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REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 APR 2022	DAY: WED
TABLED BY: Lom	TABLED BY: M. WANJIKU OM

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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



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

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to: Recognize the constituency as a platform for identification, performance and implementation of national government functions;

- a) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- b) 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;
- c) 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;
- d) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- e) 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;
- f) 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;
- g) 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;
- h) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- i) 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
- j) 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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	EDWARD W. RATEMO
2.	Sub-County Accountant	FRACIAH N. GITHUA
3.	Chairman NGCDFC	NICODEMUS O. AKIBAH
4.	Member NGCDFC	FATMA YUSUF

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Nakuru Town East Constituency Headquarters

P.O. Box 1746, GPO NAKURU
LOCATED AT THE LANET D.O's OFFICE
FREEAREA SHOPPING CENTRE
NAKURU

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(f) NGCDF Nakuru Town EAST Constituency Contacts

Telephone: (254) 703107009
E-mail: Nakurutowneastngcdf@gmail.com

(g) NGCDF Nakuru Town East Constituency Bankers

1. FAMILY BANK
NAKURU FINANCE BRANCH
P.O. Box 519
NAKURU

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

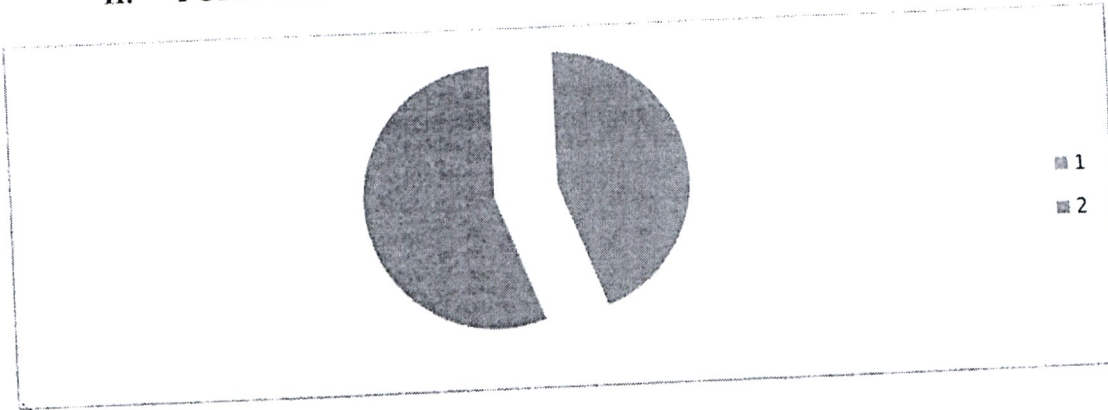


Figure 1: COMPARISON OF ALLOCATION BETWEEN FY 2017/18 AND 2018/19
KEY

- 1- ALLOCATION FROM BOARD FY 2017/18
- 2- ALLOCATION FROM BOARD FY 2018/19

The figure above shows an improvement of total allocation from the FY 2017/18 to FY 2018/19 by 20 percentage points

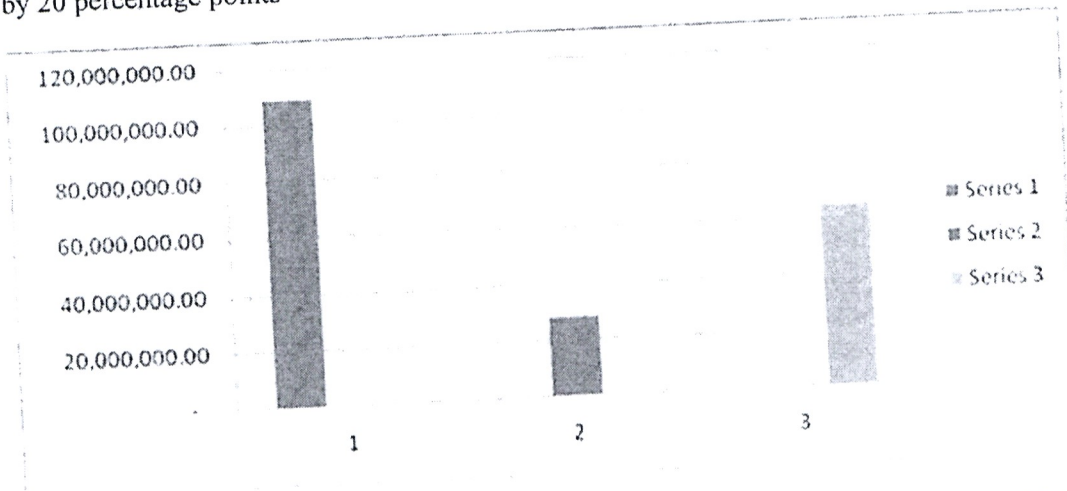


Figure 2: BURGET ALLOCATION, ADJUSTMENT AND THE ACTUAL ON COMPARABLE BASIS

- KEY:**
- 1- ORIGINAL BURDGET
 - 2- ADJUSTMENT DURING THE YEAR
 - 3- ACTUAL ON COMPARABLE BASIS

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The utilization of funds during the year was at 50.45%. This percentage of utilization is exclusive of the additional funds and the submitted proposal which is awaiting approval.

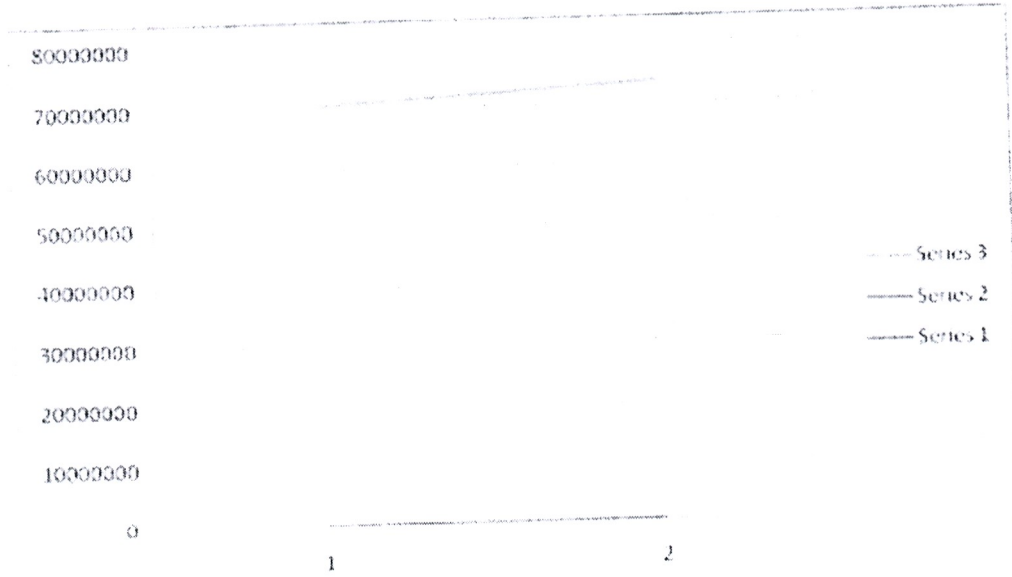


Figure 3: PAYMENTS MADE BY THE CLOSE OF THE FINANCIAL YEAR OF 2017/18 AND 2018/19

KEY:

- 1- Payments in Kenya shillings made in the financial year 2017/18
- 2- Payments in Kenya shillings made in the financial year 2018/19

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KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2018/19

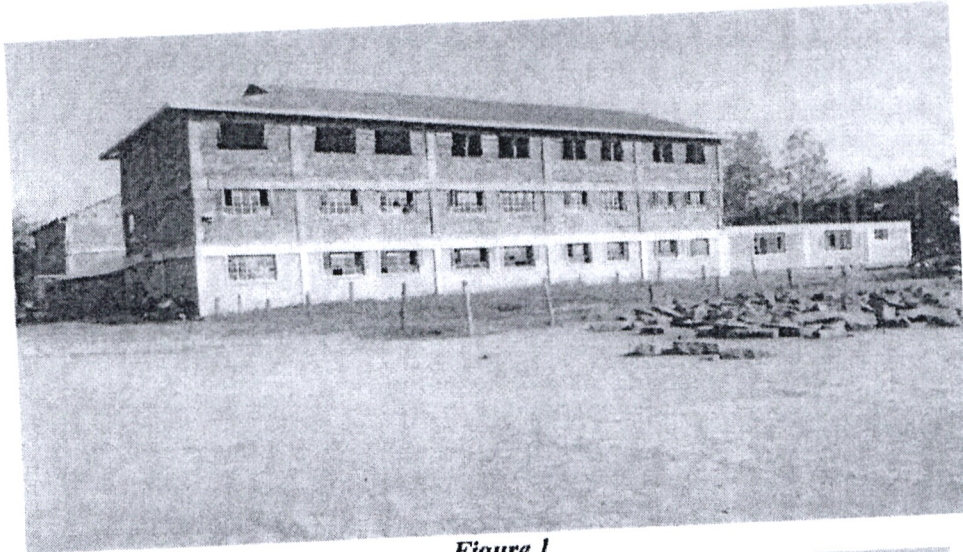


Figure 1

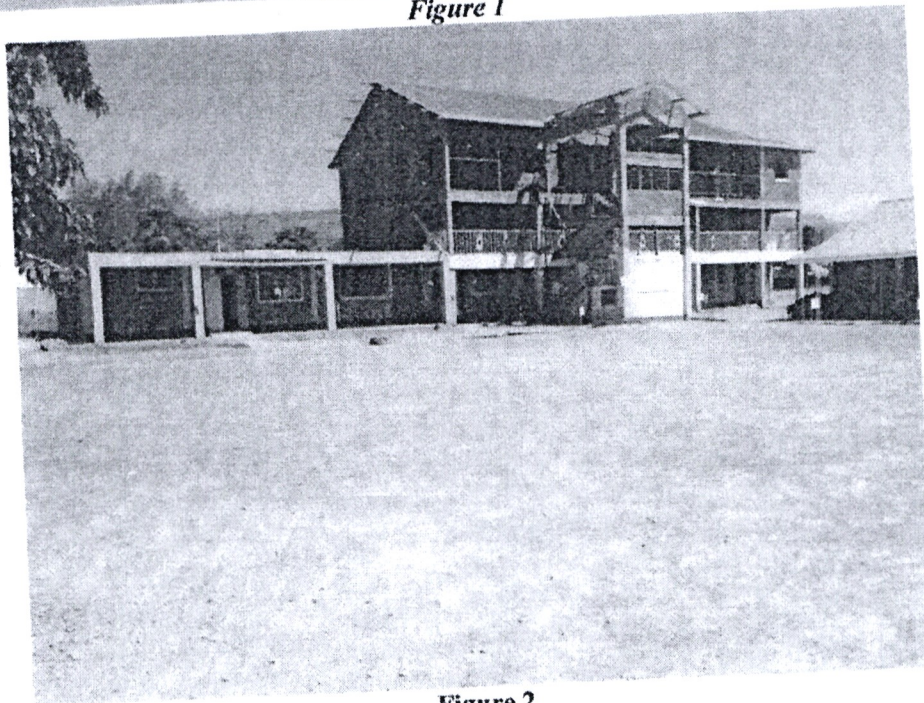


Figure 2

Figure 1 and 2 above shows Natewa high school roofing and finishes which will be used to facilitate more students to avoid over congestion in one class.

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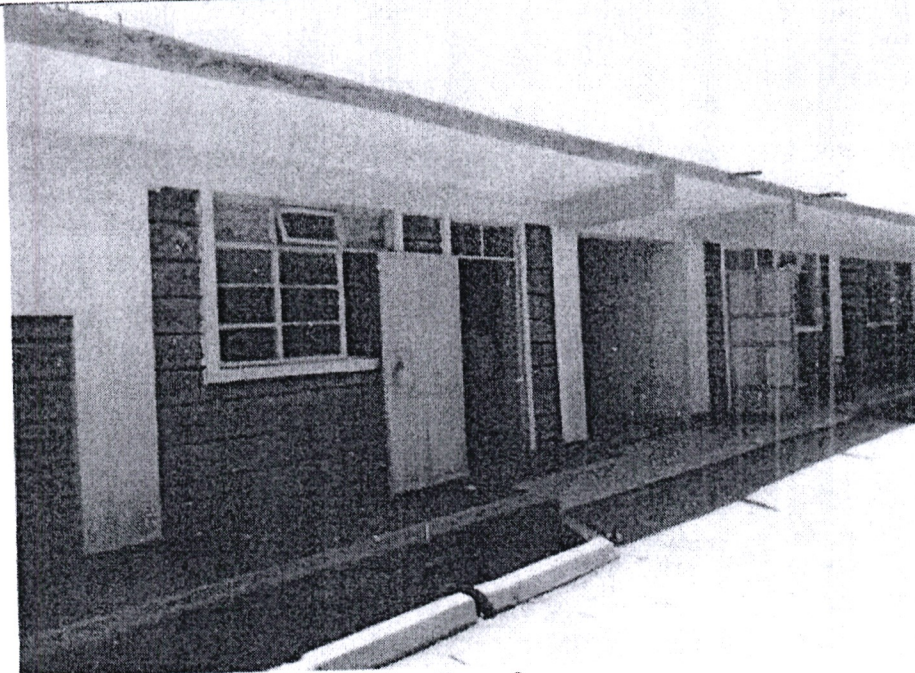


Figure 3

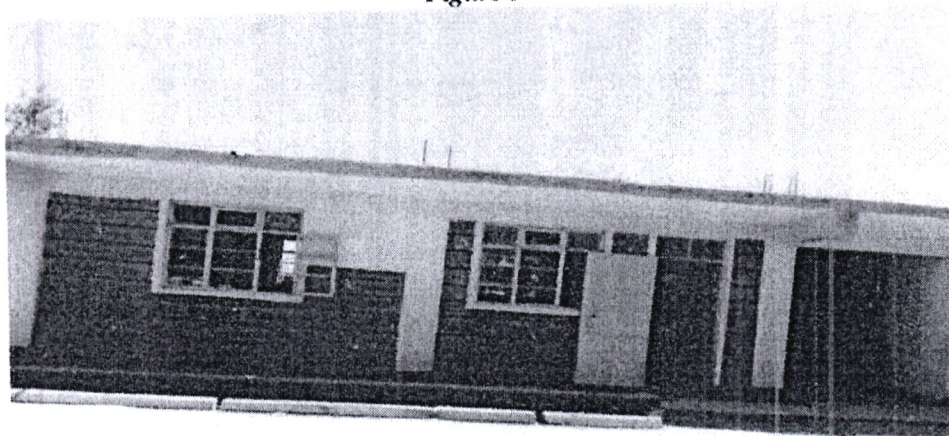


Figure 4

Figure 4 and 5 shows two classrooms constructed by NG-CDF Nakuru Town East and in use to allow more room for the students.

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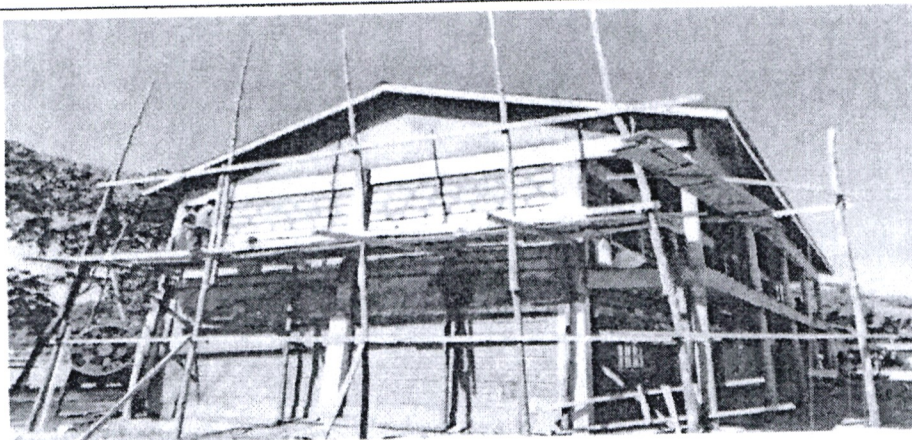


Figure 5

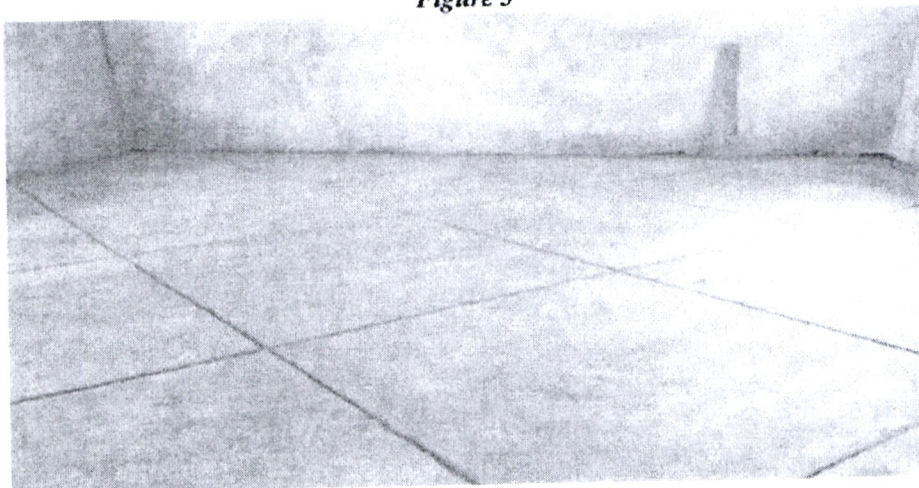
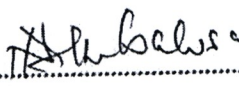


Figure 6

Figure 5 and 6 shows a project of NGCDF Nakuru own East finishes of two classrooms and flooring in Kimathi Secondary School

NICODEMUS AKIBAH

Sign.....

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAKURU TOWN EAST CONSTITUENCY
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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

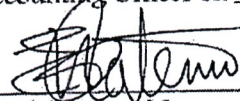
The Accounting Officer in charge of the NGCDF-Nakuru Town East Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year 2018/2019 ended on June 30, 2019. 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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Nakuru Town East Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

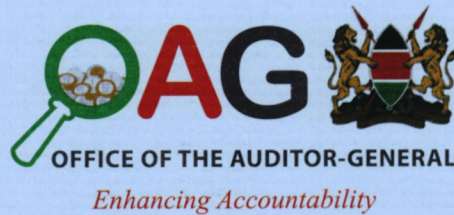
The NGCDF-Nakuru Town East Constituency financial statements were approved and signed by the Accounting Officer on 21/4 2020.


Fund Account Manager
Name: Edward W. Kitemu
FUND ACCOUNT MANAGER
NGCDF NTEC
P.O. BOX 111111, NAKURU
Email: eratemu@cdf.go.ke
Date: Sign:


Sub-County Accountant
Name: (1954) FRANCIS GITHUA
ICPAK Member Number:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAKURU TOWN EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Nakuru Town East Constituency set out on pages 11 to 30, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Nakuru Town East Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Errors in the Annual Reports and the Financial Statements

The annual reports and the financial statements prepared and presented for audit had the following errors:

- 1.1.** Blank page for the insertion of the Auditor-General's report has been omitted;

- 1.2. Disclosure Note 15.4 Project Management Committee (PMC) bank balances and detailed listing at Annex 5 are blank;
- 1.3. Annex 4 -summary of fixed assets register at page 35 is blank despite evidence of expenditure on fixed assets including building and structures, office equipment, furniture and fittings as at 30 June, 2018; and
- 1.4. The progress on follow up of auditor recommendations at page 36 is blank despite unresolved issues which appeared in 2017/2018 report.

This is contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with section 194(1) (d) of the Public Finance Management Act, 2012.

Consequently, the annual report and the financial statements as prepared and presented are not in compliance with International Public Sector Accounting Standards (IPSAS) template.

2. Inaccuracies in Financial Statements

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

- 2.1. The summary statement of appropriation- recurrent and development combined reflects unexplained unapproved projects of Kshs.34,131,036.
- 2.2. The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board of Kshs.67,748,274 while the summary statement of appropriation: recurrent and development combined reflects Kshs.74,238,220 resulting to an unexplained variance of Kshs.6,489,946.

Under the circumstances, the accuracy and completeness of summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 could not be confirmed.

3. Variances in Comparative Balances

The comparative balances in Note 15.3 differ with the audited figures for the prior year and as detailed below:-

Item	Comparative Balances (Kshs)	Audited Balance (Kshs)	Variance (Kshs)
Unutilized funds			
Compensation	943	-	943

Item	Comparative Balances (Kshs)	Audited Balance (Kshs)	Variance (Kshs)
Use of Goods	3,623,195	4,849,718	(1,226,523)
Amounts due to other Government Entities	7,700,000	7,900,000	(200,000)
Amounts due to Grants and other Transfers	6,714,082	12,919,538	(6,205,456)
Unapproved Projects	8,131,036	-	8,131,036
Sub Total	26,169,256	25,669,256	500,000
Other Variances			
Project Management Committee Account Balances	-	6,476,425	(6,476,425)
Annex 4 summary of Fixed Assets	-	4,853,700	(4,853,700)

No explanations or disclosures by Notes to the financial statements have been provided.

Under the circumstances, the accuracy and completeness of the comparative balances in the financial statements for the year ended 30 June, 2019 could not be confirmed.

4. Unsupported Payments

4.1. Use of Goods and Services

The statement of receipts and payments reflects use of goods and services of Kshs.7,578,338;(2018-Kshs.3,424,767) and as disclosed in Note 5 to the financial statements. Included in the payment is an amount of Kshs.1,144,078 relating to various items as detailed below, which have not been adequately supported by way of; schedules, ledgers, cashbook and payment vouchers.

Item	Amount (Kshs)
Utilities, Supplies and Services	540,239
Communication, Supplies and Services	252,000
Office, General Supplies and Services	100,000
Routine Maintenance - Other Assets	251,839
Total	1,144,078

Consequently, the accuracy and validity of the use of goods and services amount of Kshs.,7,578,338 for the year ended 30 June, 2019 could not be confirmed.

4.2 Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and other payments of Kshs.44,006,512;(2018-Kshs.42,271,057) and as disclosed in Note 7 to the financial statements. Included in the bursaries to secondary and tertiary institutions of Kshs.33,432,012 are bursary payments amounting to Kshs.4,869,393 which were not supported by detailed beneficiaries listing. Further, Fund's bursary policy and criteria used to identify 162 full scholarships for students amounting to Kshs.4,100,000 was not made available for audit review.

4.2.1 Unsupported Environmental Expenditure

Included in the environmental activities is Kshs.1,902,000 for purchase of tree seedlings that was not supported by with distribution listings and acknowledgement by the beneficiary schools and institutions .

Under the circumstances, the accuracy and validity of other grants and transfers expenditure of Kshs.44,006,512 for the year ended 30 June, 2019 could not be confirmed.

5. Misclassification of Expenditure

The statement of receipts and payments reflects other payments amount of Kshs.2,900,000;(2018-Kshs.3,000,000) and as disclosed in Note 9 to the financial statements. Included in this expenditure is Kshs.700,000 for construction of constituency offices which should have been classified under acquisition of assets. No adjustment was made to the financial statements to correct the misclassification.

Consequently, accuracy and presentation of other payments cost of Kshs.2,900,000 for the year ended 30 June 2019 could not be confirmed.

6. Inaccuracies in Bank Balances

The statement of assets and liabilities reflects bank balances of Kshs.596,320;(2018-Kshs. 6,489,946) and as disclosed in Note 10A to the financial statements. A review of the bank reconciliation statement in support of the bank balance revealed unrepresented cheques out of which stale cheques totalling to Kshs.270,553 with some dating far back to year 2014 have not been written back into the cash book. Bank charges in the bank statement but not in the cash book amounting to Kshs.336,309 and dating far back to the year 2016 have also not been expensed in the cashbook.

Under the circumstances, the accuracy and completeness of the bank balances of Kshs.596,320 as at 30 June, 2019 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 qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation- recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.137,410,132 and Kshs.74,238,220 respectively resulting to underfunding of Kshs.63,171,912 or 46 % of the budget. Similarly, the Fund spent Kshs.73,641,900 against an approved budget of Kshs.137,410,131 resulting to an under-expenditure of Kshs.63,768,232 or 46% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Nakuru Town East Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Respond to Management Letter

Contrary to the provisions of Public Audit Act, 2015 Section (4) which states that the accounting officer shall within fourteen days from the date of receipt of the draft management letter, submit a response to the Auditor-General including remedial actions that have been undertaken to address any qualifications in the draft management letter,

The Management did not respond to the 2018/19 financial management letter issued on 21 February, 2020.

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

2. Incomplete Projects

The project implementation status report as at 30 June 2019 indicates that eighty (80) projects with funding allocation of Kshs.43,504,923 out of which sixty-nine (69) were complete, and eleven(11) were ongoing and at various implementation status.

This is indicative of slow progress in the completion of the projects and may impact negatively on service delivery for the residents of Nakuru East Town Constituency.

3. Unsatisfactorily Implemented Projects

Five (5) projects with funding allocation of Kshs.10,700,000 were sampled for verification during the month of February, 2020 and the following observations were made: -

Name of the Project	Project Details	Project Cost (Kshs)	Verification Remarks
Karatina Chief's Camp	Construction of Drainage, painting of Office and Construction of four (4) single house units for AP Police	2,200,000	The project was in complete and was at the roofing stage, despite the entire allocation being disbursed to the Project Management Committee
Rhino Police Post	Fixing Doors and painting of five (5) Houses, Construction of Sanitary Block and Connection of Electricity	600,000	Painting of the police post including the houses and connection of electricity has been done. However, construction of the sanitary block is yet to be done. The entire allocation had been disbursed to the Project Management Committee
Purchase of two hundred and twenty (220) desks	Purchase of Desks and Lockers at kshs.5,000 per set	1,100,000	The list of the beneficiary school with recipient signature or the acknowledgement receipt was not provided for the audit verification. The

Name of the Project	Project Details	Project Cost (Kshs)	Verification Remarks
			entire allocation had been disbursed to the Project Management Committee
Maria Veronica	Roofing of Multipurpose Hall. Construction of three hundred (300) student capacity Dormitory to completion	5,800,000	The roofing was complete and the hall was in use. However, the dormitory was incomplete despite the entire allocation being disbursed to the Project Management Committee.
Kiratina Secondary School	Construction of the Administration Block	1,000,000	Project ongoing
Total		10,700,000	

Consequently, value for money from the projects valued at Kshs.10,700,000 for the year ended 30 June, 2019 could not be confirmed.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

The Fund does not have a risk management policy that guides on assessment and evaluation of risk and to develop the strategies to mitigate them. This is contrary to Regulation 165(1) of the Public Finance Management Act (National Government) Regulations, 2015 which require the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

Consequently, it was not possible to confirm whether the risks faced have been identified and appropriately mitigated.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

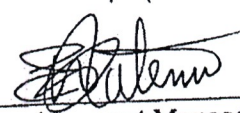
10 February, 2022

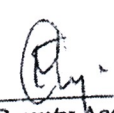
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2019**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	67,748,274	76,810,345
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		67,748,274	76,810,345
PAYMENTS			
Compensation of employees	4	2,111,050	1,834,857
Use of goods and services	5	7,578,338	3,424,767
Transfers to Other Government Units	6	17,046,000	15,537,854
Other grants and transfers	7	44,006,512	42,271,057
Acquisition of Assets	8	-	4,500,000
Other Payments	9	2,900,000	3,000,000
TOTAL PAYMENTS		73,641,899	70,568,535
SURPLUS/DEFICIT		(5,893,625)	6,241,810

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 21/7 2020 and signed by:


Fund Account Manager
 Name: **Edward N. Kitembo**
 FUND AC-CDF NTEC
 P.O. Box 7, 20100, NAKURU
 Email: **gratem@na.go.ke**
 Date..... Sign.....

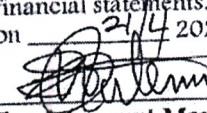

Sub-County Accountant
 Name: **19541 PRACHIN N. GITAU**
 ICPAK Member Number:


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAKURU TOWN EAST CONSTITUENCY
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	596,320	6,489,946
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		596,320	6,489,946
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		596,320	6,489,946
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>596,320</u>	<u>6,489,946</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	6,489,946	248,136
Surplus/Deficit for the year		(5,893,625)	6,241,810
Prior year adjustments	14	-	-
NET LIABILITIES		<u>596,320</u>	<u>6,489,946</u>

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 21/4 2020 and signed by:


Fund Account Manager
 Name: Edward W. Kiserian
 URBAN ACCOUNT MANAGER
 P.O. Box 100, NAKURU
 Email: erate@ngcdf.co.ke
 Date: Sign:


Sub-County Accountant
 Name: (19541) FRANCIS N. GITHECIA
 ICPAK Member Number:


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	67,748,274	76,810,345
Other Receipts	3	-	
Total Receipts		67,748,274	76,810,345
Payments			
Compensation of Employees	4	2,111,050	1,834,857
Use of goods and services	5	7,578,338	3,424,767
Transfers to Other Government Units	6	17,046,000	15,537,854
Other grants and transfers	7	44,006,512	42,271,057
Acquisition of Assets	8	0	0
Other Payments	9	2,900,000	3,000,000
Total Payments		73,641,900	66,068,535.00
Total Receipts Less Total Payments		(5,893,626)	10,741,811
Adjusted for:			
Outstanding Imprest	11		
Retention	12A		
Gratuity Payable	12B		
Prior Year adjustment	14		
Net Adjustments		-	-
Net cash flow from operating activities		(5,893,626)	10741,811
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(4,500,000)
Net cash flows from Investing Activities		-	(4,500,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,893,626)	6,241,810
Cash and cash equivalent at BEGINNING of the year	13	6,489,946	248,135
Cash and cash equivalent at END of the year		596,320	6,489,945

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 21/11 2020 and signed by:


Fund Account Manager
Name: Edward N. Ratembo
P.O. Box 17440 NTEC
NAKURU
Email: eratembo@cdl.go.ke
Date:

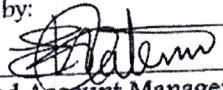

Sub-County Accountant
Name: (1954)FRACIAH N. GITRUA
ICPAK Member Number:


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAKURU TOWN EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	28,369,256	137,410,131	74,238,220	63,171,912	54.0%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-		-	
TOTAL RECEIPTS	109,040,876	28,369,256	137,410,131	74,238,220	63,171,912	54.0%
PAYMENTS						
Compensation of employees	3,969,203	943	3,970,146	2,111,050	1,859,096	53.2%
Use of goods and services	5,327,967	3,623,195	8,951,162	7,578,338	1,372,824	84.7%
Transfers to Other Government Units	30,646,000	7,700,000	38,346,000	17,046,000	21,300,000	44.5%
Other grants and transfers	42,397,706	6,714,082	49,111,788	44,006,512	5,105,276	89.6%
Acquisition of Assets		-	-		-	0.0%
Other Payments	700,000	2,200,000	2,900,000	2,900,000		
Un approved projects	26,000,000	8,131,036	34,131,036		34,131,036	
TOTAL	109,040,876	28,369,256	137,410,131	73,641,900	63,768,232	53.6%

The NGCDF-Nakuru Town East Constituency financial statements were approved on 2/4 2020 and signed by:


Fund Account Manager
Name: Edward R. Ratemo
P.O. Box 1746-20100, NAKURU
Email: eratemu@cdf.go.ke
Date:


Sub-County Accountant
Name: FRANCIS N. OTHU
ICPAK Member Number:

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

**Reports and Financial Statements
For the year ended June 30, 2019**

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration And Recurrent					
1.1 Compensation Of Employees	3,969,203	943	3,970,146	2,111,050	1,859,096
1.2 Committee Allowances	1,368,000	680,708	2,048,708	1,871,748	176,960
1.3 Use Of Goods And Services	527,000	2,001,108	2,528,108	2,381,120	146,988
1.4 Machine Maintenance	333,910		333,910		333,910
2.0 Monitoring And Evaluation			0		0
2.1 Capacity Building	444,056	600,000	1,044,056	1,000,000	44,056
2.2 Committee Allowances	1,380,000	341,379	1,721,379	1,248,000	473,379
2.3 Use Of Goods And Services	1,275,000		1,275,000	1,077,470	197,530
3.0 Emergency	5,738,774	568,965	6,307,739	3,747,500	2,560,239
3.1 Primary Schools			0		0
3.2 Secondary Schools	0	0	0		0
3.3 Tertiary Institutions			0		0
3.4 Security Projects			0		0
4.0 Bursary And Social Security			0		0
4.1 Primary Schools	0	0	0		0
4.2 Secondary Schools	20,000,000	3,553,187	23,553,187	21,427,119	2,126,068
4.3 Tertiary Institutions	10,000,000	2,137,930	12,137,930	12,004,893	133,037
4.4 Universities	0		0		0
4.5 Social Security			0		0
5.0 Sports			0		0
5.1	1,656,466	227,000	1,883,466	1,825,000	
6.0 Environment					0
6.1 Nte Environment	1,902,466	227,000	2,129,466	1,902,000	227,466
			0		0
7.0 Primary Schools Projects			0		0
Umoja Primary School		1,200,000	1,200,000	1,200,000	0
Lanet Primary School		500,000	500,000	500,000	0
Desk Project	10,000,000		10,000,000	1,100,000	8,900,000
St. Xavier's Primary School		1,000,000	1,000,000	0	1,000,000

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Rhino Primary School	500,000		500,000		500,000
			0		0
8.0 Secondary Schools Projects(List All The Projects)			0		0
Maria Veronica	10,000,000		10,000,000	5,800,000	4,200,000
Langalanga Secondary School	1,000,000		1,000,000	1,000,000	0
Madaraka Secondary School	1,000,000		1,000,000	1,000,000	0
Kivumbini Secondary School	2,000,000		2,000,000		2,000,000
Kimathi Secondary School	2,000,000		2,000,000		2,000,000
Nakuru Central Secondary School	1,000,000		1,000,000		1,000,000
Natewa High School	1,000,000		1,000,000		1,000,000
Hillcrest Secondary School	700,000		700,000		700,000
9.0 Special School Projects(List All The Projects)			0		0
			0		0
10.0 Security Projects			2,500,000	2,500,000	0
Kiratina Chief's Office	2,500,000		600,000	600,000	0
Muguga And Rhino Ap Camp	600,000		0		0
11.0 Acquisition Of Assets			0		0
11.1 Motor Vehicles (Including Motorbikes)			0		0
11.2 Construction Of CDF Office	700,000		700,000	700,000	0
11.3 Purchase Of Furniture And Equipment			0		0
11.4 Purchase Of Computers			0		0
11.5 Purchase Of Land			0		0
12.0 Others			0		0
12.1 Strategic Plan		2,200,000	2,200,000	2,200,000	0
12.2 Innovation Hub		8,131,036	34,131,036		34,131,036
Un Approved Projects	26,000,000	8,131,036	34,131,036		34,131,036
	109,040,876	28,369,256	137,410,131	73,641,900	63,768,232

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-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.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES (Cont.)

External Assistance

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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SIGNIFICANT ACCOUNTING POLICIES (Cont.)

5. In-kind contributions

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

6. Cash and Cash Equivalent

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES (Cont.)

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
NAKURU TOWN EAST CONSTITUENCY
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For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	B005329	5,000,000	
	B005387	2,048,274	
	B030324	6,700,000	
	B030286	10,000,000	
	B005430	15,000,000	
	B006478	6,000,000	
	A724491	11,000,000	
	B042957	12,000,000	
	A885959		5,500,000
	A892925		37,905,172
	A892998		33,405,173
Conditional grants			-
Receipt from other Constituency			-
TOTAL		67,748,274.30	76,810,344.80

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

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3. OTHER RECEIPTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,776,250	1,834,857
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance		
Other personnel payments	-	-
Employer contribution to NSSF	-	-
Gratuity-Paid	334,800	
Gratuity-Accrued	-	
TOTAL	2,111,050	1,834,857

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5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	540,239	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	252,000	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,161,000	-
Hospitality supplies and services	-	-
Other committee expenses	2,770,260	2,500,000
Committee allowance	2,503,000	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	100,000	353,700
Fuel , oil & lubricants	-	-
Other operating expenses	-	571,067
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	251,839	-
Strategic Plan	-	-
TOTAL	7,578,338	3,424,767

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	9,246,000	-
Transfers to Secondary schools	7,800,000	15,537,854
Transfers to Tertiary institutions	-	-
TIVET	-	-
TOTAL	17,046,000	15,537,854

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	19,357,012	21,511,291
Bursary -Tertiary	14,075,000	8,692,000
Bursary-Special schools	-	-
Mocks & CAT	-	-
Security	3,100,000	4,131,560
Sports	1,825,000	1,736,206
Environment	1,902,000	1,700,000
Emergency Projects	3,747,500	4,500,000
TOTAL	44,006,512	42,271,057

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8. ACQUISITION OF ASSETS

Non Financial Assets	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	4,500,000
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers, printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	-	4,500,000

9. OTHER PAYMENTS

ICT HUB	2,200,000	-
Strategic plan	-	3,000,000
Construction of NGCDF Office	700,000	-
TOTAL	2,900,000	3,000,000

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Family bank</i>	<i>A/C no.0180000049926</i>	596,320	6,489,946
10B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

[Provide cash count certificates for each]

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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>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
Total				0

12A. RETENTION

	2018 - 2019 Kshs	2017-2018 Kshs
Supplier 1	0	0
Total	0	0

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019 Kshs	2017-2018 Kshs
Name 1	948,600.00	0
Add as appropriate		
Total	948,600.00	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2018-2019 (1/7/2018) Kshs	2017 - 2018 (1/7/2017) Kshs
Bank accounts	6,489,946	248,136
Cash in hand		-
Imprest		-
TOTAL	6,489,946	248,136

[Provide short appropriate explanations as necessary]

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14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018- 2019 Kshs	2017-2018 Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	0	0

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	1,859,096	943
Use of goods and services	1,372,824	3,623,195
Amounts due to other Government entities	21,300,000	7,700,000
Amounts due to other grants and other transfers	5,046,810	6,714,082
Acquisition of assets		
Others (<i>specify</i>) Innovation Hub		2,200,000
Un approved projects	34,131,036	8,131,036
	63,709,766	28,369,256

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	00	00
	00	00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	A	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	B	c	d=a-c	
Senior Management						
1.						
2.						
3.						
		Sub-Total				
Middle Management						
4.						
5.						
6.						
		Sub-Total				
Unionisable Employees						
7.						
8.						
9.						
		Sub-Total				
Others (specify)						
10.						
11.						
12.						
		Sub-Total				
		Grand Total				

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of Employees		1,859,096	943	
Use of Goods & Services		1,372,824	3,623,195	
Amounts Due to Other Government Entities				
Desk Project		8,900,000		
St. Xavier's Primary School		1,000,000	6,000,000.00	
Rhino Primary School		500,000		
Maria Veronica		4,200,000		
Kivumbini Secondary School		2,000,000		
Kimathi Secondary School		2,000,000		
Nakuru Central Secondary School		1,000,000		
Umoja Primary School			1,200,000.00	
Lanet Primary School			500,000.00	
Natewa High School		1,000,000		
Hillcrest Secondary School		700,000		
Sub-Total		21,300,000	7,700,000	
Amounts Due To Other Grants And Other Transfers				
Emergency		2,560,239	568,965	
Environment		227,466	227,000	
Sports			227,000	
Bursary Secondary Schools		2,126,068	3,553,187	
Bursary Tertiary Institutions		133,037	2,137,930	
Sub-Total		5,046,810	6,714,082	
Acquisition Of Assets				

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Others (Specify)				
Innovation Hub			2,200,000	
Un Approved Projects		34,131,036	8,131,036	
Sub-Total		34,131,036	10,331,036	
Grand Total		63,709,766	28,369,256	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total				

ANNEX 5 – PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Total				

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XI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)