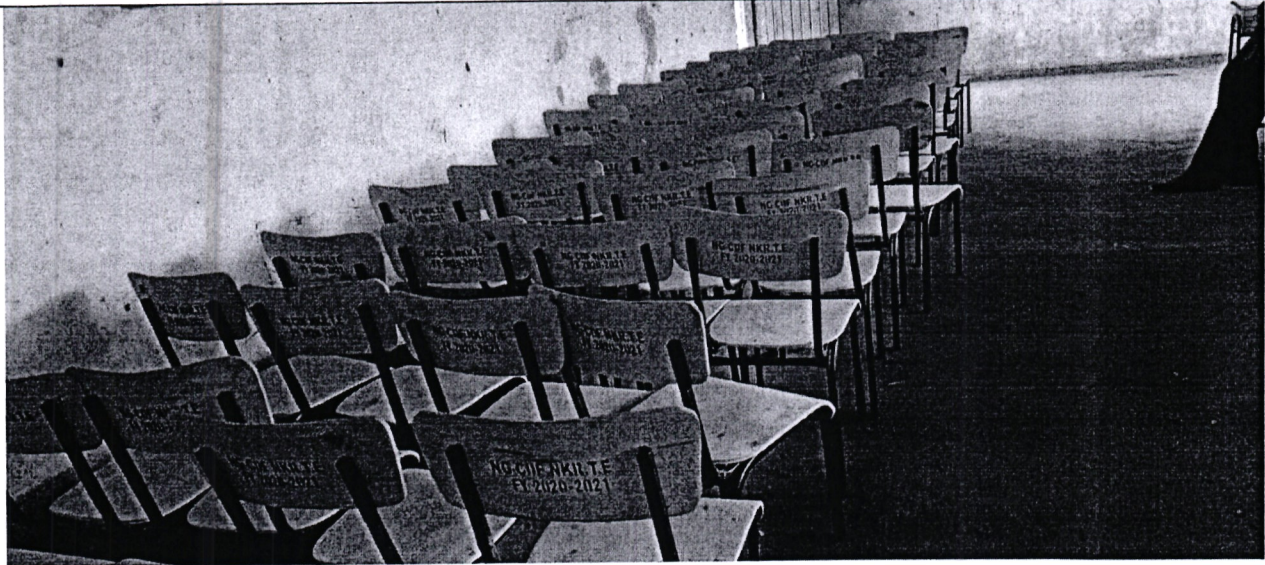


Figure 4 and 5. Purchase of 10,000litre water tank and chairs and lockers at pangani primary school for the Financial Year 2020/2021

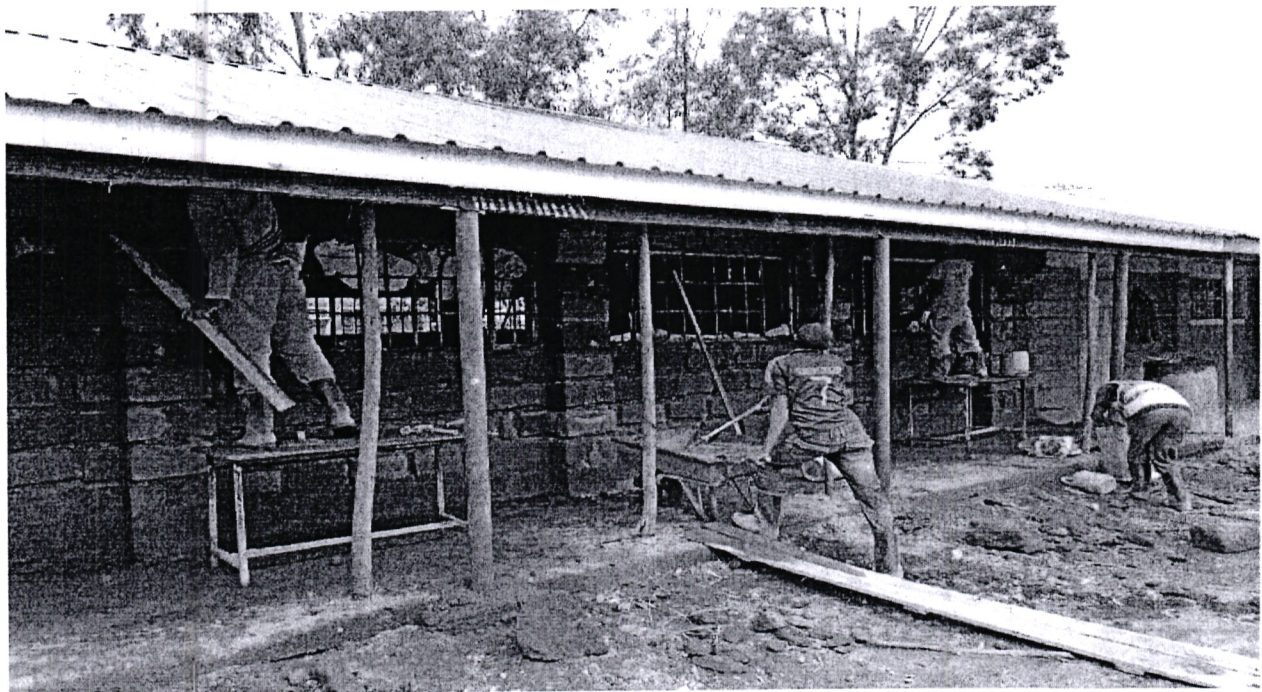


Figure 6. Construction of a Classroom at Rhino Primary School by the NG-CDF Nakuru Town East Constituency in the financial year 2019-2020 funded in the financial year 2020/2021



Figure 7. Groundbreaking of Construction of Muguga Chiefs Office police Quarters by the NG-CDF Nakuru Town East Constituency in the financial year 2020-2021.



Figure 7. FOOTBALL JERSEYS for all football teams who participated in the NG-CDF Nakuru town East funded Inter- Wards Tournament in the financial year 2020-2021

CHALLENGES AND EMERGING ISSUES

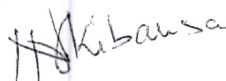
NG-CDF has been an important resource to the members of the community. Needy students have benefitted a lot from the bursaries, classrooms renovated and new ones built to help accommodate students meet COVID requirements.

The challenges realised were mostly related to the project implementation specifically construction of perimeter walls. It was realised that most of the school did not have title deeds which could be used during land demarcation.

There are various challenges associated with the implementation of projects. This relates with project prioritisation considering the amount of funds disbursed by the board in a given time. Since the funds are disbursed in tranches, there may be more projects which have agency comparing the funds disbursed. This usually leads to the delay of the projects implementation hence affecting the time when projects will be put into use.

The major challenge is delay and piecemeal disbursement of funds which makes some funded projects implementation not to be started within a financial year. The committee therefore recommends that full funds disbursement if possible to be done early in the financial year to enable the projects be implemented to completion within the financial year.

Signature



CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of *Nakuru Town East Constituency 2018-2022* plan are to:

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.

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:

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

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 modern police posts.	Construction of a perimeter wall.
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.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

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

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

2. Environmental performance

- 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.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Nakuru Town East constituency invests in capacity building programs for employees. These include courses on technical

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

4. Market place practices-

Nakuru Town East NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

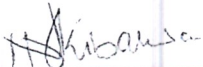
The Accounting Officer in charge of the NGCDF-Nakuru Town East Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June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

The Accounting Officer in charge of the NGCDF-Nakuru Town East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Nakuru Town East Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF Nakuru Town East Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Nakuru Town East Constituency financial statements were approved and signed by the Accounting Officer on 30th June 2021.



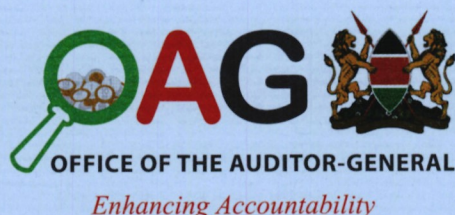
Chairman NGCDF Committee
Name: Nicodemus Akibab



Fund Account Manager
Name: Edward W. Katemo

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NAIROBI

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

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Nakuru Town East Constituency set out on pages

20 to 55, which comprise of the statement of financial assets and liabilities as at 30 June, 2021 and the statement receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Nakuru Town East Constituency as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments and statement of cash flows reflects transfers to other Government units amount of Kshs.61,586,000. However, Note 6 to the financial statements reflects a balance of Kshs.61,535,500 resulting to an unexplained variance of Kshs.50,500.

Further, the summary of fixed assets register reflects Nil historical cost opening balance. However, the prior year closing balance as per the audited financial statements reflected a balance of Kshs.22,091,393 resulting to an unexplained variance of Kshs.22,091,393.

In addition, the financial statements reflects comparative balances for three items that differed with prior year balances as detailed below:

Component	Note	Financial Statements (Kshs.)	Prior Year Audited Financial statements (Kshs.)	Variance (Kshs.)
National Hospital Insurance Fund	4	168,522		114,522
Pay As You Earn	4	54,000		54,000
Unutilized Funds	17.3	74,817,724	101,034,871	(26,217,147)

Similarly, the financial statements reflects balances for nine (9) items that are at variance with the supporting schedules as detailed below:

Details	Financial Statements (Kshs.)	Supporting Schedule (Kshs.)	Variance (Kshs.)
Compensation of Employees	2,540,100	2,535,750	(4,350)
Insurance Cost	556,037	359,720	196,317
Emergency Project Grants	10,850,000	10,150,000	700,000
Transfer to Primary Schools	24,285,500	25,136,000	(850,500)
Other Operating Expenses	393,210	0	393,210
Specialized Material	354,088	0	354,088
Other Committee Allowances	375,807	0	375,807
Committee Allowances	8,715,500	1,546,000	7,169,500
Routine Maintenance - Vehicles	195,910	0	195,910

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

2. Unsupported Expenditure on Use of Goods and Services

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services amount of Kshs.15,537,518. Review of records provided for audit indicates bank withdrawals on diverse dates totalling to Kshs.11,257,949 for various expenditure items. However, supporting documents such as the imprest warrants, surrender vouchers and detailed schedules were not provided for audit.

In the circumstances, the regularity, accuracy and completeness of the use of goods and services balance of Kshs.15,537,518 could not be confirmed.

3.0 Other Grants and Other Payments

3.1 Unsupported Bursary Payments

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and payments amount of Kshs.62,135,953 which includes bursary payments totaling to Kshs.38,092,176. However, bursary payments amounting to Kshs.19,248,277 was paid to student beneficiaries whose names, admission numbers and respective learning institutions were not provided for audit.

In the circumstances, the accuracy and completeness of bursary payments amount of Kshs.19,248,277 could not be confirmed.

3.2 Unsupported Expenditure on Social Security Programmes

Note 7 to the financial statements reflects Social Security programmes expenditure amount of Kshs.2,452,000 in respect of National Hospital Insurance Fund contributions for the vulnerable persons. However, the policy document, vetting committee reports, beneficiary's applications, approved list of beneficiaries and advertisement or notices to the public were not provided for audit.

In the circumstances, the accuracy and completeness of the social security programmes amount of Kshs.2,452,000 could not be confirmed..

3.3 Unaccounted for Security Projects Expenditure

Note 7 to the financial statements reflects security projects expenditure amount of Kshs.5,500,000. However, the expenditure returns, Project Management Committee minutes and bank statements in support of the expenditure were not provided for audit. Further, the expenditure also includes amount of Kshs.1,000,000 reallocated from Nakuru East Primary School to Nakuru Central Police Station without relevant approvals from the Board. In addition, the expenditure includes an amount of Kshs.1,500,000 incurred on rehabilitation of a borehole in Muguga which is outside the Fund's mandate and is contrary to Section 24(a) of the National Government Constituencies Development Fund Act, 2015, which states that a project under the Act shall only be in respect of works and services falling within the functions of the National Government under the Constitution.

In the circumstances, the regularity, accuracy and completeness of security projects expenditure balance of Kshs.5,500,000 could not be confirmed.

3.4 Unaccounted Sports Projects Expenditure

Note 7 to the financial statements reflects sports projects expenditure of Kshs.2,741,777. However, the expenditure returns, calendar of tournaments and procurement records in support of the expenditure were not provided for audit.

In the circumstances, the regularity, accuracy and completeness of sports projects expenditure balance of Kshs.2,741,777 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalent

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.20,139,852. However, bank reconciliation statement for the bank account reflect stale cheques totalling to Kshs.323,522 and had not been written back in the cash book or replaced.

In the circumstances, the accuracy and completeness of bank balance of Kshs.20,139,852 could not be confirmed.

4. Unaccounted Project Management Committees Account balances

Note 17.4 to the financial statements reflects Project Management Committee balances of Kshs.4,527,189 as detailed in Annex 5. However, the project status implementation report on the prior year balance of Kshs.5,789,926 was not provided for audit.

In the circumstances, accuracy and completeness of the Project Management Committees bank account balances of Kshs.4,527,189 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - 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 adverse 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 of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final receipts budget of Kshs.212,130,750 and actual receipts on a comparable basis of Kshs.167,041,871 resulting to underfunding of Kshs.45,088,879 (or 21%) of the budget. Similarly, the Fund expended Kshs.147,018,019 against an approved budget of Kshs.212,130,750 resulting to under expenditure of Kshs.65,112,731 (or 31%) of the budget.

The underfunding and under performance affected the planned activities and may have impacted negatively on service delivery.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Pubic Sector Accounting Standards Board Template

The table of contents to the financial statements excludes page numbers for annexes and progress on follow up of auditor recommendations and the budget execution by sectors and projects is not paginated. In addition, the progress on follow-up of auditor recommendations at pages 55 is not signed by the Accounting Officer and the issues or observations reported therein do not relate to the prior year's audit report.

In the circumstances, the financial statements are not prepared and presented in the format prescribed by the Public Sector Accounting Standards Board.

2. Irregular Expenditure on Emergency Projects

The statement of receipts and payments reflect grants and other transfers amount of Kshs.62,135,953 which includes an amount of Kshs.10,850,000 incurred on emergency projects out of which Kshs.3,800,000 spent on three (3) projects for renovation of offices. However, no justification was provided to confirm that the renovations were emergencies.

This is contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which states that emergency shall be construed to mean an urgent, unforeseen need 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.

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

3. Anomalies in Project Implementation

Twenty-four (24) projects with a funding allocation totalling to Kshs.34,841,500 were sampled for audit inspection in the month of May, 2022. However, project implementation records for projects costing Kshs.18,297,000 were not provided for audit.

Further, the inspection revealed that projects costing a total of Kshs.7,792,000 were not branded and could not be positively identified and attributed to the current year's expenditure. In addition, there were instances of poor workmanship or delayed completion in ten (10) out of the twenty four (24) projects inspected.

In the circumstances, value for money from the project cost amounting to Kshs.34,841,500 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

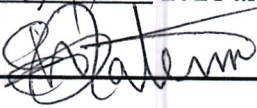
23 September, 2022

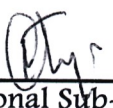
**Nakuru Town East Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

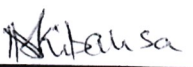
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	166,817,724	99,671,912
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	57,000
TOTAL RECEIPTS		166,817,724	99,728,912
PAYMENTS			
Compensation of employees	4	2,540,100	2,946,300
Use of goods and services	5	15,537,518	9,782,900
Transfers to Other Government Units	6	61,586,000	53,300,000
Other grants and transfers	7	62,135,953	34,071,885
Acquisition of Assets	8	5,218,448	
Other Payments	9	-	-
TOTAL PAYMENTS		147,018,019	100,101,085
SURPLUS/(DEFICIT)		19,799,705	(372,173)

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 23/6 2021 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF Committee

Name: Edward W Ritema

Name: PRACIATH GITHUA
CPAK M/No: 19541


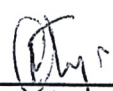
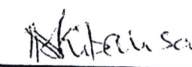
Name: Nicodemus Akiluh

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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Ksh
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	20,139,852	224,147
Cash Balances (cash at hand)	10B	-	
Total Cash and Cash Equivalents		20,139,852	224,147
Accounts Receivable			
Outstanding Imprests	11	-	
TOTAL FINANCIAL ASSETS		20,139,852	224,147
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	
Gratuity	12B	-	
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		20,139,852	224,147
REPRESENTED BY			
Fund balance b/fwd.	13	224,147	(372,173)
Surplus/Deficit for the year		19,799,705	596,320
Prior year adjustments	14	116,000	
NET FINANCIAL POSITION		20,139,852	224,147

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 20/6 2021 and signed by:


		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Edward W Ratemo	Name: FRANCIS GITHUA CPAK M/No: 19541	Name: Nicodemus Akibani

**Nakuru Town East Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. STATEMENT OF CASHFLOWS

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	166,817,724	99,671,912
Other Receipts	3	-	57,000
		166,817,724	99,728,912
Payments for operating activities			
Compensation of Employees	4	2,540,100	2,946,300
Use of goods and services	5	15,537,518	9,782,900
Transfers to Other Government Units	6	61,586,000	53,300,000
Other grants and transfers	7	62,135,953	34,071,885
Other Payments	9	-	-
		141,799,571	100,101,085
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	116,000	-
Net Adjustments		116,000	-
Net cash flow from operating activities		25,134,153	(372,174)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(5,218,448)	-
Net cash flows from Investing Activities		(5,218,448)	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	224,147	596,320
Cash and cash equivalent at END of the year		20,139,852	224,147

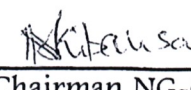
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nakuru Town East Constituency financial statements were approved on 30/6/2021 and signed by:


Fund Account Manager

Name: Edward W Ruten


National Sub-County
Accountant

Name: FRANCIS GITHYA
ICPAK M/No: 19541


Chairman NG-CDF Committee

Name: Nicodemus Akibani

*Nakuru Town East Constituency
National Government Constituencies Development Fund (NGCDF)
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X. SUMMARY STATEMENT OF APPROPRIATION

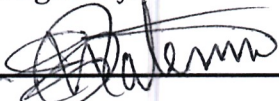
Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	Kshs	b	Kshs				
RECEIPTS	2020/2021		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
Transfers from NGCDF Board	137,088,879	Kshs	224,147	74,817,724	212,130,750	167,041,871	45,088,879	79%
Proceeds from Sale of Assets								
Other Receipts	-							0%
TOTALS	137,088,879		224,147	74,817,724	212,130,750	167,041,871	45,088,879	79%
PAYMENTS								
Compensation of Employees	3,969,203			222,903	4,192,106	2,540,100	1,652,006	61%
Use of goods and services	8,407,001		224,147	7,013,922	15,645,070	15,537,518	107,552	99%
Transfers to Other Government Units	39,885,500			36,700,000	76,585,500	61,586,000	14,999,500	80%
Other grants and transfers	61,584,985			25,380,899	86,965,884	62,135,953	24,829,931	71%
Acquisition of Assets	-			5,500,000	5,500,000	5,218,448	281,552	95%
Other Payments	-							0%
Funds pending approval**	23,242,190				23,242,190			
TOTALS	137,088,879		224,147	74,817,724	212,130,750	147,018,019	65,112,731	69%

**Nakuru Town East Constituency
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- i. Compensation of employees: 61%. 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: 63% 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.
- The difference was obtained by the adjustment of Kshs. 74,817,724 which was as a result of funds from the previous financial year 2019/2020 funding that had not been remitted then until in the financial year 2020/2021 amounting to Kshs. 74,817,724. to add to the amount is Kshs. 224,146 being the cash book balances as per the closure of the financial year 2019/20. The summation of the two figures results to the changes that are reflected between the original budget and the final budget.


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	65,112,731
Less undisbursed funds receivable from the Board as at 30 th June 2021	(45,088,879)
	20,023,852
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	116,000
Cash and Cash Equivalents at the end of the FY 2020/2021	20,139,852

The NGCDF-Nakuru Town East Constituency financial statements were approved on 30/6 2021 and signed by:



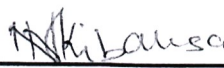
Fund Account Manager

Name: Edward W Rotem



National Sub-County
Accountant

Name: FRANCIS GITAU
ICPAK M/No: 19541



Chairman NG-CDF Committee

Name: Nicodemus Akilal

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021		2020/2021		
	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,969,203	0	222,903	2,540,100	1,652,006
1.2 Committee allowances	1,408,000	0	49,400	1,447,000	10,400
1.3 Use of goods and services	2,899,001	0	3,976,202	6,824,018	51,185
2.0 Monitoring and evaluation					
2.1 Capacity building	1,600,000	-	1,523,320	3,100,900	22,420
2.2 Committee allowances	1,500,000	224,147	1,315,000	3,015,600	23,547
2.3 Use of goods and services	1,000,000	-	150,000	1,150,000	-
3.0 Emergency					
3.1 Primary Schools	4,100,000	0	4,409	4,100,000	4,409
3.2 Secondary schools	2,250,000	0		2,250,000	-
3.3 Tertiary institutions		0			-
3.4 Security projects	842,207	0	2,191,707	3,000,000	33,914
3.5 Other	0		1,500,000	1,500,000	-
4.0 Bursary and Social Security					
4.1 Primary Schools					

**Nakuru Town East Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
4.2 Secondary Schools	30,000,000	0	46,233,449	30,321,925	15,911,524
4.3 Tertiary Institutions	5,153,000	0	6,731,610	2,786,777	3,944,833
4.4 Universities	6,000,000	0	6,369,336	4,983,474	1,385,862
4.5 Social Security	4,998,000	0	4,998,000	2,452,000	2,546,000
5.0 Sports			-		-
5.1	2,741,778	-	2,741,778	2,741,778	-
5.2			-		-
5.3			-		-
6.0 Environment			-		-
6.1 LANET PRIMARY SCHOOL	0	0	500,677	500,000	677
6.2 LANGALANGA PRIMARY SCHOOL	0	0	500,678	500,000	678
6.3 NAKURU PRIMARY	0	0	500,678	500,000	678
6.4 KENYATTA PRIMARY SCHOOL	0	0	500,678	500,000	678
6.5 MADARAKA PRIMARY	0	0	500,000	500,000	-
6.6 BONDENI PRIMARY SCHOOL	0	0	678	-	678
7.0 Primary Schools Projects (List all the Projects)			-		-
7.1 ABERDARE PRIMARY	450,000	0	450,000	450,000	-
7.2 BAHARINI PRIMARY	500,000	0	500,000	500,000	-
7.3 BONDENI PRIMARY	395,000	0	395,000	395,000	-
7.4 CRATER PRIMARY	500,000	0	500,000	500,000	-
7.5 FLAMINGO PRIMARY	350,000	0	350,000	350,000	-
7.6 FREEHOLD PRIMARY	450,000	0	450,000	450,000	-

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
7.7 HARAMBEE KHALSA PRIMARY	500,000	0	500,000	500,000	-
7.8 JAMHURI PRIMARY	350,000	0	350,000	350,000	-
7.9 KALOENI PARIMARY	500,000	0	500,000	500,000	-
7.10 KENYATTA PRIMARY	497,000	0	497,000	497,000	-
7.11 KIMATHI PRIMARY	250,000	0	250,000	250,000	-
7.12 KISULISULI PRIMARY	430,000	0	430,000	430,000	-
7.13 LAKEVIEW PRIMARY	370,000	0	370,000	370,000	-
7.14 LANET PRIMARY SPECIAL UNIT	500,000	0	500,000	500,000	-
7.15 LANGALANGA PRIMARY	405,000	0	405,000	405,000	-
7.16 LENANA PRIMARY	475,000	0	475,000	475,000	-
7.17 LIONHILL PRIMARY	499,500	0	499,500	499,500	-
7.18 MADARAKA PRIMARY	450,000	0	450,000	450,000	-
7.19 MBURU GICHUJA PRIMARY	800,000	0	800,000	800,000	-
7.20 MIRUGI KARIUKI PRIMARY	450,000	0	450,000	450,000	-
7.21 NAIROBI ROAD PRIMARY	800,000	0	800,000	800,000	-
7.22 NAKA PRIMARY	500,000	0	500,000	500,000	-
7.23 NAKURU PRIMARY	375,000	0	375,000	375,000	-
7.24 NAKURU TEACHERS PRIMARY	500,000	0	500,000	500,000	-
7.25 NDIMU PRIMARY	310,000	0	310,000	310,000	-
7.26 NGALA SCHOOL FOR THE DEAF	320,000	0	320,000	320,000	-
7.27 PANGANI PRIMARY	500,000	0	500,000	500,000	-
7.28 RACE TRACK PRIMARY	445,000	0	445,000	445,000	-
7.29 RHINO PRIMARY SCHOOL	500,000	0	500,000	500,000	-
7.30 ST. JOHNS PRIMARY	500,000	0	500,000	500,000	-

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
7.31 ST. JOSEPH	500,000	0	500,000	500,000	-
7.32 ST. MARY'S	230,000	0	230,000	230,000	-
7.33 ST. PAULS	499,000	0	499,000	499,500	(500)
7.34 ST. THERESAS	280,000	0	280,000	280,000	-
7.35 ST. XAVIERS	495,000	0	495,000	495,000	-
7.36 UMOJA PRIMARY	800,000	0	800,000	800,000	-
7.37 RACE TRACK PRIMARY	7,000,000	0	7,000,000	-	7,000,000
7.38MENENGAI INTERGRATED PRY	1,260,000	0	1,260,000	1,260,000	-
7.39 LANET PRY SCHOOL	0	0	800,000	800,000	-
7.40 PANGANI SPECIAL SCHOOL	0	0	1,000,000	1,000,000	-
7.41 HYRAX PRY SCHOOL	0	0	400,000	400,000	-
7.42 FREEHOLD PRY SCHOOL	0	0	800,000	800,000	-
7.43 ST JOSEPH PRY SCHOOL	0	0	200,000	200,000	-
7.44 St. Xavier's pry school	0	0	800,000	800,000	-
7.45 ABERDARE RANGERS	0	0	800,000	800,000	-
7.46 NDIMU PRY SCHOOL	0	0	800,000	800,000	-
7.47 NAKURU EAST PRIMARY	0	0	800,000	800,000	-
8.0 Secondary Schools Projects (List all the Projects)			-		-
8.1 NAKURU EAST MIXED	4,000,000	0	4,000,000	4,000,000	-
8.2 KIMATHI SECONDARY	1,450,000	0	1,450,000	1,450,000	-
8.3 KIVUMBINI SECONDARY	1,500,000	0	1,500,000	1,500,000	-
8.4 MARIA VERONICA SEC SCH	7,000,000	0	7,000,000	-	7,000,000
8.5 NATEWA SECONDARY	1,000,000	0	1,000,000	-	1,000,000

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
8.6 MARIA VERONICA	0	0	1,000,000	1,000,000	-
8.7 KIVUMBINI SEC	0	0	1,000,000	1,000,000	-
8.8 ST MARYS GIRLS	0	0	1,200,000	1,200,000	-
8.9 LANGALANGA SEC	0	0	1,200,000	1,200,000	-
8.10 LANGALANGA SEC	0	0	150,000	150,000	-
8.11 FLAMINGO HIGH	0	0	1,200,000	1,200,000	-
8.12 AFRAHA HIGH SCHOOL	0	0	1,200,000	1,200,000	-
8.13 HILL CREST SEC	0	0	1,200,000	1,200,000	-
8.14 NAIROBI ROAD SEC	0	0	1,200,000	1,200,000	-
8.15 RHINO SEC	0	0	1,200,000	1,200,000	-
8.16 MARIA VERONICA	0	0	200,000	200,000	-
8.17 NAKURU CENTRAL SEC	0	0	1,200,000	1,200,000	-
8.18 UPPERHILL MIXED	0	0	1,200,000	1,200,000	-
8.19 NAKURU DAY SEC	0	0	800,000	800,000	-
8.20 MENENGAI HIGH	0	0	1,200,000	1,200,000	-
8.21 NGALA SEC	0	0	1,450,000	1,450,000	-
8.22 KIVUMBINI SEC	0	0	200,000	200,000	-
8.23 FLAMINGO SECONDARY	0	0	13,500,000	13,500,000	-
			-	-	-
			-	-	-
9.0 Tertiary institutions Projects (List all the Projects)			-	-	-
9.1	0	0	-	-	-
9.2	0	0	-	-	-
9.3	0	0	-	-	-

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National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
9.4		0	-	-	-
10.0 Security Projects		0	-	-	-
10.1 NAKURU CENTRAL POLICE STATION					
10.2 MUGUGA CHIEFS OFFICE	3,000,000	0	1,000,000	1,000,000	-
10.3 KARATINA CHIEFS OFFICE	1,500,000	0	3,000,000	3,000,000	-
10.4 RHINO POLICE POST	1,000,000	0	1,500,000	1,500,000	-
11.0 Acquisition of assets		0	1,000,000	-	1,000,000
11.1 Motor Vehicles (including motorbikes)	0	0	5,500,000	5,218,448	281,552
11.2 Construction of CDF office	0	0	-	0	-
11.3 Purchase of furniture and equipment	0	0	-	0	-
11.4 Purchase of computers	0	0	-	0	-
11.5 Purchase of land	0	0	-	0	-
12.0 Others			-	0	-
12.1 Strategic Plan	0	0	-		-
12.2 Innovation Hub	0	0	-	0	-
12.2	0	0	-	0	-
Funds pending approval**	23,242,190	0	23,242,190	0	23,242,190
Total	137,088,879	224,147	212,130,751	147,018,020	65,112,731

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

Nakuru Town East Constituency
National Government Constituencies Development Fund (NGCDF)
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B041060		29,040,87
AIE NO	B047165		2,631,03
AIE NO	B041252		4,000,00
AIE NO	B047990		6,000,00
AIE NO	B041098		15,000,00
AIE NO	B047628		20,000,00
AIE NO	B104431		23,000,00
AIE NO	B096987	15,000,000	
AIE NO	B104552	19,000,000	
AIE NO	A823695	24,667,724	
AIE NO	B104971	13,500,000	
AIE NO	B124730	9,000,000	
AIE NO	B104923	500,000	
AIE NO	B119596	10,000,000	
AIE NO	B128228	6,900,000	
AIE NO	B122284	6,000,000	
AIE NO	B129190	6,000,000	
AIE NO	B119987	13,000,000	
AIE NO	B138953	13,000,000	
AIE NO	B140683	12,000,000	
		18,250,000	
TOTAL		166,817,724	99,671,911

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	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
Total	0	0

**Nakuru Town East Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	57,000
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	57,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,928,668	1,772,778
Personal allowances paid as part of salary	-	-
House Allowance	316,200	168,522
Transport Allowance	-	-
NHIF	63,800	168,522
PAYEE	186,232	54,000
Leave allowance	20,000	-
Gratuity to contractual employees	-	948,600
Employer Contributions Compulsory national social security schemes	25,200	2,400
Total	2,540,100	2,946,300

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee expenses	-	1,255,600
Utilities, supplies and services	458,140	151,730
Electricity	-	-
Water & sewerage charges	-	-
Office rent	0	-
Communication, supplies and services	524,610	701,630
Domestic travel and subsistence	543,250	287,600
Printing, advertising and information supplies & services	812,248	1,162,796
Rentals of produced assets	-	-
Training expenses	538,920	465,000
Hospitality supplies and services	413,350	259,229
Other committee expenses	375,807	-
Committee allowance	8,715,500	3,213,000
Insurance costs	556,037	-
Specialised materials and services	354,088	-
Office and general supplies and services	212,561	786,885
Fuel , oil & lubricants	1,143,887	-
Other operating expenses	393,210	-
Bank service commission and charges	300,000	-
Other Operating Expenses	-	1,499,430
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	195,910	-
Routine maintenance- other assets	-	-
Total	15,537,518	9,782,900

Nakuru Town East Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	24,285,500	37,450,000
Transfers to secondary schools (see attached list)	37,250,000	15,850,000
Transfers to tertiary institutions (see attached list)	0	0
	0	0
TOTAL	61,535,500	53,300,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,321,925	15,544,406
Bursary – tertiary institutions (see attached list)	2,786,777	5,538,090
Bursary – special schools (see attached list)	4,983,474	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	2,452,000	-
Security projects (see attached list)	5,500,000	1,000,000
Sports projects (see attached list)	2,741,777	2,659,389
Environment projects (see attached list)	2,500,000	500,000
Emergency projects (see attached list)	10,850,000	8,830,000
Total	62,135,953	34,071,885

**Nakuru Town East Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	5,218,448	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
Total	5,218,448	0

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>FAMILY BANK ACC NO. 018000049926</i>	20,139,852	224,146
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	20,139,852	224,146
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

**Nakuru Town East Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Edward W. Ratemo</i>				0

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	224,147.00	596,320.00
Cash in hand	0	0
Imprest	0	0
Total	224,147.00	596,320.00

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	224,147	116,000	340,147
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	224,147	116,000	340,147

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account receivables D= A+B-C	0	0

**Nakuru Town East Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	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)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0	0
Others (<i>specify</i>)	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,652,006	222,903
Use of goods and services	107,552	7,013,922
Amounts due to other Government entities (see attached list)	14,999,500	36,700,000
Amounts due to other grants and other transfers (see attached list)	24,829,931	25,380,899
Acquisition of assets	281,552	5,500,000
Others (<i>specify</i>)	0	-
Funds pending approval	23,242,190	-
	65,112,731	74,817,724.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	4,527,189	5,789,926
	4,527,189	5,789,926

NAKURU TOWN EAST Constituency
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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
Construction of buildings					
1.	0	0	0	0	
2.	0	0	0	0	
3.					
Sub-Total					
Construction of civil works					
4.	0	0	0	0	
5.	0	0	0	0	
6.					
Sub-Total					
Supply of goods					
7.	0	0	0	0	
8.	0	0	0	0	
9.					
Sub-Total					
Supply of services					
10.	0	0	0	0	
11.	0	0	0	0	
12.	0	0	0	0	
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.	0	0	0	
2.	0	0	0	
3.	0	0	0	
Sub-Total	0	0	0	
Grand Total	0	0	0	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
1.1 Compensation of employees	Payment of employees' salaries and gratuity	1,652,006	0	
1.2 Committee allowances	NG-CDF Committee allowances	10,400	222,903	
1.3 Use of goods and services	Purchase of office goods and services	51,185	0	
2.0 Monitoring and evaluation			0	
2.1 Capacity building	NG-CDFC capacity building	22,420	7,013,922	
2.2 Committee allowances	NG-CDFC allowances	23,547	0	
3.0 Emergency			0	
3.1 Primary Schools	Civil works in Primary schools	4,409	0	
3.4 Security projects		33,914	2,191,707	
3.5 others			1,500,000	
4.0 Bursary and Social Security			0	
4.2 Secondary Schools	Giving school fees aid to needy students	15,911,524	16,233,449	
4.3 Tertiary Institutions	Giving school fees aid to needy students	3,944,833	1,578,610	
4.4 Universities	Giving school fees aid to needy students	1,385,862	369,336	
4.5 Social Security	Payment of health insurance for the less privileged elderly people	2,546,000	0	
6.0 Environment			0	
6.1 Lanet Primary School	Construction of a septic pit latrine	677	0	
6.2 Langalanga Primary School	Construction of a septic pit latrine	678	500,677	
6.3 Nakuru Primary	Construction of a septic pit latrine	678	500,678	
6.4 Kenyatta Primary School	Construction of a septic pit latrine	678	500,678	
6.5 madaraka primary school	Construction of a septic pit latrine	678	500,678	
			500,000	

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
6.6 bondeni primary school			678	
7.0 Primary Schools Projects			0	
7.37 Race Track Primary			6,400,000	
8.0 Secondary Schools Projects	Purchase Of A 52 Seater School Bus	7,000,000	0	
			30,300,000	
8.4 Maria Veronica Sec Sch	Purchase Of A 52 Seater School Bus		0	
8.5 Natewa Secondary	Construction of a classroom	7,000,000	0	
		1,000,000	0	
			0	
10.0 Security Projects			1,000,000	
10.4 Rhino Police Post	Construction of a septic tank	1,000,000	0	
11.0 Acquisition of assets			0	
11.1 Motor Vehicles	PURCHASE OF office Vehicle	281,552	5,500,000	
12.2			0	
Funds pending approval**		23,242,190	0	
Grand Total		65,112,731	74,817,725	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	0	0	0	0
Buildings and structures	0	0	0	0
Transport equipment	0	5,218,448	0	0
Office equipment, furniture and fittings	0	0	0	0
ICT Equipment, Software and Other ICT Assets	0	0	0	0
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	0	5,218,448	0	0

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 202xx

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
ABERDARE PRIMARY			21,858	0
BAHARINI PRIMARY		18000079666	4,821	0
BONDENI PRIMARY		18000079633	1,580	0
HARAMBEE KHALSA PRIMARY		18000078029	1,157	0
JAMHURI PRIMARY		18000079720	1,381	0
KALOLENI PARIMARY		18000070796	493,727	0
KIMATHI PRIMARY		18000078106	3,241	0
KISULISULI PRIMARY		18000068506	18	0
LENANA PRIMARY		18000079693	581	0
NAKURU PRIMARY		18000070866	181	0
NAKURU TEACHERS PRIMARY		18000070832	346	0
NDIMU PRIMARY		18000081127	160	0
RHINO PRIMARY SCHOOL		18000076318	2,094	0
ST. JOHNS PRIMARY		18000079825	5,071	0
ST. JOSEPH		18000076690	5,076	0
LANET PRY SCHOOL		18000070827	160	0
PANGANI SPECIAL SCHOOL		18000070689	679	0
FREEHOLD PRY SCHOOL		18000076347	3,506	0
st xaviers pry school			5,291	0
NAKURU EAST PRIMARY		18000079362	12,501	0
NAKURU EAST MIXED		18000079362	12,501	0
KIMATHI SECONDARY		18000073682	1,320	0
langalanga sec			14,249	0
HILL CREST SEC		18000073724	922	0
NAIROBI ROAD SEC		18000073657	9,527	0

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
RHINO SEC		18000073725	278,427.00	0
MARIA VERONICA		18000080710	880	0
UPPERHILL MIXED		18000073777	6,158	0
NAKURU DAY SEC		18000068547	536	0
MENENGAI HIGH		18000081096	360	0
FLAMINGO HIGH		18000080757	3,638,880	0
			4,527,189	0
Total				

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	The Constituency had an expenditure budget of Kshs.201,135,956 and actual expenditure of Kshs.100,101,085 resulting to under expenditure of Kshs.101,034,871 or 50% The budget underutilization of Kshs.101,034,871 (50%) implies that the constituents did not receive the envisaged services contrary to values and principles of public service as provided for under Article 232 (1- c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.	utilization of the funds at 50% was as a result of late disbursement of funds from the NGCDF Board this makes it had to ensure that the projects have been done on time to ensure the constituents receive envisage services	Not resolved	Financial year 2021/2022
2	Most of the project are complete and in use but not branded/labelled contrary to National Government Constituencies	The projects were branded and follow-up done during the monitoring and evaluation exercise	resolved	4 th quarter 2020/2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Development Regulations, 2016 Section 11 (1)(cc) which requires the constituency committee to ensure all projects are labelled.			
3	Kivumbini Secondary School - Construction of Multipurpose Complex and 2 classrooms The project is incomplete with pending works of painting and filing. Labour based contracting was used without evidence of quotation being sent to prequalified contractors, evaluations and award. This is contrary to section 27(1) of National Government Constituencies Development Regulations, 2016 which requires the application of public procurement and disposal law with respect to any procurement by constituency committee/project	The projects to receive addition funds in the following financial year for completion of the pending works. The PMC to be advised to bring returns and also how labour based contract is procured	Resolved	Financial year 2021/2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	<p>management committee.</p> <p>The statement of receipts and payments for the year ended 30 June, 2020 reflects other grants and other payments of Kshs.34,071,885 (2019-Kshs.44,006,512) as reflected under note 7 of the financial statements. This amount includes grants to sports projects of Kshs.2,659,389 and environment projects of Kshs.500,000 respectively. However, the expenditure was not accounted for by way of acknowledgements of distribution/delivery of the sports items and environmental related supplies such as tree seedlings by respective groups or institutions.</p>	<p>The payment vouchers and proper documentation are available for audit verification.</p> <p>the project files for both the sports and environment were misplaced but now are available for audit verification.</p>	Resolved	30 th March 2021
5	<p>The statement of receipts and payments for the year ended 30 June, 2020 reflects other grants and other payments of Kshs.35,071,885 (2019-Kshs.44,006,512) as disclosed under note 7 of the financial statements. This amount includes grants to emergency projects of</p>	<p>The project file is available showing the procurement process used and distribution process and records of expenditure for the covid 19 mitigation activity.</p>	Resolved	30 th March 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6	<p>Kshs.8,830,000 out of which Kshs.2,400,000 was utilized on COVID-19 expenses. However, the expenditure was unsupported by procurement records, stores records or any other records to show the procurement process, their distribution and accountability.</p> <p>The annual report prepared and presented for audit did not meet the presentation framework of the 2020 issued by the Public Sector Accounting Standards Board as highlighted below: -</p> <ul style="list-style-type: none"> i. The cover page has erroneously included "Revised 30th June 2020" ii. Page numbers 5, 6, 7, 8, 9 and 38 are not legible; iii. Page numbering 19 to 38 is repeated starting from page 39 	<p>The financial statement has been corrected and errors noted.</p>	Resolved	30 th March, 2021
7	<p>The statement of receipts and payments reflects transfers to other government units of Kshs.52,300,000;(2019-</p>	<p>The payment vouchers, project files PMC minutes and bank statements were availed for audit verification.</p>	Resolved	30 th March, 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs17,046,000) as reported under note 6 of the financial statements. Included in the expenditure is Kshs.15,850,000 in reference to transfers to secondary schools. However, some transfers were not supported by way of project files and PMC bank statements			