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OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - NAIVASHA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
NAIVASHA CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAIVASHA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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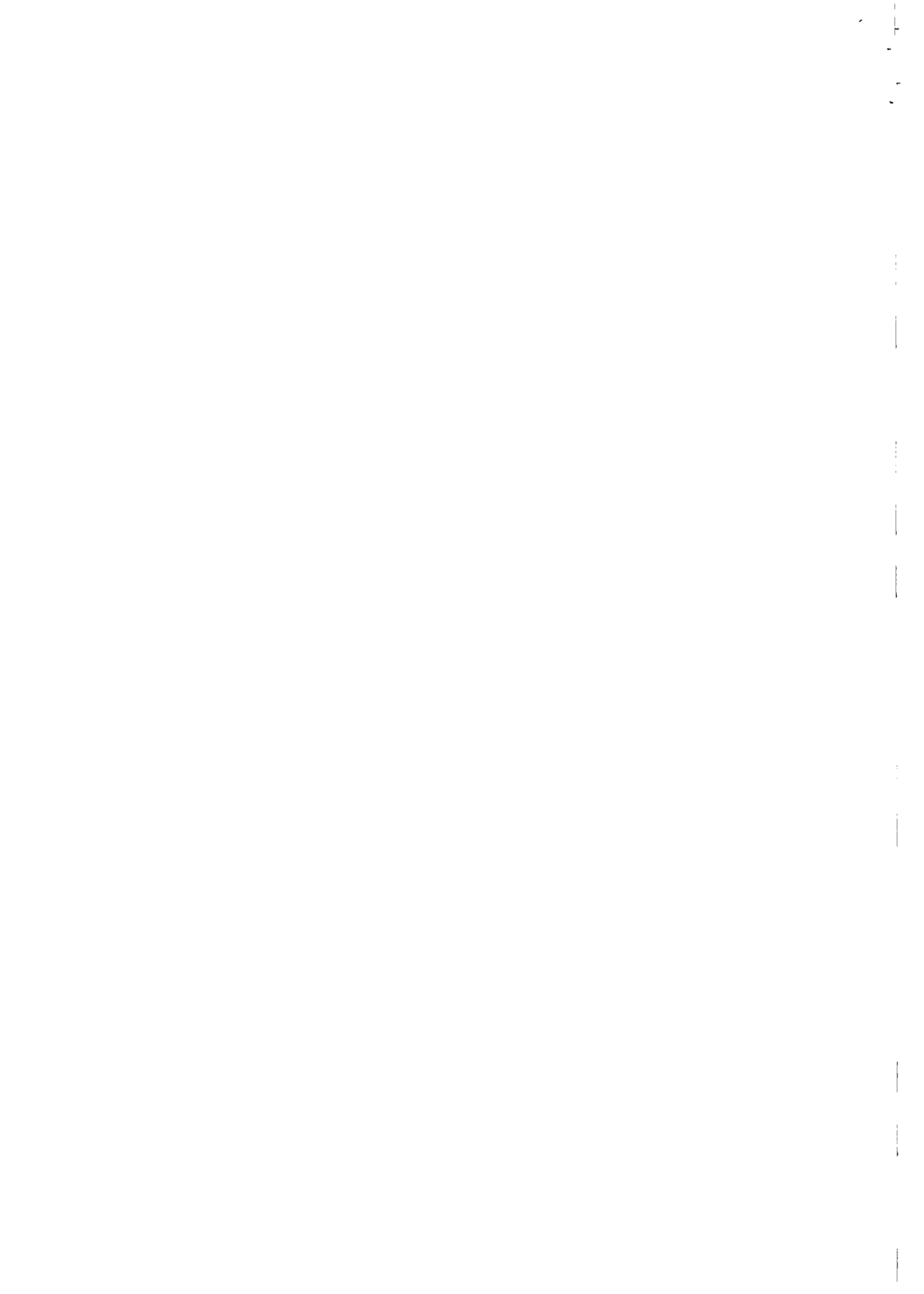
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KEY CONSTITUENCY INFORMATION AND MANAGEMENT

Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Key Management

The NGCDF Naivasha Constituency day-to-day management is under the following key organs:

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

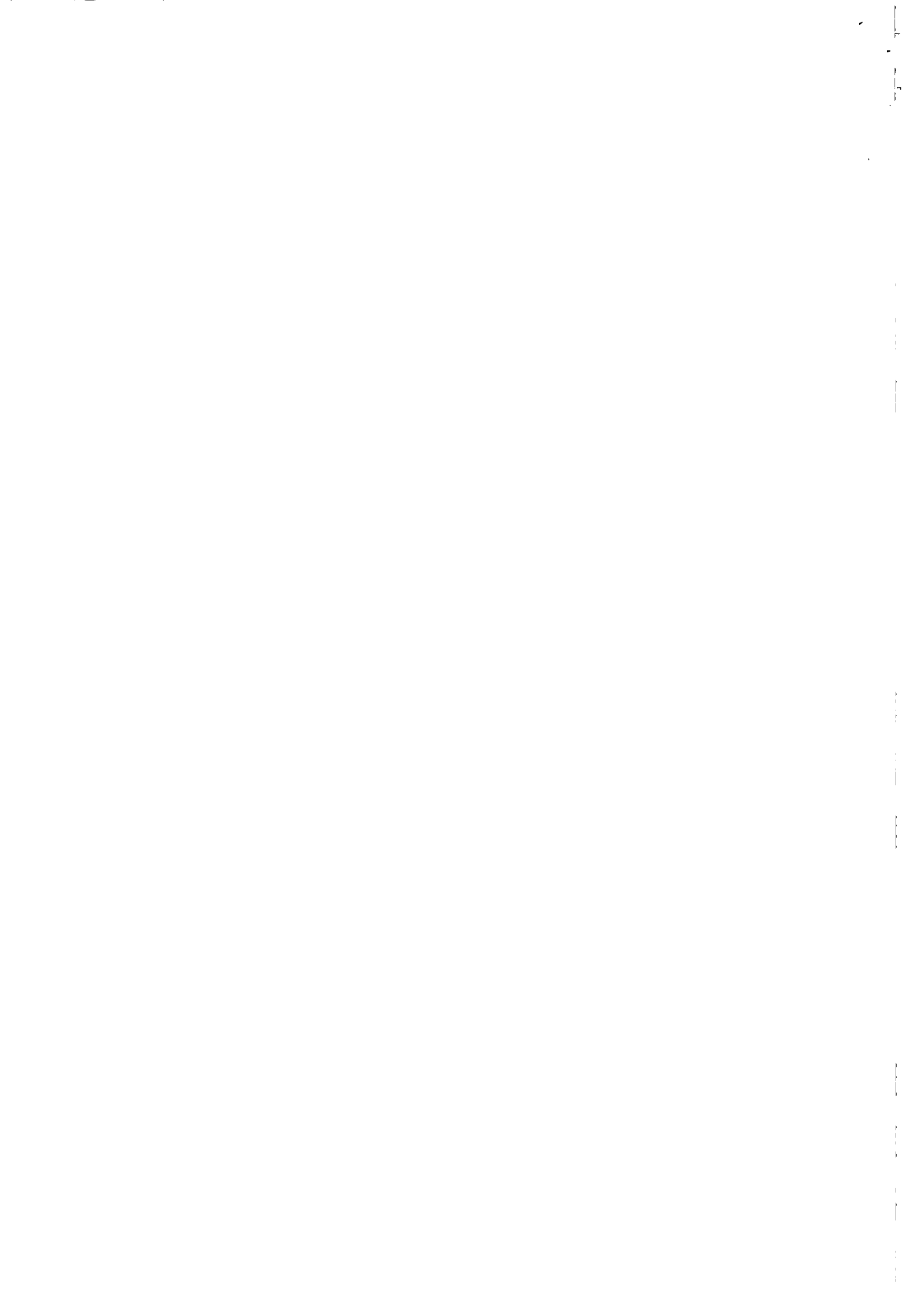
No.	Designation	Name
1.	A.I.E holder	Peter Ngugi
2.	Sub-County Accountant	Stephen Kokeno
3.	Chairman NGCDFC	Alex Mbugua
4.	Member NGCDFC	Recho Kabura

Fiduciary Oversight Arrangements

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

NGCDF Naivasha Constituency Headquarters

P.O. Box 1918
NGCDF Building/House/Plaza
Next to Naivasha DCCs Office
Naivasha.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAIVASHA CONSTITUENCY
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NGCDF Naivasha Constituency Contacts

Telephone: (254) 718165659
E-mail: cdfnaivasha@ngcdf.go.ke
Website: www.cdfnaivasha.go.ke

NGCDF Naivasha Constituency Bankers

1. Equity Bank
Naivasha branch
P.O. BOX 75104-00200
Nairobi

Independent Auditors

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

Principal Legal Adviser

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

FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

On behalf of Naivasha NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2019/2020. During the year ,2018/2019, our overall performance was at 64.5% which was quite commendable. However, in the year under review, 2019/2020 our overall performance was at 63.9% which was slightly lower than the previous year. This was largely due to the adverse effect of the Covid -19 pandemic that hit the country as a whole. The management has always endeavoured to effect the utilization of the funding positively.

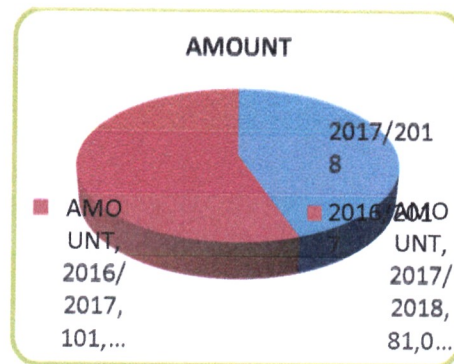


Figure 1

We envisage a better performance in the financial year 2020/2021 bearing in mind the capacity of the committee and the PMCs are build and we are now informed to exercise our mandate.

However, with constant sensitisation of the public, we were able to prioritize the community needs and prepare our proposal based on the identified community needs. Despite late disbursement of funds we were able to carry out successful projects like Unity Primary School, Nyakairu Secondary School, Gathima primary and Maraigushu secondary laboratory



Gathima primary before.

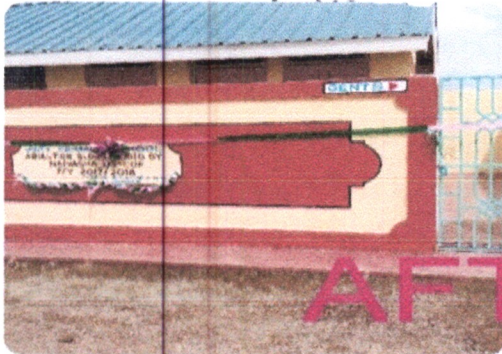


Gathima primary after.



Before

Unity Primary School staff toilets before and after



AFTER



Unity Primary School



Nyakairu Secondary School

Maraigushu sec. Lab.



Before



After

Maraigushu secondary

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NAIVASHA CONSTITUENCY
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Kongoni ACCs Office

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

However, there are several challenges facing NG CDF among them low capacity of the PMCs in project implementation, low capacity of the NG-CDFCs, political interference, unqualified staff among others. Frequent development forums and awareness forums should be held to bring awareness to the public and the PMC's should be trained in order to enhance their capacity in project implementation.

Despite all the challenges associated with the NG- CDF it is still a critical mechanism to address local development and bridge the development gaps left between the county and the national government.

Name	Designation	Sign.	Date
Alex Mbugua	NG-CDFC Chairman		25/2/21

**STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S
 PREDETERMINED OBJECTIVES**

Introduction

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

The key development objectives of NGCDF-Naivasha Constituency's 2018-2022 plan are to:

- a) To improve the standards of education in the schools in Naivasha Constituency
- b) Enhance conservation initiatives in the constituency to conserve and protect natural resources in the county
- c) To improve security status in the constituency
- d) To build capacity of the community to implement development projects Strategies

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve the standards of education in the schools in Naivasha Constituency	Improved performance and population in model schools	<ul style="list-style-type: none"> - Number of facilities enhanced - Number of facilities built and finished - at all levels 	In FY 19/20 -we increased number of classrooms by 8, laboratoties by 2 etc from ... to... in the following schools/institutions -karai secondary school - Nyakairu Senior Secondary School - Longonot Township Primary School - Bursary beneficiaries at all levels were as per the attached schedules
Security	To improve security status in	Police posts constructed - More	No of structures done in reduction	4 Police posts constructed - More

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAIVASHA CONSTITUENCY

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For the year ended June 30, 2020

	the constituency	police officers deployed	of Insecurity cases	police officers deployed
Environment	Enhance conservation initiatives in the constituency to conserve and protect natural resources in the county	Purchase of water tanks and guttering for water interaction	Number of institutions that have benefited of the tanks	5 water tanks that have been delivered to 4 institutions
Sports	To promote youth activities in the constituency	-Sports tournament initiated -Sports equipment supplied to major teams	Number of successful tournaments initiated	24 Teams participating national tournaments
Disaster Management	To Ensure all emergency cases are promptly attended to .	- sunken toilets are reconstructed and ground managed	- Number of institutions that have benefited of the toilets	In the financial year 2019/20, 6 toilets have been reconstructed

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

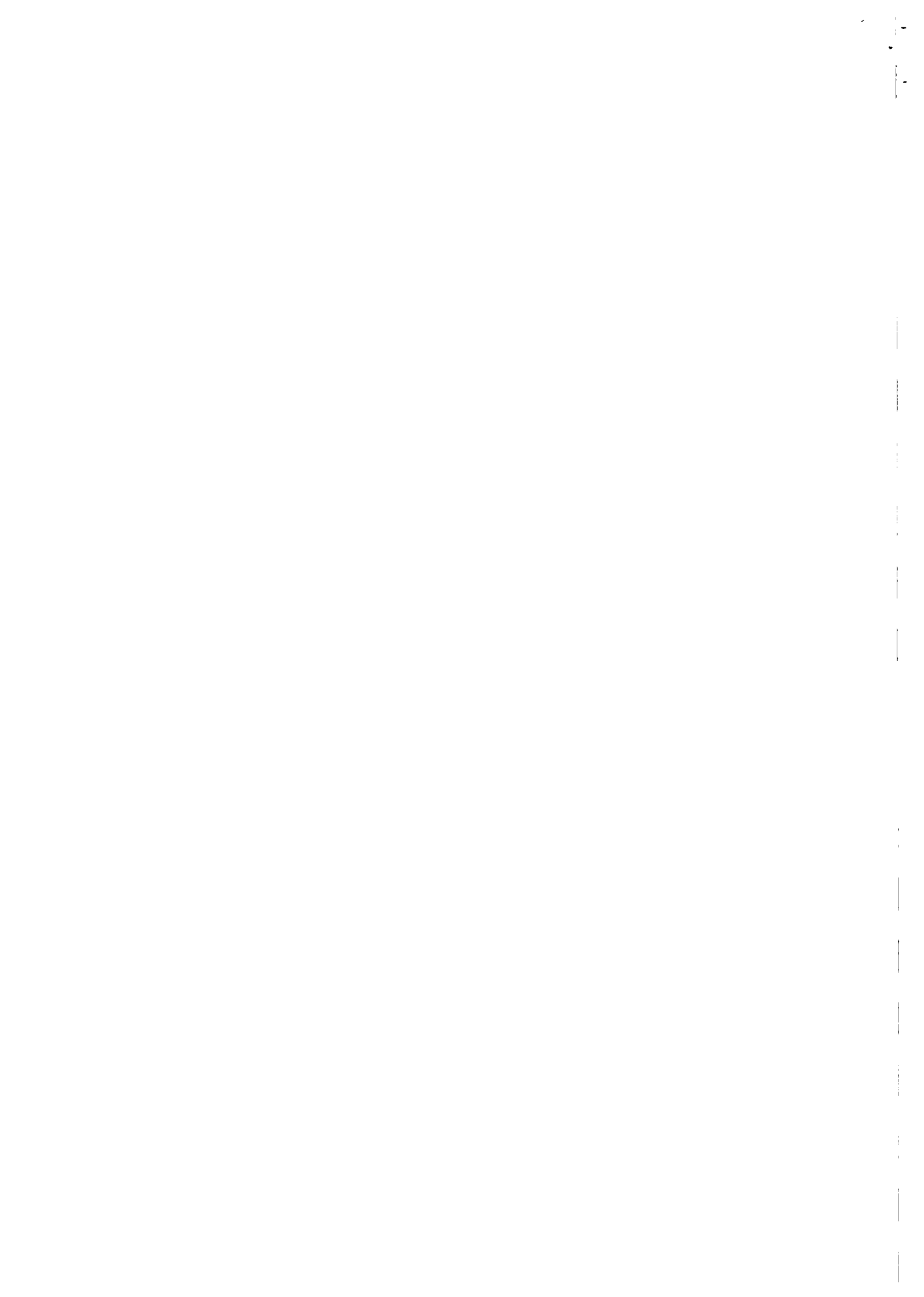
NGCDF – Naivasha Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes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

NGCDF – Naivasha Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Naivasha NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and shortterm performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It’s what guides us to deliver our strategies, 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

The Naivasha NG-CDF Committee endeavored to	Definition	Relevance to sustainable strategy
---	------------	-----------------------------------



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NAIVASHA CONSTITUENCY
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<p>work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan. Model</p>			

1.Sustainability strategy and profile

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

2.Environmental performance

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations. The constituency has embarked on water harvesting and provision of sanitary conditions, toilets and ablutions.

3.Employee welfare

Naivasha Constituency Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements

4.Market place practices

NG-CDFC fund was designed to support constituency level, grassroots development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions
 The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.
 a) Responsible competition practice during projects implementation.

5.Community Engagements

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 concentrated on engaging the public from inception.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAIVASHA CONSTITUENCY
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For the year ended June 30, 2020**

**STATEMENT OF NGCDF-NAIVASHA MANAGEMENT
RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF-Naivasha Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Naivasha Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Naivasha Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

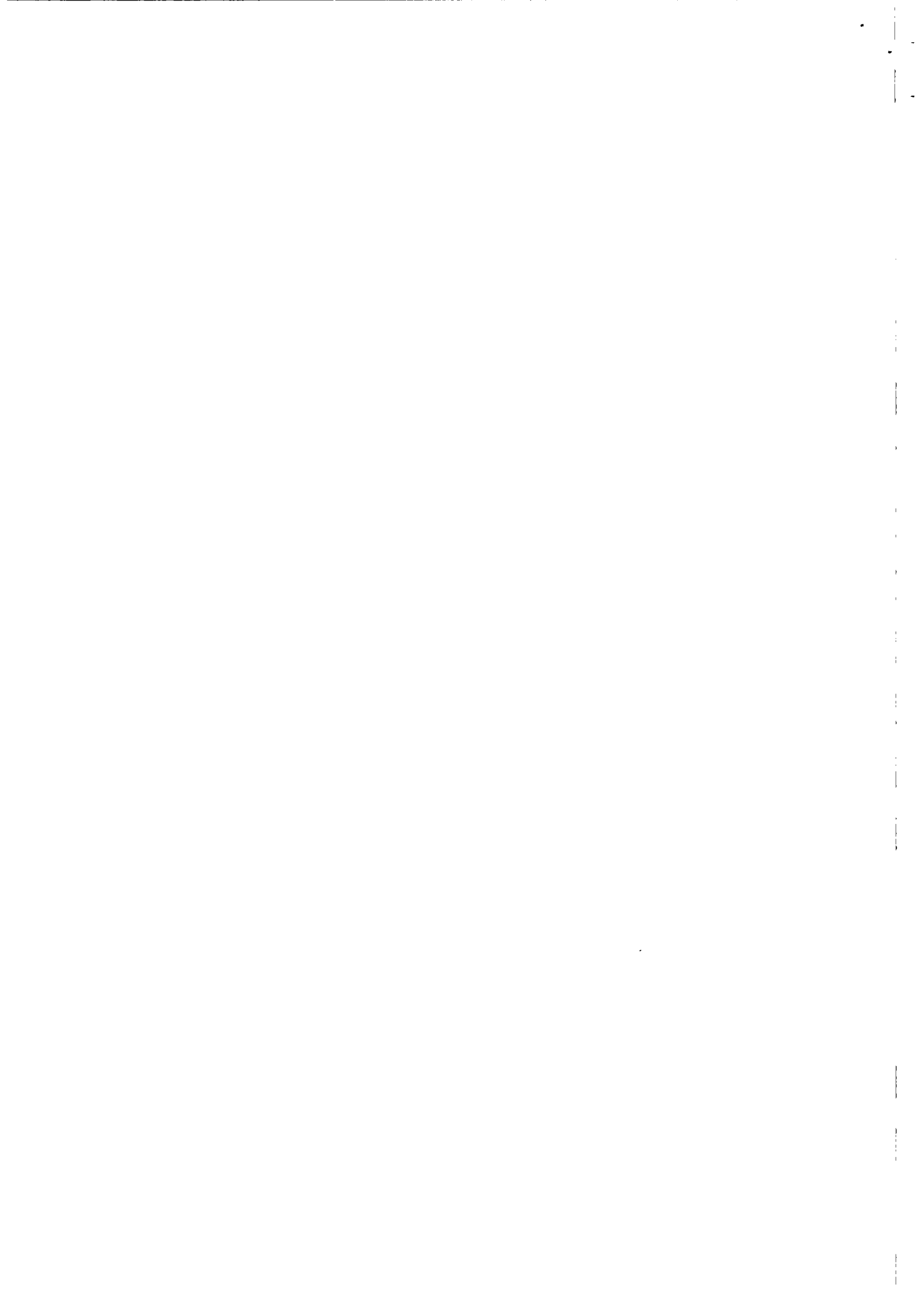
The NGCDF-Naivasha Constituency financial statements were approved and signed by the Accounting Officer on 25/2 2020.



Fund Account Manager
Name: PETER NGUU

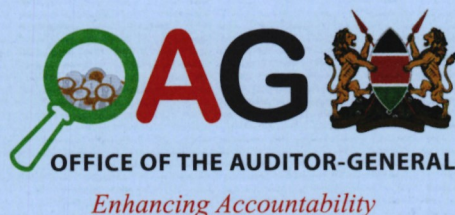


Sub-County Accountant



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAIVASHA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Naivasha Constituency set out on pages 12 to 51, which comprise the statement of assets and liabilities as at 30 June, 2020, and statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Naivasha Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

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

- i. The summary statement of appropriation - recurrent and developments combined reflects final receipts budget utilization difference amount of Kshs.74,699,295 that differs with the re-casted balance of Kshs.69,367,724 resulting to a variance of Kshs.5,331,571 that has not been reconciled.
- ii. The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from other government entities amounting to Kshs.132,140,876 whereas the summary statement of appropriation reflects actual receipts on comparable basis of Kshs.137,472,447 resulting to a variance of Kshs.5,331,571 that has not been explained.

iii. Note 1 to the financial statements reflects transfers from other government entities comparative balance of Kshs.108,784,483 that is at variance with the re-casted amount of Kshs.95,784,483 resulting to a difference of Kshs.13,000,000 that has not been reconciled.

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

2.0 Unsupported Expenditures

2.1 Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services balance of Kshs.7,828,412. Included in the amount is Kshs.1,360,000 which was not supported.

Consequently, the accuracy and completeness of use of goods and services balance of Kshs.1,360,000 could not be confirmed.

2.2 Committee Allowances

The statement of receipts and payments reflects use of goods and services balance of Kshs.7,828,412 of which Kshs.5,724,000 was incurred on committee allowances and expenses. However, the amount was not supported by way of names of committee members who received the allowances, allowance rates and dates of meeting. Further, the balance includes Kshs.944,200 paid to ungazetted persons. This is in breach of Section 43(4) of the National Government Constituencies Development Fund Act, 2015 that requires names of selected constituency committee members to be submitted to National Assembly for approval before appointment and gazettelement by the Board.

Consequently, the accuracy, completeness and validity of the committee allowances amounting to Kshs.5,724,000 could not be confirmed.

2.3 Bursary Payments

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers balance of Kshs.51,887,751. Included in this amount is Kshs.17,716,934 and Kshs.6,860,000 is in respect to payment of bursaries to students in secondary schools and tertiary institutions, respectively. However, included in Kshs.17,716,934 is an amount of Kshs.5,370,934 paid in respect of full and partial scholarships without an approved policy framework from the Board. Further, bursary amounting to Kshs.6,267,102 granted to nine hundred and seventy two (972) students was not supported by way of admission numbers or letters.

Consequently, it was not possible to confirm whether bursary payments amounting to Kshs.11,638,036 were issued to deserving recipients.

3.0 Unreconciled Cash and Cash Equivalents

The statement of financial assets and liabilities reflects bank balances of Kshs.12,292,474. The bank reconciliation statement reflects payments in cash book not in bank statement in form of un-presented cheques amounting to Kshs.6,345,738.

However, the amount includes stale cheques totalling to Kshs.1,100,000 which had not been reversed in the cash book as at 30 June, 2020.

In addition, the bank reconciliation statement reflects payments in bank not in cash book of Kshs.1,440 relating to bank charges which ought to have been expensed. Further, the reconciliation includes receipt in bank not recorded in cash book of Kshs.5,001. The Management has not explained why the stale cheques were not reserved and why bank charges and receipt in bank were not recorded in cash book.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.12,292,474 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 - Naivasha Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.206,940,171 and Kshs.132,140,876, respectively, resulting to an under-funding of Kshs.74,799,295 or 36% of the budget. Similarly, the Fund expended Kshs.125,279,973 against an approved budget of Kshs.206,840,170 resulting to an under-expenditure of Kshs.81,560,197 or 39% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Project Implementation Status

Review of the project implementation status report as of 30 June, 2020 revealed that sixty six (66) projects with an allocation of Kshs.141,569,409 were at different implementation statuses. The report revealed three (3) ongoing projects with an allocation of Kshs.14,250,000 and projects amounting Kshs.58,400,000 were incomplete due to slow tendering processes and delays in receipt of funds from the Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Lack of Project Implementation Status Report

Note 17.4 Project Management Committee (PMC) bank account balances disclosed a balance amounting to Kshs.31,552,601. However, thirty-six (36) projects which were on going, were not supported by project implementation status report. Further, as previously reported, fifty-seven (57) projects with an allocation of Kshs.82,025,863 brought forward from 2018/2019 were also not supported by a project implementation report or project completion certificates during the year under review. This is contrary to Section 8(2) (h) of the National Government Constituencies Development Fund Regulations, 2015, that requires the chairperson of a constituency committee to coordinate the compilation of project status reports every six months.

Consequently, the Management is in breach of the law.

2.0 Unlabeled Projects

Physical verification of projects undertaken in the year under review revealed that four (4) projects amounting to Kshs.7,800,000 and which were complete, were not labeled contrary to Regulation 15(1)(f) of the National Government Constituencies Development Fund Regulations, 2016 which states that the Project Management Committee shall undertake project closure, labelling and handover upon completion.

In the circumstances, the Project Management Committees were in breach of the Regulations.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Maintenance of a Fixed Assets Register

As previously reported, Annex 4 summary of fixed assets register discloses historical cost balance of fixed assets of Kshs.12,047,091. However, the Management has not provided a detailed fixed asset register in support of the balance. This is contrary to provisions of Section 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 that requires an Accounting Officer to ensure that proper control systems exist for assets and that of their movement and conditions in order to be tracked.

Consequently, it has not been possible to confirm whether Management has in place mechanisms for effective management of the fixed assets to safeguard them against pilferage.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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


11 February, 2022

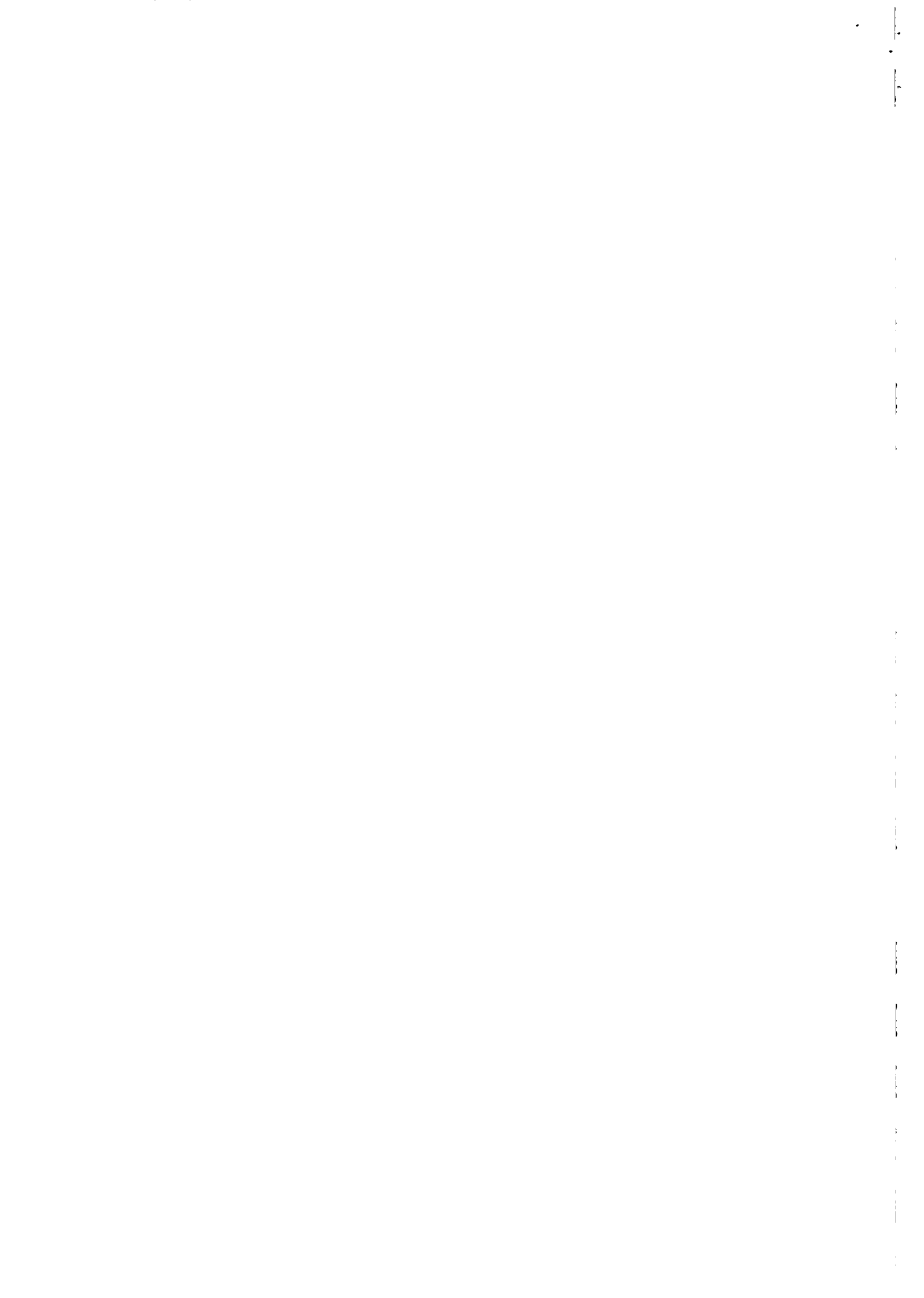
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**NAIVASHA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF-
NAIVASHA CONSTITUENCY****STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	132,140,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	100,000	-
TOTAL RECEIPTS		132,240,876	108,784,483
PAYMENTS			
Compensation of employees	4	2,613,501	2,223,131
Use of goods and services	5	7,828,412	9,615,864
Transfers to Other Government Units	6	59,034,609	38,473,386
Other grants and transfers	7	51,887,751	61,600,400
Acquisition of Assets	8	665,700	-
Other Payments	9	3,250,000	2,000,000
TOTAL PAYMENTS		125,279,973	113,912,781
SURPLUS/(DEFICIT)		6,960,902	(5,128,298)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Naivasha Constituency financial statements were approved on 25/2 2020 and signed by:


 Fund Account Manager
 Name: PETER NGUHI


 National Sub-County Accountant
 Name:
 ICPAK Member Number: 10300



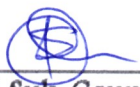
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NAIVASHA CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2020**

STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,292,474	5,331,571
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		12,292,474	5,331,571
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		12,292,474	5,331,571
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		12,292,474	5,331,571
REPRESENTED BY			
Fund balance b/fwd	13	5,331,571	10,459,869
Prior year adjustments	14	-	-
Surplus/ Deficit for the year		6,960,902	(5,128,298)
NET FINANCIAL POSITION		12,292,473	5,331,571

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Naivasha Constituency financial statements were approved on 25/2 2020 and signed by:


 Fund Account Manager
 Name: PETER NGUNJIRI



 National Sub-County Accountant
 Name: STEPHEN KOKENO
 ICPAK Member Number: 10300


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

STATEMENT OF CASHFLOW

		2019 – 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	132,140,876	108,784,483
Other Receipts	3	100,000	-
Total receipts		132,240,876	108,784,483
Payments for operating expenses			
Compensation of Employees	4	2,613,501	2,223,131
Use of goods and services	5	7,828,412	9,615,864
Transfers to Other Government Units	6	59,034,609	38,473,386
Other grants and transfers	7	51,887,751	61,600,400
Other Payments	9	3,250,000	2,000,000
Total payments		124,614,273	113,912,781
Total Receipts Less Total Payments		7,626,602	(5,128,298)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		7,626,602	(5,128,298)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(665,700)	(2,000,000)
Net cash flows from Investing Activities		(665,700)	(2,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,960,902	(5,128,298)
Cash and cash equivalent at BEGINNING of the year	13	5,331,571	10,459,869
Cash and cash equivalent at END of the year		<u>12,292,473</u>	<u>5,331,571</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Naivasha Constituency financial statements were approved on 25/2 2020 and signed by:


Fund Account Manager
Name: PETER NGUHI


National Sub-County Accountant
Name: STEPHEN KOKENO
ICPAK Member Number: 10300

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	69,472,447	206,840,171	137,472,447	74,699,295	63.9%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts	-	100,000	100,000	100,000	-	100.0%
TOTAL RECEIPTS	137,367,724	69,572,447	206,940,171	137,572,447	74,699,295	63.9%
PAYMENTS						
Compensation of Employees	2,550,000	1,416,205	3,966,205	2,613,501	1,352,704	65.9%
Use of goods and services	9,164,772	2,557,045	11,721,817	7,828,412	3,893,405	66.8%
Transfers to Other Government Units	83,926,838	47,407,386	131,334,224	59,034,609	72,299,615	44.9%
Other grants and transfers	41,726,114	13,919,810	55,645,924	51,887,751	3,758,173	93.2%
Acquisition of Assets	0	672,000	672,000	665,700	6,300	99.1%
Other Payments	0	3,500,000	3,500,000	3,250,000	250,000	92.9%
Unallocated expenditure		100,000	100,000	0	0	
TOTAL	137,367,724	69,572,446	206,840,170	125,279,973	81,560,197	60.6%

(a) Other receipts is from sale of tenders within the year, hence forming part of AIA.

(b) i. The underutilization of Kshs.81,560,197 was due to delays in release of grants from the National Board.

ii. The under performance in compensation of employees, use of goods and services and transfer to other government entities was due to delays in release of funds to the constituency.

The NGCDF-Naivasha Constituency financial statements were approved on 25/2 2020 and signed by:



Fund Account Manager

Name: PETERA MUAHI



Sub-County Accountant

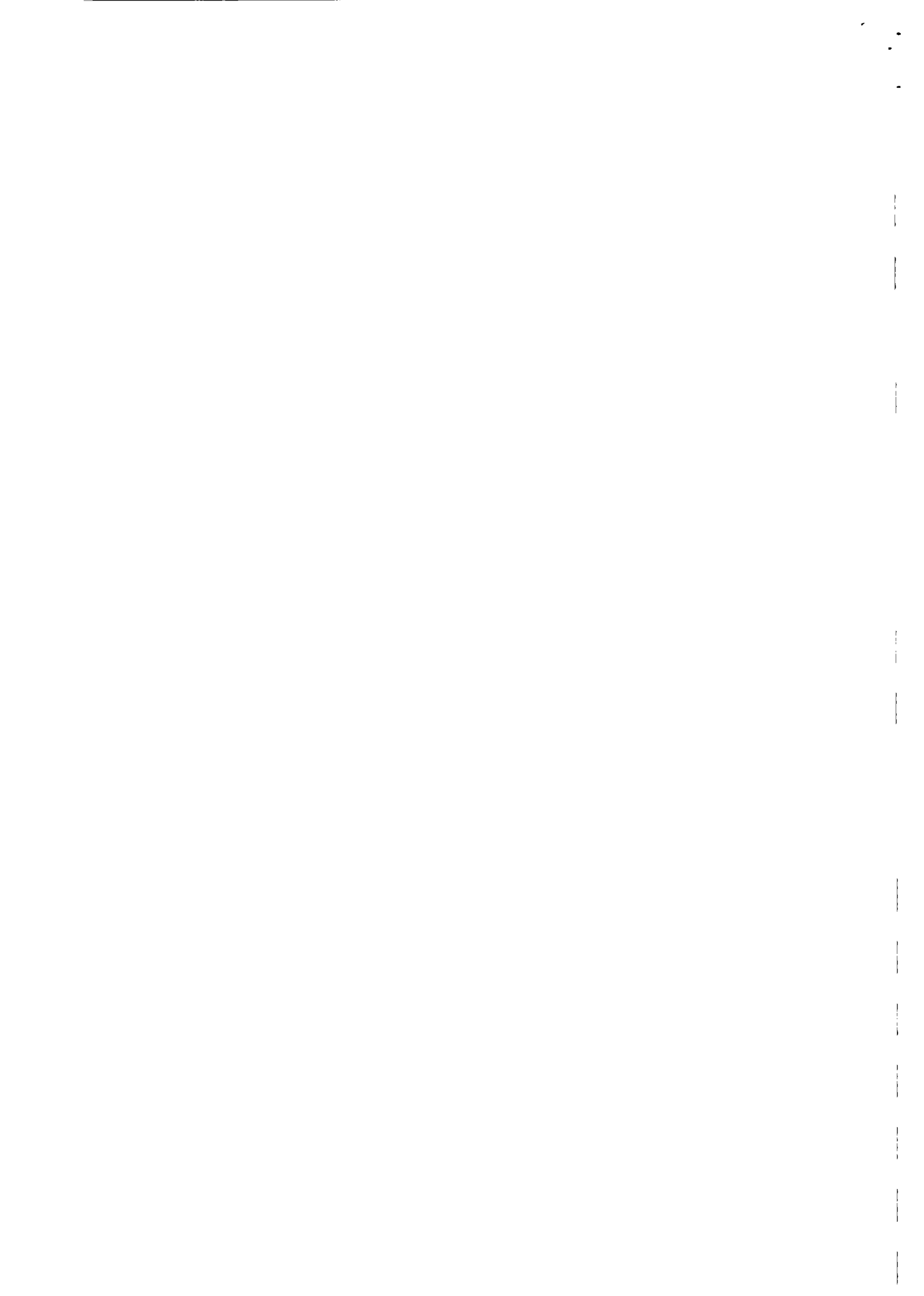
Name: STEPHEN

ICPAK

ICPAK Member Number: 10300

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,550,000	1,416,205	3,966,205	2,613,501	1,352,704
1.2 Use of goods and services	1,560,169.02	1,213,152.00	2,773,321.02	1,334,198	1,439,123
1.3 Committee allowances	3,700,000	1,672,077	5,372,077	4,020,000	1,352,077
1.4 Acquisition of assets		-	-	-	-
Sub Total	7,810,169	4,301,434	12,111,603.02		4,143,904
2.0 Monitoring and evaluation					
2.1 Capacity building	2,000,000.00	1,500,000	3,500,000.00	1,417,000	2,083,000



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGDF) – NAIWASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

2.2 Committee allowances	1,300,000	2,121,000	3,421,000.00	953,000	2,468,000
2.3 Use of goods and services	604,603.30	1,050,431	1,655,034.30	104,214.00	1,550,820
Sub Total	3,904,603	4,671,431	8,576,034.30		6,101,820
3.0 Emergency					
3.1 Primary Schools	7,198,724.14	2,738,993	9,937,717.59	7,730,000	2,207,718
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
Sub Total	7,198,724	2,738,993	9,937,717.59		2,207,718
4.0 Bursary and Social Security					
4.2 Secondary Schools	18,000,000	-	18,000,000	17,716,934	283,066
4.3 Tertiary Institutions	12,000,000	7,000,000	19,000,000	6,860,000	12,140,000
4.5 Social Security					
Sub Total	30,000,000	7,000,000	37,000,000		12,423,066
5.0 Sports					
5.1 Sports tournament	2,427,389.70	2,180,817	4,608,206.70	3,180,817	1,427,390
Sub Total	2,427,390	2,180,817	4,608,206.70		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIYASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

					-
Sub Total	2,100,000	2,000,000	4,100,000	2,000,000	
7.0 Primary Schools Projects					
KABATI PRIMARY SCHOOL	3,000,000	-	3,000,000	3,000,000	-
KINAMBA PRIMARY SCHOOL	1,900,000	-	1,900,000	1,900,000	-
RUTERE PRIMARY SCHOOL	2,000,000	-	2,000,000	2,000,000	-
UNITY PRIMARY SCHOOL	3,626,838	-	3,626,838	3,626,838	-
MITAMAITYU PRIMARY SCHOOL	7,000,000		7,000,000	7,000,000	-
MUNYU PRIMARY SCHOOL	3,000,000	-	3,000,000	3,000,000	-
MAIELLA TOWNSHIP primary School	5,600,000	-	5,600,000		5,600,000
Ndabibi Central Primary school	2,800,000	-	2,800,000		2,800,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

SHERMOI PRIMARY SCHOOL	2,500,000	-	2,500,000	2,500,000	-
LONGONOT DEB PRIMARY SCHOOL	3,200,000		3,200,000		3,200,000
MIRERA PRIMARY SCHOOL	2,800,000		2,800,000		2,800,000
NYAMATHI PRIMARY SCHOOL	2,000,000		2,000,000	2,000,000	-
MWICIRINGIRI PRIMARY SCHOOL	2,000,000	-	2,000,000		2,000,000
NGEVA PRIMARY SCHOOL	3,500,000	-	3,500,000		3,500,000
GATHIMA PRIMARY SCHOOL	3,800,000	-	3,800,000	3,800,000	-
MANERA PRIMARY PROJECT		400,000	400,000	400,000	-
GATHIMA PRIMARY SCHOOL		8,200,000	8,200,000	8,200,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

KIBURUTI PRIMARY SCHOOL			950,000	950,000	950,000	-
St. Pauls Primary School			1,600,000	1,600,000		1,600,000
2016/2017			-			-
ERERI PRIMARY SCHOOL PROJECT			3,000,000	3,000,000	3,000,000	-
RUTERE PRIMARY SCHOOL PROJECT			500,000	500,000	500,000	-
NAIVASHA CENTRAL PRIMARY SCHOOL			360,000	360,000	360,000	-
NGEYA PRIMARY SCHOOL PROJECT			240,000	240,000	240,000	-
GATHIMA PRIMARY SCHOOL PROJECT			1,000,000	1,000,000	1,000,000	-
SHINDANO PRIMARY SCHOOL			507,770.40	507,770.40	507,770	-
			-			-
Sub Total			48,726,838	16,757,770	65,484,608.40	21,500,000
8.0 Secondary Schools Projects						



NAIYVUAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIYASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

HIGHWAY SECONDARY SCHOOL		8,000,000	-	8,000,000	-	8,000,000
MUNYU SECONDARY SCHOOL		3,000,000	-	3,000,000	-	3,000,000
MAIELLA CENTRAL SECONDARY SCHOOL		1,500,000	-	1,500,000	-	1,500,000
NIDABIBI MAIN SECONDARY SCHOOL		3,000,000	-	3,000,000	-	3,000,000
NARASHA SECONDARY SCHOOL		2,000,000	-	2,000,000	-	2,000,000
NYAMATHI SECONDARY SCHOOL		1,500,000	-	1,500,000	-	1,500,000
GOVERNOR SECONDARY SCHOOL		4,500,000	-	4,500,000	-	4,500,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

LONGONOT TOWNSHIP SECONDARY SCHOOL		4,000,000.00	4,000,000.00	4,000,000.00		-
KARIMA SECONDARY SCHOOL		2,050,000.00	2,050,000.00	2,050,000.00		-
MILIMANI HIGH SCHOOL		4,000,000.00	4,000,000.00	4,000,000.00		-
LAKE NAIIVASHA GIRLS HIGH SCHOOL		2,000,000.00	2,000,000.00	2,000,000.00		-
KARAI SECONDARY SCHOOL PROJECT		3,000,000.00	3,000,000.00	3,000,000.00		-
Kihara secondary school		1,900,000	1,900,000			1,900,000
Ndabibi Secondary School		1,600,000	1,600,000			1,600,000
		-				-
		-				-
Sub Total		23,500,000	18,550,000	42,050,000		27,000,000
9.0 Tertiary institutions Projects						
		-				-
Sub Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIYASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

10.0 Security Projects						
KINAMBA CHIEFS OFFICE	3,500,000	-	3,500,000	-	3,500,000	
KAYOLE CHIEFS OFFICE	3,500,000	-	3,500,000	3,500,000	-	
Maryland/Panda police post	1,000,000	-	1,000,000	1,000,000	-	
Kongoni ACC office	900,000	-	900,000	900,000	-	
NDABIBI WEST CHIEFS OFFICE	1,200,000	-	1,200,000	1,200,000	-	
MT. VIEW POLICE POST	600,000	-	600,000	600,000	-	
MAAI MAHIU CHIEFS OFFICE	1,000,000	-	1,000,000	1,000,000	-	
KONGONI ACC OFFICE		3,200,000.00	3,200,000	3,200,000	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

NAIVASHA POLICE STATION		2,000,000.00	2,000,000	2,000,000	-
KAMUYU AP POST		900,000	900,000	900,000	-
Sisioni AP Post		1,000,000	1,000,000		1,000,000
Sub Total	11,700,000	7,100,000	18,800,000		4,500,000
11.0 Acquisition of assets					
11.1 Motor Vehicles		-	-		-
11.3 Purchase of furniture and equipment		672,000	672,000	665,700	6,300
11.4 Purchase of computers		-	-	-	-
Sub Total		672,000	672,000		6,300
12.0 Others					
12.1 Strategic Plan		3,500,000	3,500,000	3,250,000	250,000
12.2 Innovation Hub		-			-
Unallocated		100,000	100,000		100,000
Sub Total	-	3,600,000	3,600,000	3,250,000	350,000
Grand Total	137,367,724	69,572,446	206,940,170.01	125,279,973	81,660,197

SIGNIFICANT ACCOUNTING POLICIES

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

Statement of Compliance and Basis of Preparation

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

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

Reporting Entity

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

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.

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

Transfers from the Exchequer

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

Other receipts

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

b) Recognition of payments

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

A fixed asset register is maintained by NGCDF Naivasha. The summary is disclosed as an annexure to the financial statements.

In-kind contributions

In-kind contributions are donations that are made to the NGCDF Naivasha 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 NGCDF Naivasha 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.

Cash and Cash Equivalents

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

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.

Accounts Payable

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

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.

Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

Comparative Figures

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

Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

Errors

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

No prior year errors were corrected in the year.

Related Party Transactions

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

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NOTES TO THE FINANCIAL STATEMENTS

TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description			2019-2020	2018-2019
			Kshs	Kshs
NGCDF Board				
AIE NO. B 005108		1		54,784,483
AIE NO. B 030184		2		10,000,000
AIE NO. B 030428		3		12,000,000
AIE NO. B 006370		4		8,000,000
AIE NO. B 042761		5		11,000,000
AIE NO. B 047007		1	55,040,876	
AIE NO. B041098		2	4,000,000	
AIE NO. B041160		3	20,000,000	
AIE NO. B047627		4	9,100,000	
AIE NO. B041383		5	15,000,000	
AIE NO. B104051		6	15,000,000	
AIE NO. B104430		7	14,000,000	
TOTAL			132,140,876	108,784,483

PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	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	-	-
Total	-	-

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

OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	100,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	100,000	-

COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of contractual employees	2,266,251	2,223,131
Basic wages to temporary employees	161,490	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	185,760	-
Total	2,613,501	2,223,131



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee allowance	3,854,000	2,932,400
Other committee expenses	1,870,000	1,632,500
Utilities, supplies and services	511,893	526,872
Communication, supplies and services	294,000	228,414
Electricity	26,600	46,300
Water and sewerage charges	17,129	17,705
Domestic travel and subsistence	150,000	112,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	166,000	2,148,000
Hospitality supplies and services	100,000	150,000
Fuel oil and lubricants	-	450,675
Specialized materials and services	-	-
Office and general supplies and services	150,000	970,998
Other operating expenses	500,000	400,000
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	7,828,412	9,615,864



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

TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		-
Transfers to primary schools (see attached list)	43,984,609	22,987,386
Transfers to secondary schools (see attached list)	15,050,000	15,486,000
Transfers to tertiary institutions (see attached list)		-
Transfers to health institutions (see attached list)		-
TOTAL	59,034,609	38,473,386

OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,716,934	25,908,395
Bursary – tertiary institutions (see attached list)	6,860,000	11,391,465
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	14,300,000	16,217,931
Sports projects (see attached list)	3,180,817	2,900,559
Environment projects (see attached list)	2,100,000	2,000,000
Emergency projects (see attached list)	7,730,000	3,182,050
Total	51,887,751	61,600,400



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

ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	2000000
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	665,700	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	665,700	2000000

OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	3,250,000	-
ICT Hub	-	-
Office renovation	-	2,000,000
Total	3,250,000	2,000,000

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

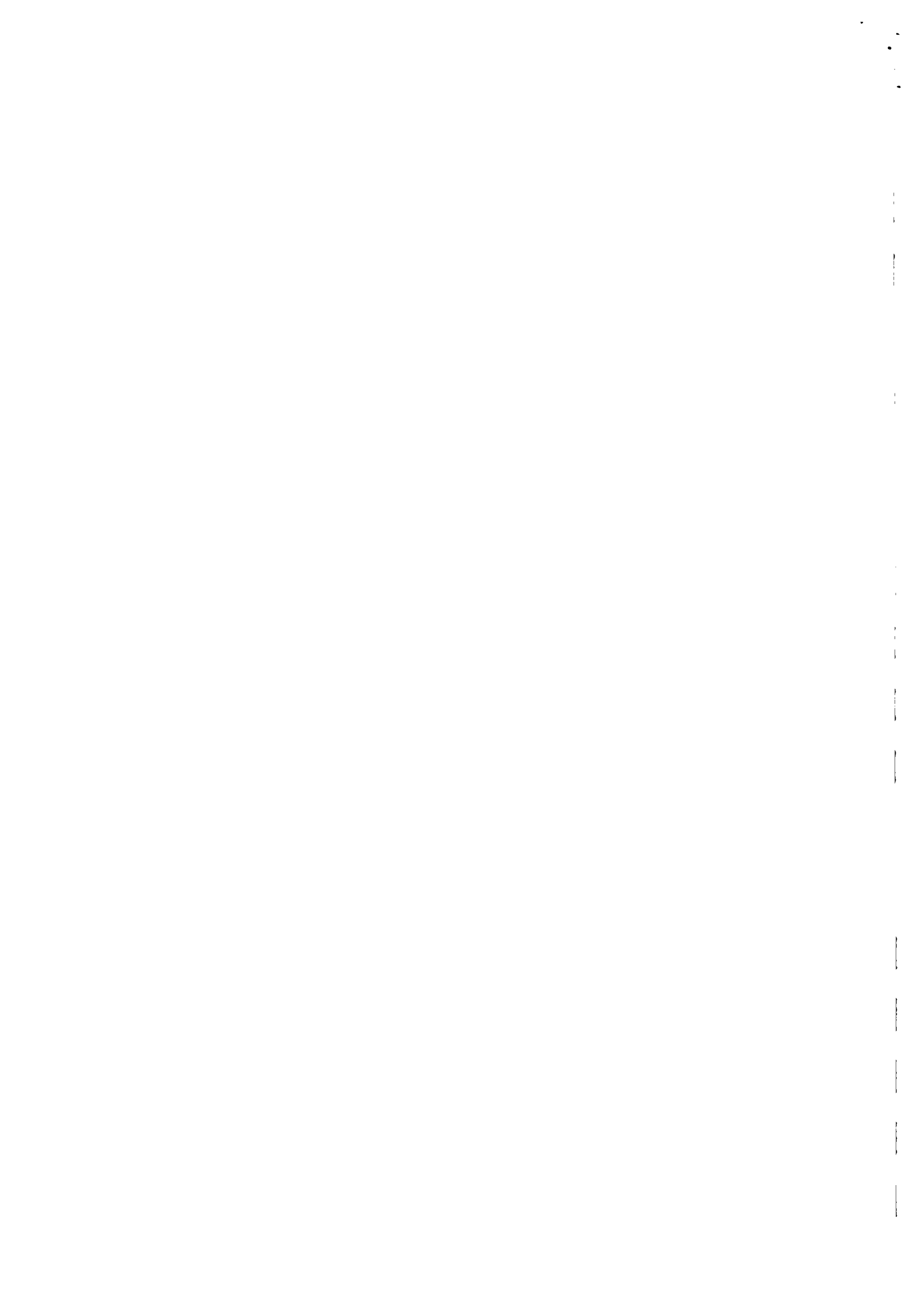
Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Naivasha Branch A/C no.0200261809700</i>	12,292,474	5,331,571
Total	12,292,474	5,331,571
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations	-	-
Total	12,292,474	5,331,571



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
Total				-

RETENTION

<i>Particulars</i>	<i>2019 - 2020</i>	<i>2018-2019</i>
	<i>Kshs</i>	<i>Kshs</i>
	-	-
	-	-
	-	-
Total	-	-

GRATUITY DEPOSITS

<i>Name</i>	<i>2019 - 2020</i>	<i>2018-2019</i>
	<i>Kshs</i>	<i>Kshs</i>
	-	-
	-	-
	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	5,331,571	10,459,869
Cash in hand		
Imprest		
Total	5,331,571	10,459,869

PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2019/2020 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
	-	-	-

CHANGES IN ACCOUNTS RECEIVABLE - OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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

OTHER IMPORTANT DISCLOSURES

PENDING ACCOUNTS PAYABLE (See Annex 1)

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

PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	630,594	630,594
Others	-	-
	-	-

UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,352,704	1,200,000
Use of goods and services	3,893,405	1,613,879
Amounts due to other Government entities (see attached list)	72,299,615	37,807,386
Amounts due to other grants and other transfers (see attached list)	3,758,173	25,119,810
Acquisition of assets	6,300	-
Others (<i>specify</i>)	250,000	-
	100,000	-
	81,660,197	69,572,446



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	31,552,600.79	30,184,489.15
	-	-
	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIYASHA CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

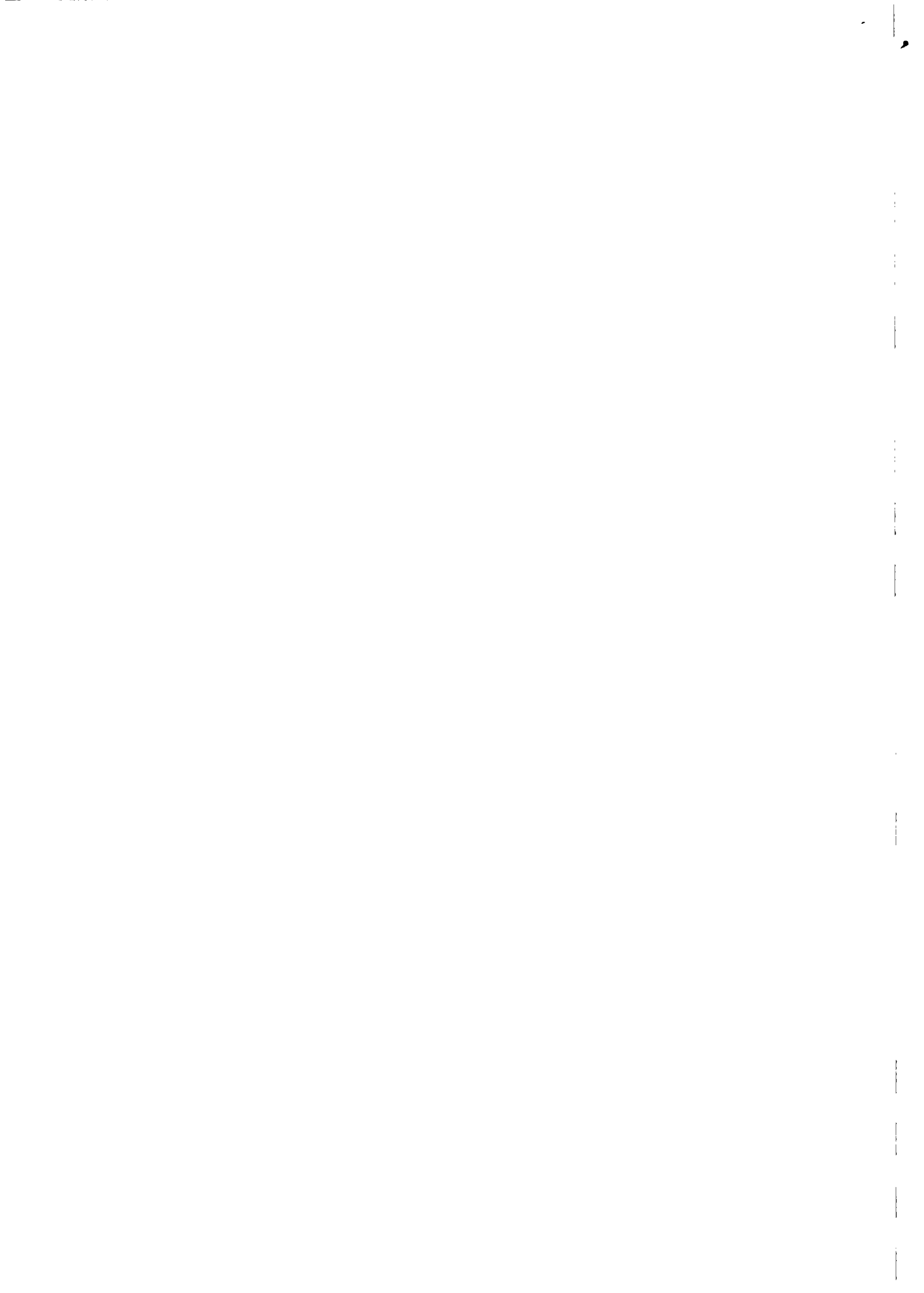
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Outstanding Balance 2020	Outstanding Balance 2019	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
NGCDF Staff						
1. PATRICIA WANGARI MWANGI		63,882	63,882			
2. NANCY WANGUTI KAMAU		93,132	93,132			
3. BONIFACE KAMAU NJOGU		187,776	187,776			
4. ESTHER WANJA NGIMA		80,622	80,622			
5. MARTHA NJERI MWANGI		124,560	124,560			
6. PETER WAWERU CHEGE		80,622	80,622			
Sub-Total		630,594	630,594			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
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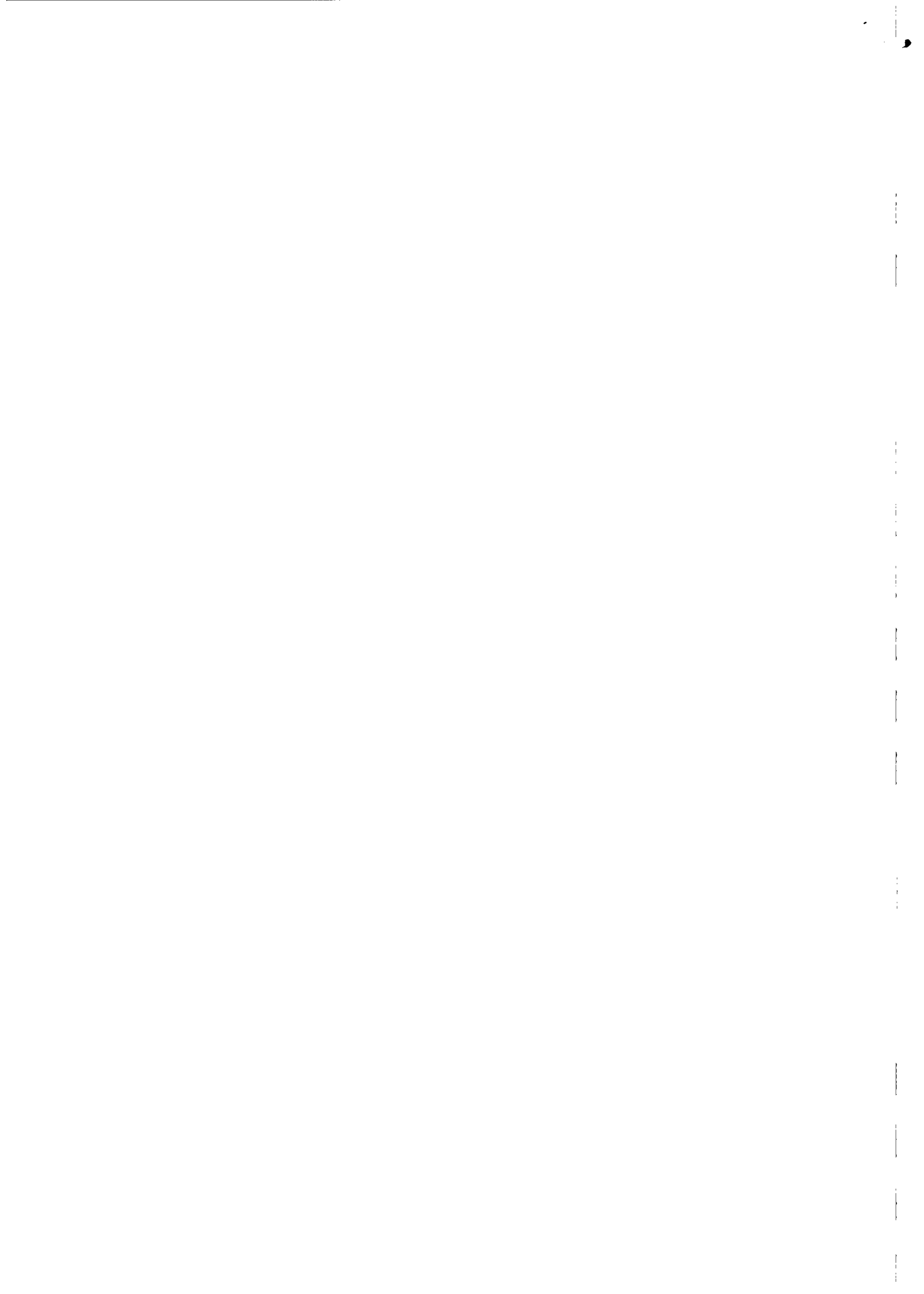
ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees				
		1,352,704	2,527,016	
Use of goods & services				
		8,893,020	1,515,812	
		10,245,724	4,042,828	
		53,000,000	30,100,000	
	Sub-Total			
Amounts due to other Government entities				
	6.1 Ndiibithi primary school :- 6 door toilets	600,000		
	2 Manera primary school:- 6 door toilets	600,000		
	Rubiri secondary :- 6 door toilets	600,000		
	4 Kegesha police post:- Water tank			
	MAIELLA TOWNSHIP primary School	200,000		
	Ndabibi Central Primary school	5,600,000		
	LONGONOT DEB PRIMARY SCHOOL	2,800,000		
		3,200,000		
	MIRERA PRIMARY SCHOOL	2,800,000		
	St. Pauls Primary School	1,600,000		
	HIGHWAY SECONDARY SCHOOL			
		8,000,000		
	MUNYU SECONDARY SCHOOL			
		3,000,000		
	MAIELLA CENTRAL SECONDARY SCHOOL			
		1,500,000		



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

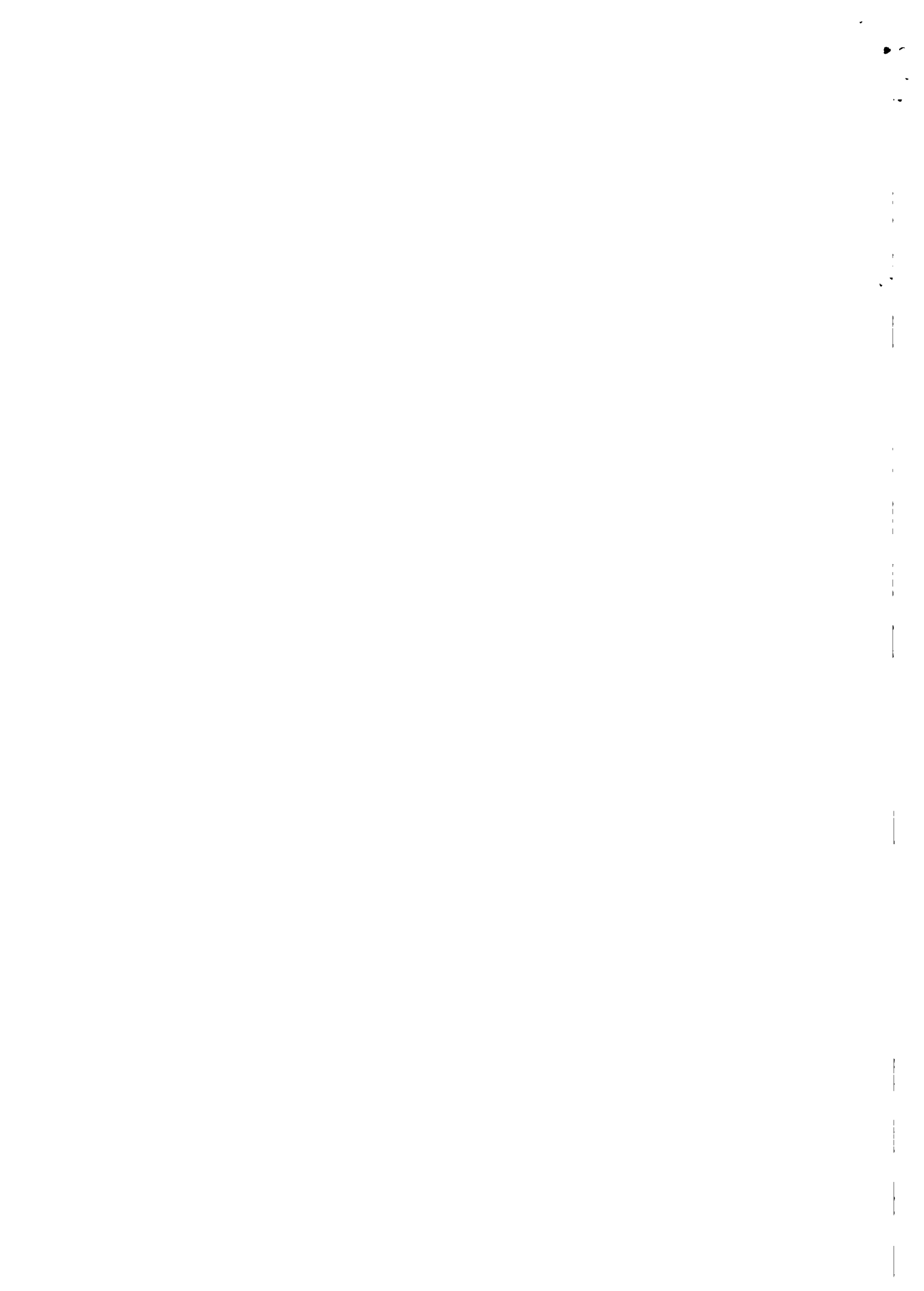
Asset class	Historical Cost Opening Balance (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	-	-	-
Buildings and structures	6,000,000	-	-	6,000,000
Transport equipment	4,200,000	-	-	4,200,000
Office equipment, furniture and fittings	305,905	665,700	-	971,605
ICT Equipment, Software and Other ICT Assets	875,486	-	-	875,486
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	11,381,391	665,700	-	12,047,091



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAIVASHA CONSTITUENCY**
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Naivasha NG-CDF sports	Equity Bank	0200277375783	1,796.00	0
Shermoi primary School	Equity Bank	0200279786048	249,700.00	0
Manera primary school	Equity Bank	0200263789176	450.00	204,050
Munyu primary school	Equity Bank	0200262322222	174,710.00	0
Nyamathi primary school	Equity Bank	0200279844241	2,002,000.00	0
Shindano primary school	Equity Bank	0200277353510	507,955.00	114,485
Unity primary school	Equity Bank	0200262312422	121,039.64	1,749,706
Gathima primary school	Equity Bank	0200277352509	4,963,895.00	414,390
Mitamaiyu primary school	Equity Bank	0200262583520	7,001,590.00	0
Ngunyumu primary school	Equity Bank	0200268198406	2,737.50	703,517.50
Ereri primary school	Equity Bank	0200270334806	122,230.00	605
Longonot township primary school	Equity Bank	0200262865544	11,350.00	1,315,770.00
Kinamba primary school	Equity Bank	0200262213397	1,909,713.00	0
Kabati primary school	Equity Bank	0200268198580	3,004,300.00	0
Longonot township secondary school	Equity Bank	0200261661858	1,283,756.50	0
Kiambogo secondary school	Equity Bank	0200269326212	23,765.00	0
Ndoroto secondary school	Equity Bank	0200277650952	887,347.50	18,847.50
Rutere secondary school	Equity Bank	0200262582928	601,602.00	0
Ndabibi West Chiefs office	Equity Bank	0200277650196	8,080.00	3,199,760
Mountain view Ap post	Equity Bank	0200272136385	400.00	2,000,170
Dric vocational training center	Equity Bank	0200277363839	2,060.00	368,160
Naivasha Central primary school	Equity Bank	0200263501814	361,910.00	0
Ngeya primary school	Equity Bank	0200262541442	1,915.00	0
Karai Secondary school	Equity Bank	0200270648561	7,408.00	0
Lake Naivasha Girls Secondary school	Equity Bank	0200278987768	245,797.50	0



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAIVASHA CONSTITUENCY**
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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Milimani high school	Equity Bank	0200262721465	161,191.00	245.30
Karima secondary school	Equity Bank	0200278992593	2,050,037.50	0
Maryland police post	Equity Bank	0200272287509	1,000,289.65	1,114,359.65
Kongoni ACC office	Equity Bank	0200278964979	72,026.00	0
Kamuyu AP post	Equity Bank	0200277349608	49,812.00	0
Naivasha police station	Equity Bank	0200279179310	1,500.00	0
Maai mahiu chiefs office	Equity Bank	0200277655374	1,000,425.00	0
Kiburuti primary school	Equity Bank	0200279407495	20,880.00	0
Nyonjoro primary school	Equity Bank	0200263789046	425.00	0
Kayole chiefs office	Equity Bank	0200279896304	3,500,000.00	0
Rutere Primary School	Equity Bank	1271020165	198,507.00	0
Kamuyu Primary School	EQUITY	200277349608	0	1,150,070.00
Kinungi Primary School	EQUITY	200262325460	0	255,755.00
Ndibithi Primary School	EQUITY	200263612886	0	606,665.00
Rubiri Secondary School	EQUITY	200277353373	0	697,292.50
Naivasha Deb Primary School	EQUITY	200262156315	0	1,604,705.00
Gituamba Primary School	EQUITY	200268185007	0	1,600,820.00
Maraigushu Secondary School	EQUITY	200265598682	0	1,013,816.10
Maai Mahiu Boys Secondary School	EQUITY	200266157947	0	2,101,735.00
Kinungi Secondary School	EQUITY	200264209214	0	988,936.00
Narasha Secondary School	EQUITY	200778948887	0	1,900,000.00
Ihindu Primary School	EQUITY	200262321878	0	354,023.00
Longonot Deb Primary School	EQUITY	200264942732	0	27,276.60
Maiella Central Mixed Secondary School	EQUITY	200277345126	0	930
Nyakairu Senior Secondary School	EQUITY	200277351284	0	900,725.00
Ngondi Secondary School	EQUITY	200263789083	0	170,105.00



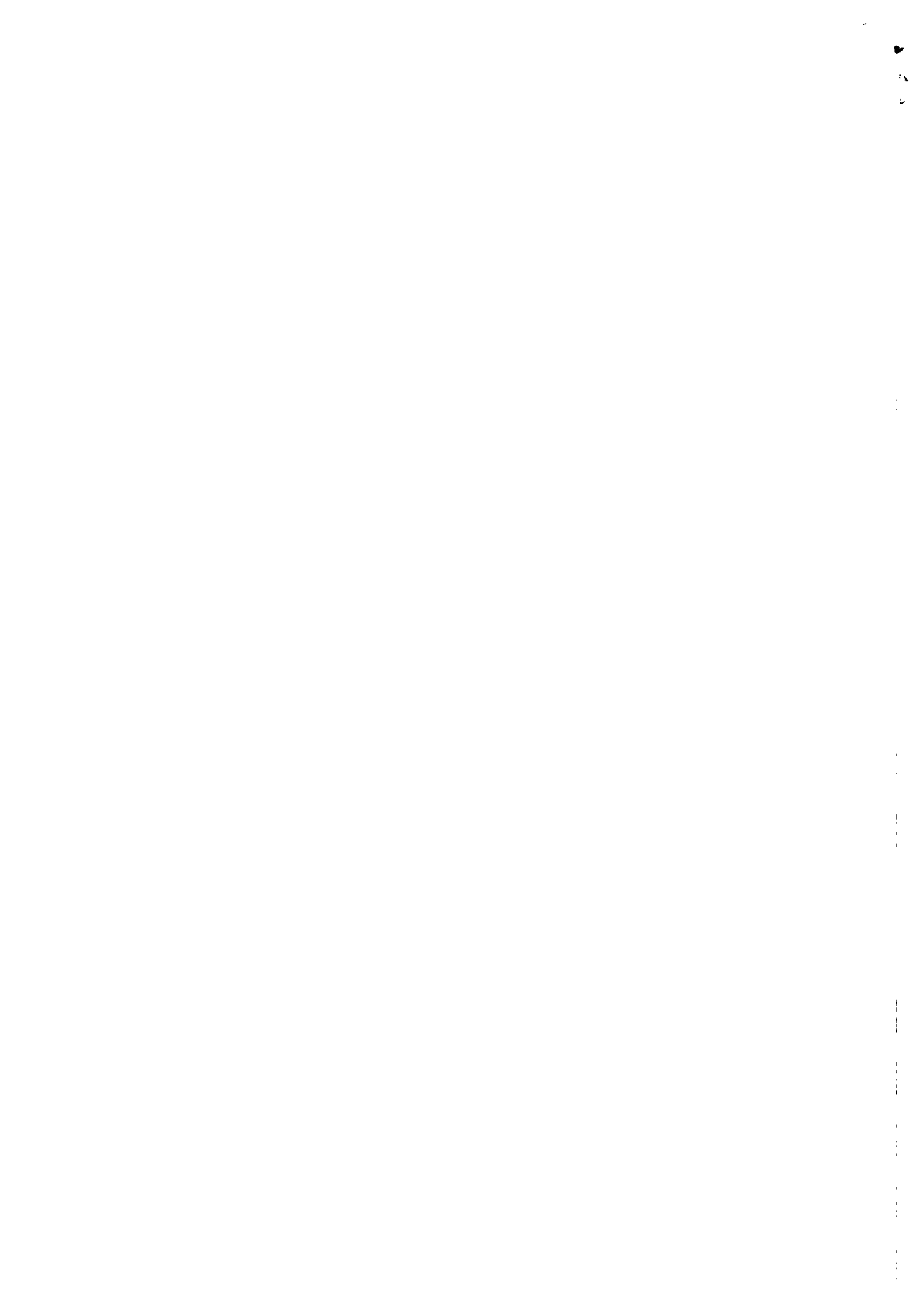
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NAIVASHA CONSTITUENCY
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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kipkonyo Secondary School	EQUITY	200277625894	0	302,575.00
Utheri Wa Lari Police Station	EQUITY	200277375661	0	1,205,041.00
Naivasha Town Location Chiefs Office	EQUITY	200277360208	0	588,590.00
Kirima Chiefs Office	EQUITY	200277379959	0	1,300,065.00
Naivasha Ngcdf Office Project	EQUITY	200278966574	0	2,000,000.00
Maraigushu Ap Post	EQUITY	200263890354	0	7,788.00
Kigecha Ap Post Project	EQUITY	200277649639	0	203,510.00
			31,552,600.79	30,184,489.15

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.8.1	The statement of receipts and payments reflects other grants and transfers of Kshs 61,600,400 for the year ended 30 June 2019 that includes bursary to secondary schools and tertiary institutions of Kshs.37,299,860 as disclosed in Note 7 to the financial statements out of which Kshs.3,551,139 are not supported by way student admission number. As a result, the propriety of the amount of Kshs.3,551,139 for the year ended 30 June 2019 could not be confirmed shown in Appendix III.	Management has noted the audit observation and wish to state that bursaries are awarded by ward committees and approved by the constituency committee upon which payments are disbursed to the students and beneficiary institutions.	Patrick Muthamia- Chairman – Bursary sub- committee	Resolved	N/A
		Student admission numbers are always captured, however we regret the omission in these particular instances and shall			



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>(Appendix III sent as excel attachment.) Risk(s)/Effect(s)/Implications In the absence of Kshs 3,551,139 by student name, admission number or name of school or college, there is a risk that it may have been misappropriated.</p>	<p>endeavor to correct the anomaly by ensuring it is reflected in all future payment lists.</p>			
4.9	<p>The statement of receipts and payment reflects other payments of Kshs 2,000,000 in respect of expenditure incurred on office renovation/refurbishment that are not supported by way of an inspection report authorizing the works and completion certificate confirming the nature of repairs carried out.</p>	<p>Management has noted the observation on other payments and wish to state that the amount was incurred in portioning of NGCDF Naivasha Constituency offices. The expenditure has been reclassified from other payments to acquisition of assets to correct the error. Further, the expenditure</p>	<p>FAM - Peter Nguigi</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		was within the authorized budgetary allocation for item during the year under review. All the required documents are hereby attached for your review.			
4.12.13	It was observed that Naivasha NG-CDF employed a Clerk of Works in the month of April, 2019 without placing an advertisement in the local dailies breach of the section B.4 (1) of Public Services Commission Human Resources Policies 2016 that requires all vacant positions to be advertised to reach the widest potential number of applicants.	Management has noted the audit observation and recommendation and will in future ensure that all recruitments comply with the provision of Public Services Commission Human Resources Policies 2016 without exception.	Resolved	FAM- Peter Nguigi	
4.13.1	The statement of receipts and payments reflect use of goods	The expenditure of Kshs 400,000 was incurred on	Resolved		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and services expenditure of Kshs.9,615,864 for the year ended 30 June 2019 which includes Kshs.400,000 incurred on fuel, oils and lubricant for motor vehicle registration No. GK A 041U that have not been supported by way of work tickets, fuel register detail order for amount of fuel consumed.	motor vehicle fuel, oil and lubricants. However, the same was provided during audit. We have resubmitted, the work tickets, fuel register and detailed orders for audit confirmation and scrutiny.			