

REPUBLIC OF KENYA



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**REPORT**

THE NATIONAL ASSEMBLY PAPERS TAID	
DATE: 27 SEP 2023	DAY: WED
TABLED OF	Hon Kimani Ichungu, MP L.O.M
CLERK-AT THE-TABLE:	Miriam Njoro

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2022**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAKURU TOWN EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the 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 overall 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 1

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*Report of the Auditor-General on National Government Constituencies Development Fund- Nakuru Town East Constituency for the year ended 30 June, 2022*

to 36, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 June 30, 2022, 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Unsupported Other Grants and Transfers - Bursary**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.102,842,390. The amount includes bursary to secondary schools of Kshs.62,218,908 and tertiary institutions of Kshs.18,928,400 all totalling to Kshs.81,147,308. However, financial returns acknowledging receipts of the funds and confirming that the amounts have been credited to the beneficiaries' fees accounts and the criteria for vetting the bursary application, vetting committee minutes and names of beneficiaries were not provided for audit verification.

Further, no documentary evidence was provided to confirm that the beneficiaries were residents of the constituency. This is contrary to Regulation 21(1) and (2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee may support social security programmes in accordance with the provisions of Section 48 of the Act and the programmes shall support constituents living within a Constituency.

In addition, the total bursary amount of Kshs.81,147,308 differs with the supporting schedule amount of Kshs.26,438,000 resulting to unreconciled variance of Kshs.54,709,308.

In the circumstances, the accuracy, completeness and validity of the bursary expenditure of Kshs.81,147,308 could not be ascertained.

#### **2. Unconfirmed Compensation of Employees Expenditure**

The statement of receipts and payments reflects compensation of employees amounting to Kshs.3,767,225. However, the supporting schedule reflects an amount of Kshs.3,839,203 resulting to unexplained and unreconciled variance of Kshs.71,978.

In the circumstances, the accuracy and completeness of compensation of employees amount of Kshs.3,767,225 for the year ended 30 June, 2022 could not be confirmed.

### **3. Unsupported Training Expenses**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services amounting to Kshs.12,691,426 which includes training expenses of Kshs.1,200,000. The expenditure was incurred on staff allowances, facilitation fees and refreshments for Constituency staff members attending a 5-day benchmarking exercise in Njoro Constituency. However, the expenditure was not supported with invitation letter, signed attendance list and training needs assessment report.

In the circumstances, the accuracy, completeness and propriety of training expenses amounting to Kshs.1,200,000 could not be confirmed.

### **4. Unsupported Transfers to Other Government Units**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government Units amount of Kshs.81,502,625. However, the expenditure was not supported with relevant documents as described below.

#### **4.1. Construction of Perimeter Walls**

Note 6 to the financial statements reflects transfers to primary schools amount of Kshs.56,805,625. The amount includes an expenditure amounting to Kshs.49,805,625 incurred on the construction of perimeter walls for various primary schools. However, the expenditure was not supported with procurement records such as bills of quantities from qualified quantity surveyor, advertisements, tender evaluation minutes, signed contracts, inspection and acceptance committee reports, interim or completion certificates, Project Management Committee (PMC) accounting records such as cashbooks, bank statements and expenditure returns and evidence that the projects were implemented in consultation with relevant Government departments.

#### **4.2. Construction and Renovation of Classrooms**

Note 6 to the financial statements reflects transfers to secondary schools amount of Kshs.24,697,000. The amount includes an expenditure amounting to Kshs.17,697,000 incurred on construction and renovation of classrooms in various secondary schools. However, the expenditure was not supported with procurement records such as bills of quantities from qualified quantity surveyor, advertisements, tender evaluation minutes, signed contracts, inspection and acceptance committee reports, interim or completion certificates, Project Management Committee (PMC) accounting records such as cashbooks, bank statements and expenditure returns and evidence that the projects were implemented in consultation with relevant Government departments.

#### **4.3. Purchase of School Buses**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfer to other Government units amounting to Kshs.81,502,625.

The amount includes an expenditure amounting to Kshs.14,000,000 incurred on the purchase of two school buses for Race Track Primary School and St. Maria Veronica Secondary School. However, the expenditure was not supported with procurement records such as tender advertisements, tender evaluation minutes, signed contracts, inspection and acceptance committee reports, Project Management Committee (PMC) accounting records such as cashbooks, bank statements and expenditure returns and evidence that the projects were implemented in consultation with relevant Government departments.

In the circumstances, the accuracy, completeness and propriety of transfers to other Government units amounting to Kshs.81,502,625 could not be confirmed.

#### **5. Unsupported Sports Projects Expenditure**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.102,842,390. The amount includes sports projects expenditure amounting to Kshs.2,741,777 in respect of Nakuru Town East Constituency sports activity. However, procurement records such as user requisitions, request for quotations, tender evaluation minutes, signed contracts, inspection and acceptance committee reports, Project Management Committee (PMC) accounting records such as cashbooks, bank statements and expenditure returns were not provided for audit review.

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

#### **6. Unsupported Acquisition of Assets Expenditure**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects acquisition of assets amounting to Kshs.6,000,000. The amount includes purchase of computers, printers and other IT equipment of Kshs.1,800,000 and purchase of office furniture and general equipment of Kshs.4,200,000. However, the expenditure was not supported with procurement records such as list of prequalified suppliers, tender evaluation minutes, signed contracts, inspection and acceptance committee reports and inventory records.

In the circumstances, the accuracy, completeness and propriety of acquisition of assets expenditure amounting to Kshs.6,000,000 could not be confirmed.

#### **7. Unconfirmed Project Management Committee (PMC) Account Balances**

Note 17.4 to the financial statements on Other Important Disclosures reflects Nil Project Management Committee (PMC) account balances. The balance is a decrease of Kshs.4,527,189 from the previous year's balance of Kshs.4,527,189. However, cashbooks, bank statements and bank balance confirmation certificates were not provided for audit review.

In the circumstances, the accuracy and completeness of the Nil PMC account balances 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.

## **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 sections 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. Irregular Social Security Programme (NHIF) Expenditure**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.102,842,390. The amount includes social security programmes (NHIF) amounting to Kshs.1,804,000. Review of documents revealed that the expenditure relates to NHIF payments for eight hundred and twenty-one (821) beneficiaries. However, the criteria for identifying the beneficiaries was not provided for audit review. Further, no documentary evidence was provided to confirm the residence of the beneficiaries. This is contrary to Regulation 21 of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall support constituents living within a Constituency and vet all persons proposed to receive support under social security programmes in accordance with guidelines issued by the Board.

In addition, the NHIF numbers of the beneficiaries and the by-product from NHIF were not provided for audit review.

In the circumstances, the Management was in breach of the National Government Constituencies Development Fund Regulations, 2016.

## **2. Irregular Emergency Projects Expenditure**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers totalling to Kshs.102,842,390. The amount includes emergency projects expenditure of Kshs.6,965,750. However, review of records provided for audit reviewed that the expenditure was not of emergency in nature. Further, the expenditure was not reported to the National Government Constituencies Development Fund Board. This is contrary to Regulation 20(2) of the National Government Constituencies Development Regulations, 2016 which stipulates that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency.

In addition, the expenditure was not supported with procurement records such as list of prequalified suppliers, tender evaluation minutes, signed contracts, inspection and acceptance committee reports, interim or completion certificates, Project Management Committee (PMC) expenditure returns and evidence that the projects were implemented in consultation with relevant Government departments.

In the circumstances, the Management was in breach of the National Government Constituencies Development Fund Regulations, 2016.

## **3. Projects Verification Report**

Physical verification of ten (10) projects with funding amounting to Kshs.15,551,250 revealed unsatisfactory issues including failure to brand the projects, stalled project and failure to provide project files for audit review.

In the circumstances, value for money on the expenditure of Kshs.15,551,250 incurred on the above projects may not have been realized.

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 and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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 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 controls, 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 the 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

**29 August, 2023**

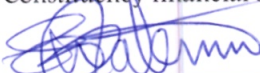
**Nakuru Town East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	191,677,758	166,817,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>191,677,758</b>	<b>166,817,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,767,225	2,540,100
Use Of Goods and Services	5	12,691,426	15,537,518
Transfers To Other Government Units	6	81,502,625	61,586,000
Other Grants and Transfers	7	102,842,390	62,135,953
Acquisition Of Assets	8	6,000,000	5,218,448
Other Payments	9	1,000,000	-
<b>Total Payments</b>		<b>207,803,666</b>	<b>147,018,019</b>
<b>Surplus/(Deficit)</b>		<b>(16,125,907)</b>	<b>19,799,705</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 28/9/ 2022 and signed by:

  
 Fund Account Manager

Name: EDWARD WAYA RATEMO

  
 National Sub-County Accountant

Name: LEE OMANJE  
 ICPAK M/No:9066

  
 Chairman NG-CDF Committee

Name: NICODEMUS AKIBAH


**Nakuru Town East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

VIII. Statement of Assets and Liabilities as At 30<sup>th</sup> June, 2022

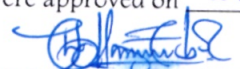
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	4,013,944	20,139,852
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>4,013,944</b>	<b>20,139,852</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11		
<b>Total Financial Assets</b>		<b>4,013,944</b>	<b>20,139,852</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>Total Financial Liabilities</b>		<b>4,013,944</b>	<b>20,139,852</b>
<b>Net Financial Assets</b>		<b>-</b>	<b>-</b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	20,139,852	224,147
Prior Year Adjustments	14	-	116,000
Surplus/Deficit for The Year		(16,125,907)	19,799,705
<b>Net Financial Position</b>		<b>4,013,944</b>	<b>20,139,852</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 28/9/2022 and signed by:

  
 Fund Account Manager  
 NAME:

EDWARD WAYA RATEMO

  
 National Sub-County Accountant  
 NAME :  
 LEE OMANJE  
 ICPAK M/No:9066

  
 Chairman NG-CDF Committee  
 NAME :  
 NICODEMUS AKIBAH

**akuru Town East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**IX. Statement of Cash Flows for the Year Ended 30th June 2022**

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	191,677,758	166,817,724
Other Receipts	3	-	
<b>Total Receipts</b>		<b>191,677,758</b>	<b>166,817,724</b>
Compensation Of Employees	4	3,767,225	2,540,100
Use Of Goods and Services	5	12,691,426	15,537,518
Transfers To Other Government Units	6	81,502,625	61,586,000
Other Grants and Transfers	7	102,842,390	62,135,953
<b>Other Payments</b>	9	<b>1,000,000</b>	
<b>Total Payments</b>		<b>201,803,666</b>	<b>141,799,571</b>
<b>Total Receipts Less Total Payments</b>			
Decrease/(Increase) In Accounts Receivable	15		
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	116,000
<b>Net Cash Flow from Operating Activities</b>		<b>(10,125,907)</b>	<b>25,134,153</b>
<b>Cash Flow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(6,000,000)	(5,218,448)
<b>Net Cash Flows from Investing Activities</b>		<b>(6,000,000)</b>	<b>(5,218,448)</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>(16,125,907)</b>	<b>19,915,705</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	10	<b>20,139,852</b>	<b>224,147</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	10	<b>4,013,944</b>	<b>20,139,852</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 28/9/2022 and signed by:

  
 Fund Account Manager

  
 National Sub-County Accountant

  
 Chairman NG-CDF Committee

Name: EDWARD W RATEMO

Name: LEE OMANJE  
 ICPAK M/No:9066

Name: NICODEMUS AKIBAH

*Nakuru Town East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

x. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	20,139,852	71,138,879	228,367,610	211,817,610	16,550,000	93%
Proceeds from Sale of Assets	-	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>20,139,852</b>	<b>71,138,879</b>	<b>228,367,610</b>	<b>211,817,610</b>	<b>16,550,000</b>	<b>93%</b>
<b>PAYMENTS</b>							0%
Compensation of Employees	4,699,203		477,979	5,177,182	3,767,225	1,409,957	73%
Use of goods and services	7,682,806		5,340,000	13,022,806	12,691,426	331,380	97%
Transfers to Other Government Units	51,550,000		41,930,625	93,480,625	81,502,625	11,978,000	87%
Other grants and transfers	65,156,870	20,139,852	20,031,778	105,328,499	102,842,390	2,486,109	98%
Acquisition of Assets	6,000,000		3,358,498	9,358,498	6,000,000	3,358,498	64%
Other Payments	1,000,000			1,000,000	1,000,000	-	100%
unapproved funds	1,000,000			1,000,000	-	1,000,000	0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>20,139,852</b>	<b>71,138,879</b>	<b>228,367,610</b>	<b>207,803,666</b>	<b>20,563,944</b>	<b>91%</b>

- i. Compensation of employees: 73%. 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: 87% due to the late disbursement of funds from the national government Constituency Development Board
- iii. Acquisition of assets: 64% due to the late disbursement of funds from the national government Constituency Development Board

***Nakuru Town East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022***

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	20,563,944
Less undisbursed funds receivable from the Board as at 30th June 2022	16,550,000
	4,013,944
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	4,013,944

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



Fund Account Manager

Name: EDWARD WAYA RATEMO



National Sub-County Accountant

Name: LEE OMANJE  
ICPAK M/No:9066



Chairman NG-CDF Committee

Name: NICODEMUS AKIBAH

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X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,699,203	-	477,979	5,177,182	3,767,225	1,409,957
1.2 Committee allowances	1,350,000	-	3,700,000	5,050,000	5,000,000	50,000
1.3 Use of goods and services	2,232,806	-	1,640,000	3,872,806	3,834,964	37,843
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,600,000	-	-	1,600,000	1,356,462	243,538
2.2 Committee allowances	1,500,000	-	-	1,500,000	1,500,000	-
2.3 Use of goods and services	1,000,000	-	-	1,000,000	1,000,000	-
<b>3.0 Emergency</b>						
3.1 Primary Schools	5,326,457	-	-	5,100,000	5,100,000	226,457
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Others	1,865,750	-	-	1,865,750	1,865,750	-
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	33,804,089	18,339,852	10,290,000	62,433,940	62,218,908	215,032

**Nakuru Town East Constituency**  
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.3 Tertiary Institutions	11,141,000	1,799,999	6,000,000	18,940,999	18,928,400	12,599
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	3,036,019	-	-	3,036,019	1,804,000	1,232,019
<b>5.0 Sports</b>						
5.1 SPORTS ACTIVITIES	2,741,777	-	-	2,741,777	2,741,777	-
5.2	-	-	-	-	-	-
5.3	-	-	-	-	-	-
<b>6.0 Environment</b>						
6.1 Umoja Primary School	-	-	314,063	314,063	314,063	-
6.2 St. Marys Primary School	-	-	314,063	314,063	314,063	-
6.3 Nakuru East Mixed Secondary	-	-	1,799,588	1,799,588	1,799,588	-
6.4 Lionhill Primary School	-	-	314,063	314,063	314,063	-
6.5 Lenana Primary School	500,000	-	-	500,000	500,000	-
6.6 Kiratina Chiefs Office	500,000	-	-	500,000	500,000	-
6.7 St. Johns Primary School	941,778	-	-	941,778	941,778	-
6.8 Hyrax Primary School	500,000	-	-	500,000		500,000
6.9 Baharini Primary School	300,000	-	-	300,000		300,000
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1 Lionhill Primary School	-	-	2,000,000	2,000,000	2,000,000	-
7.2 St John Primary School	-	-	2,000,000	2,000,000	2,000,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.3 Race Track Primary School	-	-	500,000	500,000	500,000	-
7.4 Kenyatta Primary School	-	-	500,000	500,000	500,000	-
7.5 Nakuru Primary School	-	-	1,896,250	1,896,250	1,896,250	-
7.6 Pangani Primary School	-	-	1,856,875	1,856,875	1,856,875	-
7.7 Kisulisuli Primary School	-	-	2,121,250	2,121,250	2,121,250	-
7.8 Bondeni Primary School	-	-	2,267,500	2,267,500	2,267,500	-
7.9 Kaloleni Primary School	-	-	1,353,750	1,353,750	1,353,750	-
7.10 Race Track Primary School	-	-	1,506,250	1,506,250	1,506,250	-
7.11 St Joseph Primary School	-	-	873,750	873,750	873,750	-
7.12 Lakeview Primary School	-	-	1,136,250	1,136,250	1,136,250	-
7.13 St Paul Primary School	-	-	1,367,500	1,367,500	1,367,500	-
7.14 St Theresas Primary School	-	-	581,250	581,250	581,250	-
7.15 Race Track Primary School	-	-	7,000,000	7,000,000	7,000,000	-
7.16 Lenana Primary School	1,092,000	-	-	1,092,000	1,092,000	-
7.17 Mirugi Kariuki Primary School	826,000	-	-	826,000	826,000	-
7.18 Kimathi Primary School	1,919,000	-	-	1,919,000	1,919,000	-
7.19 Rhino Primary School	1,680,000	-	-	1,680,000	1,680,000	-
7.20 Mburu Gichua Primary School	910,000	-	-	910,000	910,000	-
7.21 Kisulisuli Primary School	1,428,000	-	-	1,428,000	1,428,000	-
7.22 Nakuru Primary School	1,890,000	-	-	1,890,000	1,890,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.23 Naka Primary School	4,500,000	-	-	4,500,000	4,500,000	-
7.24 Nairobi Road Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.25 St. Xaviers Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.26 Free Hold Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.28 Kariba Road Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.29 St Johns Primary School	2,500,000	-	-	2,500,000	2,500,000	-
7.30 Nakuru Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.31 Lenana Primary School	1,400,000	-	-	1,400,000	1,400,000	-
7.32 Mburu Gichua Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.33 Mirugi Kariuki Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.34 St Marys Boarding Primary School	1,900,000	-	-	1,900,000	1,900,000	-
7.35 Ndimu Primary School	800,000	-	-	800,000	800,000	-
7.36 Pangani Special Primary School	5,400,000	-	-	5,400,000	-	5,400,000
7.37 Menengai Intergrated Primary School	-	-	4,000,000	4,000,000	-	4,000,000
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1 St. Maria Veronica Secondary School	-	-	7,000,000	7,000,000	7,000,000	-
8.2 Natewa Secondary School	-	-	1,000,000	1,000,000	-	1,000,000
8.3 Langalanga Secondary School	-	-	881,250	881,250	881,250	-
8.4 Nakuru Central Secondary School	1,785,000	-	-	1,785,000	1,785,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.5 Kimathi Secondary School	1,500,000	-	-	1,500,000	1,500,000	-
8.6 Kivumbini Secondary School	1,000,000	-	-	1,000,000	1,000,000	-
8.7 Nakuru Mixed Secondary School	1,242,000	-	-	1,242,000	1,242,000	-
8.8 Hillcrest Secondary School	1,800,000	-	-	1,800,000	1,800,000	-
8.9 Nairobi Road Secondary School	2,800,000	-	-	2,800,000	2,800,000	-
8.10 Rhino Secondary School	2,800,000	-	-	2,800,000	2,800,000	-
8.11 Upperhill Secondary School	1,300,000	-	-	1,300,000	1,300,000	-
8.12 Afraha High School	1,000,000	-	-	1,000,000	1,000,000	-
8.13 Langalanga Secondary School	-	-	1,588,750	1,588,750	1,588,750	-
8.14 Menengai High School	1,078,000	-	-	1,078,000	-	1,078,000
8.15 St. Maria Veronica Secondary School	-	-	500,000	500,000	-	500,000
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1	-	-	-	-	-	-
9.2	-	-	-	-	-	-
9.3	-	-	-	-	-	-
9.4	-	-	-	-	-	-
<b>10.0 Security Projects</b>						
10.1 Rhino Police Post	-	-	1,000,000	1,000,000	1,000,000	-
10.2 Kiratina Chiefs Office	1,500,000	-	-	1,500,000	1,500,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.3 Free Area Chiefs Office	3,000,000	-	-	3,000,000	3,000,000	-
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	1,648,498	-	-	1,648,498	-	1,648,498
11.3 Purchase of furniture and equipment	6,000,000	-	-	6,000,000	6,000,000	-
11.4 Purchase of computers	1,710,000	-	-	1,710,000	-	1,710,000
11.5 Purchase of land	-	-	-	-	-	-
<b>12.0 Others</b>						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.3 Nakuru East Sub County Education Offices	1,000,000	-	-	1,000,000	1,000,000	-
Funds pending approval**	1,000,000	-	-	1,000,000	-	1,000,000
<b>Total</b>	<b>137,088,879</b>	<b>20,139,851</b>	<b>71,138,879</b>	<b>228,367,609</b>	<b>207,803,666</b>	<b>20,563,944</b>

(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)

**XI. Significant Accounting Policies**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-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.

*Significant Accounting Policies continued*

**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.

*Significant Accounting Policies continued*

**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.

*Significant Accounting Policies continued*

**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 xx June 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

*Significant Accounting Policies continued*

**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.

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
B096987	-	15,000,000
B104552	-	19,000,000
A823695	-	24,667,724
B104971	-	13,500,000
B124730	-	9,000,000
B104923	-	500,000
B119596	-	10,000,000
B128228	-	6,900,000
B122284	-	6,000,000
B129190	-	6,000,000
B119987	-	13,000,000
B138953	-	13,000,000
B140683	-	12,000,000
B126245	-	6,100,000.00
B105040	-	10,000,000.00
B105164	-	2,150,000.00
B105235	33,000,000	-
B105633	34,000,000	-

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B105715	16,000,000	-
B128646	17,000,000	-
B128960	14,000,000	-
B154156	15,000,000	-
B164386	18,000,000	-
B155541	15,088,879	-
A888962	5,000,000	-
A888986	12,500,000	-
B089063	12,088,879	-
<b>TOTAL</b>	<b>191,677,758</b>	<b>166,817,724</b>

**2. Proceeds From Sale of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-

**Nakuru Town East Constituency**  
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Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

**4. Compensation of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,209,894	2,178,700
Personal allowances paid as part of salary	-	-
House Allowance	-	316,200
Transport Allowance	-	20,000
Leave allowance	-	-
Gratuity to contractual employees	530,131	-
Employer Contributions Compulsory national social security schemes	27,200	25,200
<b>Total</b>	<b>3,767,225</b>	<b>2,540,100</b>

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*Notes To the Financial Statements (Continued)*

**5. Use of Goods and Services**

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Water & sewerage charges	-	458,140
Communication, supplies and services	174,660	524,610
Domestic travel and subsistence	-	543,250
Printing, advertising and information supplies & services	-	812,248
Rentals of produced assets	-	-
Training expenses	1,200,000	538,920
Hospitality supplies and services	-	413,350
Other committee expenses	5,000,000	375,807
Committee allowance	1,089,000	8,715,500
Bank service commission and charges	300,000	300,000
Fuel , oil & lubricants	2,578,270	1,143,887
Office and general supplies and services	1,984,360	212,561
Other operating expenses	-	393,210
Routine maintenance – vehicles and other transport equipment	365,136	195,910
Insurance cost	-	556,037
Specialalised materials and services	-	354,088
Routine maintenance – other assets	-	-
<b>Total</b>	<b>12,691,426</b>	<b>15,537,518</b>

**6. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	56,805,625	24,285,500
Transfers To Secondary Schools (See Attached List)	24,697,000	37,250,000
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>81,502,625</b>	<b>61,535,500</b>

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*Notes To The Financial Statements (Continued)*

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	62,218,908	30,321,925
Bursary – tertiary institutions (see attached list)	18,928,400	2,786,777
Bursary – special schools (see attached list)	-	4,983,474
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	1,804,000	2,452,000
Security projects (see attached list)	5,500,000	5,500,000
Sports projects (see attached list)	2,741,777	2,741,777
Environment projects (see attached list)	4,683,555	2,500,000
Emergency projects (see attached list)	6,965,750	10,850,000
<b>Total</b>	<b>102,842,390</b>	<b>62,135,953</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	5,218,448
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of computers ,printers and other IT equipments	1,800,000	
Purchase of Office Furniture and General Equipment	4,200,000	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Acquisition of Land	0	0
<b>Total</b>	<b>6,000,000</b>	<b>5,218,448</b>

*Notes To the Financial Statements (Continued)*

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	0	0

**Nakuru Town East Constituency**  
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ICT Hub	0	0
Others	1,000,000	
	1,000,000	

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. 018000049926</i>	4,013,944	20,139,852
<b>Total</b>	<b>4,013,944</b>	<b>20,139,852</b>
<b>10 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide Cash Count Certificates for Each]</i>		

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>Total</i>		0	0	0

/

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

**Nakuru Town East Constituency  
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*Notes to the Financial Statement Continued*

**12B. Gratuity**

*[Provide short appropriate explanations as necessary]*

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	20,139,852	224,147
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>20,139,852</b>	<b>224,147</b>

**14. Prior Year Adjustments**

Description of the error	Balance b/f FY 2020/2021 as per Audited Financial statements Kshs	Adjustments Kshs	Adjusted Balance** b/f FY 2021/2022 Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**15. Changes in Accounts Receivable – Outstanding Imprests**

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-

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Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

**16. Changes in Accounts Payable – Deposits and Retentions**

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

**17. Other Important Disclosures**

**17.1: Pending Accounts Payable (See Annex 1)**

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

**17.2: Pending Staff Payables (See Annex 2)**

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	1,274,050	-
Others ( <i>specify</i> )	-	-
Total	1,274,050	-

**Nakuru Town East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

*Notes to the Financial Statements (Continued)*

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,409,957	1,652,006
Use of goods and services	331,380	107,552
Amounts due to other Government entities (see attached list)	11,978,000	14,999,500
Amounts due to other grants and other transfers (see attached list)	2,486,109	24,829,931
Acquisition of assets	3,358,498	281,552
Funds pending approval	1,000,000	-
Other payments	-	23,242,190
<b>Total</b>	<b>20,563,944</b>	<b>65,112,731</b>

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	0	4,527,189
<b>Total</b>		

*Nakuru Town East Constituency  
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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	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.	-	-	-	-	-
Sub-Total	-	-	-	-	-
Grand Total	-	-	-	-	-

*Nakuru Town East Constituency  
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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
<b>NG-CDFC Staff</b>				
1. Hellen Njoki	ACC. Assistant	1 <sup>st</sup> November 2018	403,960	
2. Esther wacera	ICT personnel	1 <sup>st</sup> July 2019	302,965	
3. Victor Opondo	Messenger	1 <sup>st</sup> August 2017	248,805	
4. Teresia wanjiru	Receptionist /records manager	1 <sup>st</sup> August 2013	318,320	
<b>Grand Total</b>			<b>1,274,050</b>	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,409,957	477,979	
Use of goods & services		331,380	5,340,000	
<b>AMOUNTS DUE TO OTHER GOVERNMENT ENTITIES</b>				
Pangani Special Primary School	Purchase of a 14 seater School Van	5,400,000	-	
Menengai Integrated Primary School	Construction of a multipurpose hall to roofing level	4,000,000	-	
Natewa Secondary School	Construction of two classrooms	1,000,000	-	
St. maria veronica secondary school	Additional funds for the purchase of a 52 seater school bus	500,000	-	
Emergency	Unforeseen situations	226,457	-	
		11,926,457	-	
<b>AMOUNTS DUE TO OTHER GRANTS AND OTHER TRANSFERS</b>				
Secondary Schools	BURSARY TO NEEDY STUDENTS	42,643	15,911,524	
Tertiary Institutions	BURSARY TO NEEDY STUDENTS	176,647	3,944,833	
Social Security	NHIF	432,019	2,546,000	
UNIVERSITIES		0	1,385,862	
<b>EMERGENCY</b>				
PRIMARY SCHOOL				
SECURITY PROJECTS	226,457	0	4,409	
		0	33,914	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
<b>SECURITY PROJECTS</b>				
RHINO POLICE POST		-	1,000,000	
<b>PRIMARY SCHOOL PROJECTS</b>				
RACETRACK PRIMARY SCHOOL	PURCHASE OF 52 SEATER SCHOOL BUS	-	7,000,000	
<b>SECONDARY SCHOOL PROJECTS</b>				
ST MARIA VERONICA SECONDARY SCHOOL	PURCHASE OF 52 SEATER SCHOOL BUS	-	7,000,000	
NATEWA SECONDARY SCHOOL	CONSTRUCTION OF CLASSROOM	-	1,000,000	
<b>ENVIRONMENT PROJECTS</b>				
LANET PRIMARY SCHOOL		-	677	
LANGALANGA PRIMARY SCHOOL		-	678	
NAKURU PRIMARY SCHOOL		-	678	
KENYATTA PRIMARY SCHOOL		-	678	
MOTOR VEHICLE		0	281,552	
Baharini Primary School	Repairs of an ablution block (introduction of Asian type basins from an old tunnel, installation of doors and painting)	300,000	0	
Hyrax Primary School	Construction to completion of 5 door pit latrines with one chamber for People Living With Disability	500,000	0	
Funds pending approval		1,000,000	23,242,190	
<b>Grand Total</b>		<b>20,563,944</b>	<b>65,112,731</b>	

*Nakuru Town East Constituency  
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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	-	-	-	-
Buildings and structures	10,000,000.00	-	-	10,000,000.00
Transport equipment	5,500,000.00	-	-	5,500,000.00
Purchase of computers ,printers and other IT equipments	295,000.00	210,000	-	505,000
Office equipment, furniture and fittings	1,171,500	204,000	-	1,375,500
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>16,966,500</b>	<b>414,000.00</b>	<b>-</b>	<b>17,380,500</b>

*Nakuru Town East Constituency  
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Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
CDF NAKURU EAST (Main A/C)	FAMILY BANK	018000049926	18/08/2008	16,326,196	-
Aberdare Ranges Primary School	FAMILY BANK	018000088027	11/11/2021	-	21,858
Afraha High School	FAMILY BANK	018000093042	6/9/2022	-	-
Baharini Primary School	FAMILY BANK	018000079666	5/7/2020	-	4,821
Bondeni Primary School	FAMILY BANK	018000079633	4/27/2020	-	1,580
Cdf Office Construction	FAMILY BANK	018000059114	10/30/2014	-	-
Flamingo High	FAMILY BANK	018000080757	10/15/2020	-	3,638,880
Free Area Chiefs Office	FAMILY BANK	018000091603	2/17/2022	-	-
Freehold Primary School	FAMILY BANK	018000076347	3/27/2019	-	3,506
Harambee Khalsa Primary School	FAMILY BANK	018000078029	10/2/2019	-	1,157
Hillcrest Secondary School	FAMILY BANK	018000073724	5/2/2018	-	922
Hyrax Primary School	FAMILY BANK	018000013854	10/3/2019	-	-
Jamhuri Primary School	FAMILY BANK	018000079720	5/19/2020	-	1,381
Kaloneni Primary School	FAMILY BANK	018000070796	4/5/2019	-	493,727
Kariba Road Primary School	FAMILY BANK	018000081948	1/29/2021	-	-
Kenyatta Primary School	FAMILY BANK	018000086686	9/17/2021	-	-
Kimathi Primary School	FAMILY BANK	018000078106	10/11/2019	-	3,241
Kimathi Secondary School	FAMILY BANK	018000073682	4/25/2018	-	1,320
Kiratina Chiefs Office	FAMILY BANK	018000073599	4/16/2018	-	-

*Nakuru Town East Constituency  
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PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
Kisulisuli Primary School	FAMILY BANK	018000068506	10/18/2019	-	18
Kivumbini Secondary School	FAMILY BANK	018000073816	5/18/2018	-	-
Lakeview Primary School	FAMILY BANK	019000047174	10/16/2019	-	-
Lanet Primary School	FAMILY BANK	018000070827	1/9/2019	-	160
Langalanga Secondary School	FAMILY BANK	018000068523	6/15/2016	-	14,249
Lenana Primary School	FAMILY BANK	018000079693	5/12/2020	-	581
Lionhill Primary School	FAMILY BANK	019000047173	10/16/2019	-	-
Maria Veronica Secondary	FAMILY BANK	018000080710	10/8/2020	-	880
Mburu Gichua Primary School	FAMILY BANK	018000028041	4/21/2017	-	-
Menengai High	FAMILY BANK	018000081096	11/24/2020	-	360
Menengai Intergrated Primary School	FAMILY BANK	018000089251	12/17/2021	-	-
Mirugi Kariuki Primary School	FAMILY BANK	018000086858	10/5/2021	-	-
Nairobi Road Primary School	FAMILY BANK	018000012451	10/7/2019	-	-
Nairobi Road Secondary School	FAMILY BANK	018000073657	4/21/2018	-	9,527
Naka Primary School	FAMILY BANK	018000089504	1/18/2022	-	-
Nakuru Central Secondary School	FAMILY BANK	018000024728	7/20/2010	-	-
Nakuru Day Secondary School	FAMILY BANK	018000068547	6/17/2016	-	536
Nakuru East Mixed Sec	FAMILY BANK	018000079362	3/3/2020	-	12,501
Nakuru East Primary School	FAMILY BANK	018000028038	3/3/2020	-	-

*Nakuru Town East Constituency  
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Annual Report and Financial Statements for The Year Ended June 30, 2022*

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
Nakuru East Sub County Education Offices	FAMILY BANK	018000091602	2/17/2022	-	-
Nakuru Primary School	FAMILY BANK	018000070866	3/15/2019	-	181
Nakuru Teaches Primary	FAMILY BANK	018000070832	10/8/2019	-	346
Natewa Secondary School	FAMILY BANK	018000068568	7/17/2019	-	-
Ndimu Primary School	FAMILY BANK	018000081127	11/26/2020	-	-
Pangani Primary School	FAMILY BANK	018000093506	7/18/2022	-	-
Pangani Special School	FAMILY BANK	018000070689	10/30/2019	-	679
Race Track Primary School	FAMILY BANK	018000086696	9/18/2021	-	-
Rhino Police Post	FAMILY BANK	018000084315	7/23/2021	-	-
Rhino Primary School	FAMILY BANK	018000076318	3/25/2019	-	2,094
Rhino Secondary School	FAMILY BANK	018000073725	5/3/2018	-	278,427
St Johns Primary School	FAMILY BANK	018000079825	6/11/2020	-	5,071
St Joseph Primary School	FAMILY BANK	018000076690	5/9/2019	-	5,076
St Marys Boarding Primary School	FAMILY BANK	018000088897	11/20/2021	-	-
St Paul Primary School	FAMILY BANK	019000051233	9/29/2021	-	-
St Theresas Primary School	FAMILY BANK	018000086722	9/21/2021	-	-
St Xaviers Primary School	FAMILY BANK	018000068414	1/7/2019	-	5,291
Umoja Primary School	FAMILY BANK	018000075577	1/10/2019	-	-
Upperhill Secondary School	FAMILY BANK	018000073777	5/10/2018	-	6,158
Total					4,527,189

***Nakuru Town East Constituency  
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**Annex 6: 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)
NTEC-CDF/2020/2021	The financial statements reflect balance of Kshs 39,354,742 for the year ended 30 June, 2021 in respect of various components that differs with supporting schedule amount of Kshs 38,468,068 resulting to unreconciled variance of Kshs 886,674	<i>We agree to some of the observations and the accurate supporting schedules have been provide for reference.</i>	Resolved	
NTEC-CDF/2020/2021	The statement of receipts and payments reflect compensation of employee's balance of Kshs 2,264,868 and as disclosed in Note 4 to the financial statements for the year ended 30 June, 2021. However, the balance differs with gross payroll amount of Kshs 2,540,100 resulting to unexplained variance of Kshs 270,882. In the circumstances, the accuracy and completeness of compensation of employees balance of Kshs 2,264,868 for the year ended 30 June, 2021 could not be confirmed.	The observation on the compensation of employees is not true as it the 15% house allowance from the basic salary was not factored in.	Resolved	
NTEC-CDF/2020/2021	The statement of receipts and payments reflects use of goods and services balance of Kshs. 15,537,518;(2020-Kshs.9,7882,900) for the year ended 30 June, 2021 and as disclosed in Note 5 to the financial statements. However, the amount includes cash withdrawals of Kshs. 11,217,949 from the fund account in the name of Fund Manager on diverse dates that have not been supported by	It is not true that the supporting schedules availed differed with the figures in the Financial Statements. We have however noted that some components under the use of goods and services were misclassified. We have since classified the few financial transactions under the appropriate components	Resolved	

**Nakuru Town East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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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)
	way of imprest warrants or detailed supporting schedules. In the circumstances, the accuracy and completeness of the use of goods and services balance of Kshs 15, 537,518 as at 30 June, 2021 could not be confirmed.	and provided herewith are the amended schedules for the same.		
NTEC-CDF/2020/2021	The statement of receipts and payments reflects other grants and payments balance of Kshs. 62,135,953 for the year ended 30 June, 2021 and as disclosed in Note 7 to the financial statements of which Kshs 38,092,176 was incurred on bursary payments to secondary, tertiary and special schools. However, included in Kshs 38,092,176 are bursary payments of Kshs. 19,248,277 that are unsupported by way of beneficiary listing showing students' admission numbers, cheques numbers and acknowledgement receipts from the receiving institutions in breach of section (21) (3) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the constituency committee must vet all person's proposed to receive support in accordance with the guidelines issued by the board.	The bursary payments of Kshs. 19,248,277 that were unsupported by way of student's admission numbers, cheque numbers and acknowledgement receipts from the receiving institutions, are now supported and available for verification	Resolved	
NTEC-CDF/2020/2021	The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs. 20,139,852 as at 30 June, 2021. However, the bank reconciliation for the bank account reflects payments in cash book not recorded in bank statement of Kshs	The issue stale cheques has since been sorted by being addressed to the right payee	Resolved	

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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)
	13,332,736 out of which cheques totaling Kshs 323,522 are stale and had not been written back in the cash book. The reconciliation statement also reflects receipts in bank statements not recorded in cash book of Kshs 18,250,000 and payments in bank statement and not in cash book of Kshs 160,522 in respect of bank charges which ought to have been expensed.			



.....  
EDWARD WAYA RATEMO  
Fund Account Manager.



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NAKURU TOWN EAST CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2022

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

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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

***Nakuru Town East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022***

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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.

**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 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	EDWARD WAYA RATEMO
2.	Sub-County Accountant	LEE OMANJE
3.	Chairman NGCDFC	NICODEMUS 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 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**

LANET DO's OFFICE,  
FREE AREA SHOPPING CENTRE  
PO BOX 1746, GPO NAKURU

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Nakuru, KENYA

(f) Nakuru Town East Constituency NGCDF Contacts

Telephone: (254) 703107009  
E-mail: [nakurueastngcdf@gmail.com](mailto:nakurueastngcdf@gmail.com)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

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

FAMILY BANK  
NAKURU FINANCE  
P.o Box 74145-00200  
NAIROBI, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

II. NG-CDFC Chairman's Report



Below I present to you the performance of Nakuru town East NG-CDF for the Year 2021/2022

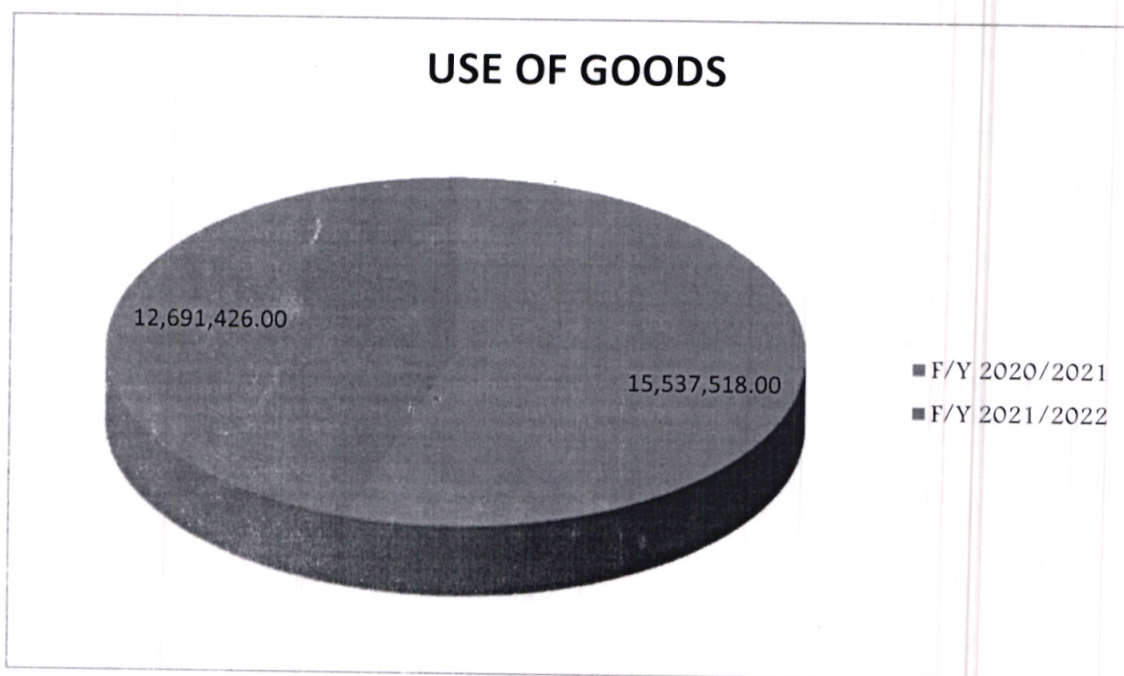
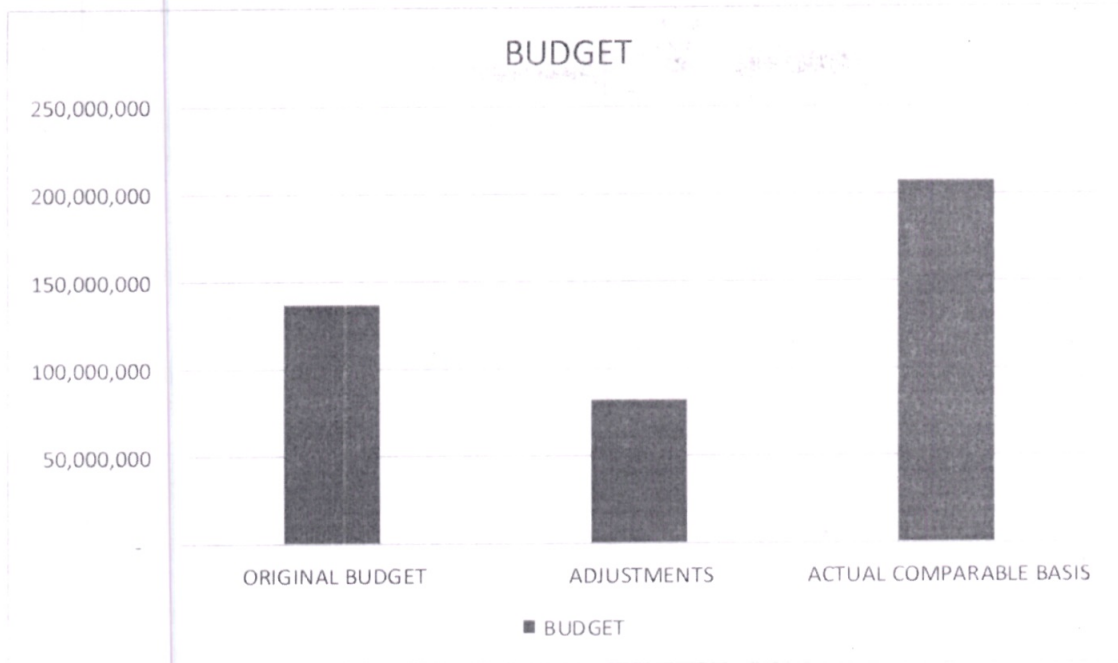


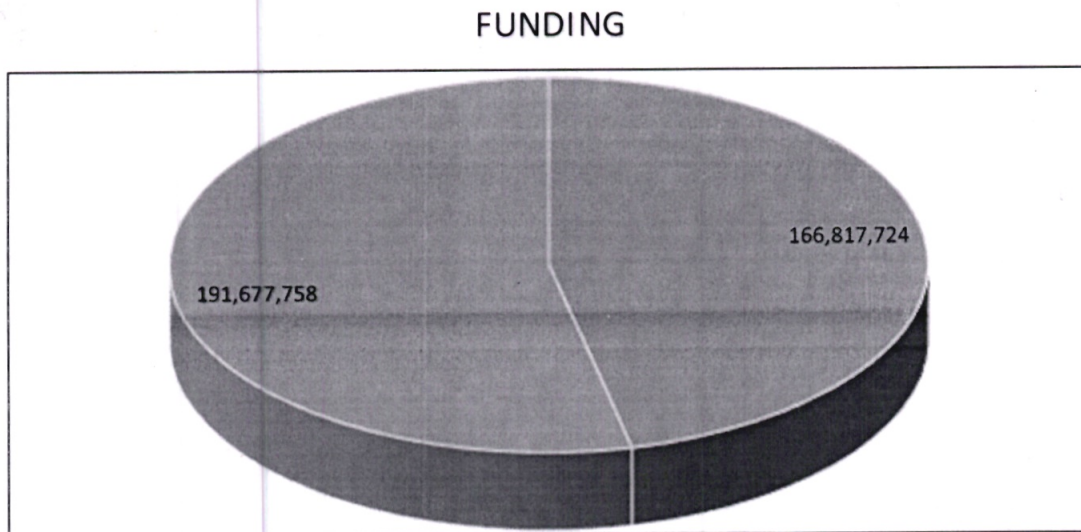
FIGURE 1: USE OF GOODS AND SERVICES: COMPARISON BETWEEN TWO FINANCIAL YEARS



**KEY:**

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

**FIGURE 2: BUDGET ALLOCATION, ADJUSTMENT AND THE ACT**



- F/Y 2020/21 - F/Y 2021/22



Figure 4: TOTAL PAYMENTS MADE BY THE CLOSE OF THE FINANCIAL YEAR OF 2020/2021 AND 2021/2022

Pictorial evidence



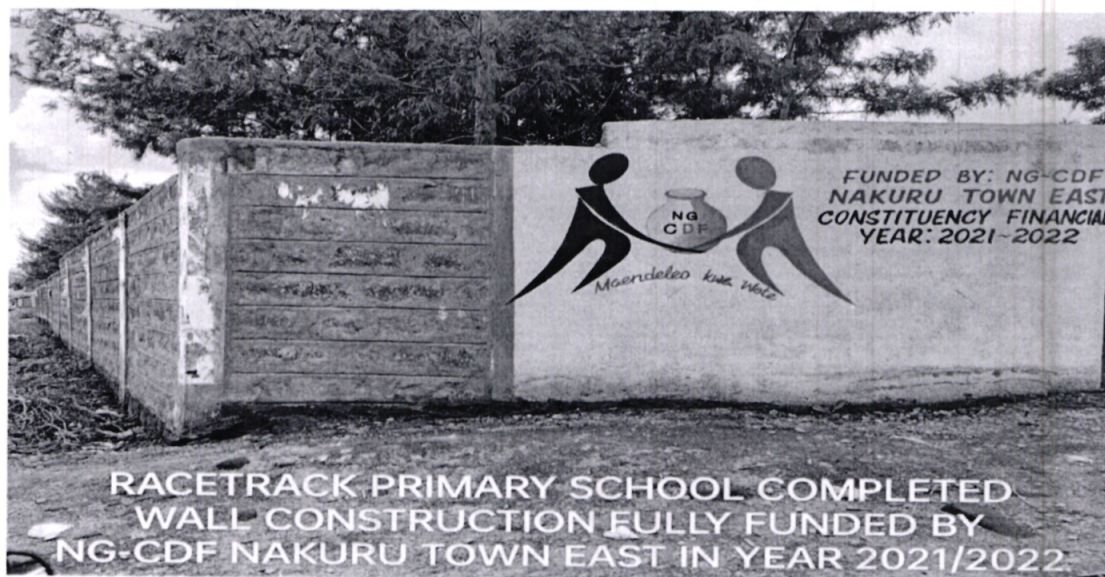
Picture one: school bus for Maria veronica during hand over



Picture Two: some of the full scholarship bursary beneficiaries during the annual meeting.



Picture Three: a perimeter wall constructed at Kimathi Primary School



Picture four: completed construction works of a perimeter wall at Racetrack Primary School

#### 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.

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Name: NICODEMUS AKIBAH  
CHAIRMAN NGCDF COMMITTEE

**Nakuru Town East Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

III. Statement of Performance against Predetermined Objectives for FY2021/22

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:

- To ensure basic medical care, quality education, roads and infrastructure, youth and women access to clean water and safety for the most vulnerable residents in NAKURU TOWN EAST Constituency
- To foster interconnected and economically vibrant communities in which residents have the tools and opportunities necessary for jobs and careers that lead to economic self-sufficiency
- To facilitate a vibrant economy where residents have the tools and opportunities necessary for jobs and careers that lead to economic self-sufficiency
- To help increase basic and secondary school completion cycles by liaising with school's administration to identify most vulnerable and deserving bursary cases whilst improving institutions physical infrastructure

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	-To increase basic and secondary school completion cycles by liaising with school's administration to identify most vulnerable and deserving bursary cases whilst improving institutions physical infrastructure	Increased enrolment in primary and secondary schools and improved infrastructure in institutions	-Number of usable physical infrastructure build in primary, secondary institutions	In FY 21/22 -we increased number of classrooms from 72 that was implemented in the previous year to 78, completed laboratories, administration blocks, renovations and facelifts, constructions of perimeter walls in schools to curb insecurity and wild animals from entering the school compounds from the national park and purchase of 2 school buses.
Bursaries and social security funds	To support the needy students and support the vulnerable elderly persons through NHIF payment	Reduce the number of school dropouts due to lack of school fees through normal and full scholarship bursary programs for secondary, tertiary and university going students. Ensuring the elderly persons have a	Number of students and elderly person benefiting from the programs.	In the F/Y 2021/2022 Over 7000 students were able to receive normal and full scholarship bursaries from the bursary kitty. On the other had 833 elderly persons NHIF cover was paid.

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		medical cover to afford better health care		
Security	-To support security agencies for better service delivery through infrastructure develop	Reduced number of crime rates in the constituency - Improved physical security infrastructure i.e. National Police Service and National Government Administration offices (DCC, ACC, Chiefs)	-Number of security infrastructure constructed	In the FY 2021/2022 the NG-CDFC financed the construction of 6 police single units to ensure that there are sufficient officers on site to help curb insecurity cases in the area and also facilitated the partitioning of a chief office and modification.
Environment	-To enhance sustainable environmental management -To increase forest cover and enhance agro-forestry at household level	-Enhanced water harvesting, programs in institutions	-Number of water tanks installed in education institutions	- In the financial year 2021/2022 6 schools benefitted with 33 door environmentally friendly toilets with units dedicated to people living with disability.
Sports	-To engage the youths on sport activities to promote talent, peace and unity	- United youths on matters of development. Improved talents in sport activities	-Number of youths engage in sport activities -new number of sports talents within the constituency	In the financial year 2021/2022 teams drawn across Nakuru Town East Constituencies held tournaments and winning teams awarded with trophies. also, the teams benefitted with balls and sport uniforms
Emergency	To fund institutions with funds to put in place infrastructures that are of emergency in nature.	A lot of institutions were allocated with funds to implement the projects.	A number of schools benefited from the same during the year.	In the financial year 2021/2022 a number of projects were under taken pertaining emergency in the constituency.

#### IV. Environmental and 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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

##### 2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

### **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 competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

### **4. Market place practices-**

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 interest

**5. Community Engagements-**

Nakuru Town East NG-CDF 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.

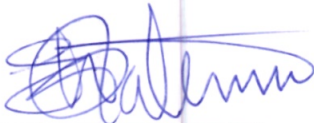
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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



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**EDWARD WAYA RATEMO**  
**FAM**

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.

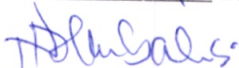
The Accounting Officer in charge of the NGCDF-Nakuru Town East Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. 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, 2022, 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 28/9/2022.



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Name: NICODEMUS AKIBAH



.....  
Name: EDWARD WAYA RATEMO