

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

**REPORT
OF
THE
AUDITOR-GENERAL**

ON

**FINANCIAL STATEMENTS OF NATIONAL
DEVELOPMENT FUND FOR PERSONS
WITH DISABILITIES FOR THE SIX (6)
MONTHS PERIOD ENDED 30 JUNE 2010**

**NATIONAL DEVELOPMENT FUND
FOR PERSONS WITH DISABILITIES**

FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

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NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

Corporate Information

Establishment of the Fund

The National Development Fund was established under section 32 of the Disability Act 2003. Clause 2 of that section states that "The Fund shall be established as a permanent fund and the income there from shall be used for the benefit of persons with disabilities in Kenya". The government set aside Kshs 200 million in the 2009/2010 financial year for the Fund.

Core values

NDFPWD is committed to practicing and fostering the following values in all aspects of its dealings:

Commitment

Dedication to duty and service to persons with disabilities

Team spirit

Working together to accomplish our mission.

Credibility.

The ability to make people believe and trust us.

Integrity.

Displaying high ethical standards in all aspects of its work complete with requisite dedication.

Positive Diversity.

Valuing diversity by respecting individual differences.

Inclusivity

Seeking individual, corporate and community contributions as well as recognizing the same in pursuit of its objectives.

Fairness and Equity

Being fair and equitable in dealings with staff, clients and members of the community.

Stakeholders Focus

Establishing and maintaining cooperative relationships with stakeholders.

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

CORPORATE INFORMATION (CONTINUED)

BOARD OF TRUSTEES

Mr. Phitalis Were Masakhwe	-	Chairman
Mr. Samuel Kabue	-	Vice – Chairman
Mrs. Phoebe Nyagudi	-	Secretary
Ms. Susan Kirima	-	Treasurer
Mr. Kibaya Laibuta	-	Member
Ms. Salome Kimata	-	Member
Mr. John F Olinga	-	Member
Mr. Sunil Sinha	-	Member
Mr. Tom Gichuhi	-	Member

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

CORPORATE INFORMATION (CONTINUED)

CORPORATE AUDITORS

Auditor General
Kenya National Audit Office
Anniversary Towers
P.O. Box 30084-00100

NAIBOBI

Tel: +254-20-335777
Fax: +254-20-330829

BANKERS

Kenya Commercial Bank
Sarit Centre Branch
P.O. Box 14959

NAIROBI

Tel: +254-20-3747576
Fax: :+254-20-3747576

REGISTERED OFFICE

National Development Fund for Persons With Disabilities
Waiyaki Way

P.O. Box 66577-00800

NAIROBI

Tel: +254-20-4452877
Fax: +254-20-4452877

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

CORPORATE INFORMATION (CONTINUED)

MANAGEMENT STAFF

The NDFPWD did not have its own staff and used NCPWD staff to carry out its activities during financial year 2009/2010.

Mrs. Phoebe A Nyagudi	-	Director
Ms. Mary Jacobs	-	PA to the Director
Ms. Catherine A. Wameyo	-	Principal Accountant
Ms. Emily L Zindoli	-	Principal Training Officer
Mr. Isaac Mwaura	-	Principal Public Relations Officer
Ms. Winfred Mbugua	-	Registration/Database Administrator
Mr. Joseph Maleu	-	Procurement Officer
Mr. Cleaver Aetoni	-	Ag. Human Resource Officer
Mr. Isaac Manyonge	-	Assistant Accountant
Ms. Jane Wamugu	-	Administrative Secretary
Ms. Pamela Omas	-	Senior Assistant Secretary
Mr. Daniel Onkware	-	Driver
Mr. Josephat Sasaba	-	Driver
Ms. Hafsa Mijae	-	Senior Supervisor
Mr. Cyril Maghanga	-	Senior Support Staff
Ms. Beth Kimotho	-	Cleaner

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

CHAIRMAN'S REPORT

The six months under review (2009/2010) Financial Year, the National Development Fund for Persons with Disabilities was operationalized, after being established by the PWDs Act, in 2003. The Fund was established as a permanent fund and the income there from is to be used for the benefit of Persons with Disabilities in Kenya.

The uses of this Fund are well spelt in the PWDs Act, 2003 section 33 (2) and they include the following:

- a) Contribute to the expenses including capital expenses, of organizations of or for Persons with Disabilities.
- b) Contribute to the expenses, including capital expenses, of institutions that train persons in the care of Persons with Disabilities.
- c) Contribute to the capital expenses of projects undertaken by the Government for the benefit of Persons with Disabilities.
- d) Provide or contribute to the cost of Assistive Devices and services.
- e) Pay allowances to persons with Disabilities falling in the following categories and who have no other source of income:
 - (i) Persons with severe Disabilities and are therefore not trainable in any skills.
 - (ii) Aged Persons with Disabilities.
 - (iii) Single parents with children with disabilities and who cannot therefore seek employment.
- f) Make payments or contributions for such purposes as may be prescribed by the Council.

During the year, the following key activities were undertaken by the Board of Trustees:

- (i) The board of trustees of National Development Fund for PWDs was appointed, gazetted and inaugurated.
- (ii) Developed and disseminated the appropriation guidelines.
- (iii) Developed and validated memorandum of understanding for the various cadres for engaging potential beneficiaries
- (iv) Mobilized, sensitized and did orientation for Gender and Social Development Officers on their roles and responsibilities in the implementation of the Fund's operations.

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

Challenges experienced during the year under review:

- Lack of staff not only to receive and review the funding proposals but also to follow up the beneficiaries on the ground.
- There was a lot of misconception about the Fund and its usage. This calls for enhanced public sensitization and Education.
- Lack of adequate office space.


Samuel Kabue
For Chairman
Board of Trustees

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

STATEMENT OF TRUSTEES RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010.

The Trustees are responsible for the preparation and presentation of the financial statements of National Development Fund For Persons With Disabilities set out on pages to which comprise the statement of financial position as at 30 June 2010, the Statement of comprehensive incomes, Statement of changes in equity and Statement of cashflows for the year then ended and a summary of significant accounting policies and other explanatory notes.

The Trustees responsibilities include : determining the basis of accounting described in note 1 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal controls relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Under the Kenyan State Corporations Act Cap 446, the Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the trustees to ensure the Fund keeps proper accounting records, which disclose with reasonable accuracy, the financial position of the Fund. They are responsible for safeguarding the assets of the Fund.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the State Corporations Act Cap 446. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its operating results.

The Trustees further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

The Trustees have made an assessment of the Fund's ability to remain as a going concern and have no reason to believe the Fund will not be a going concern for at least the next twelve months from the date of this statement.

Director

7.12.2010

Date

Mrs. Phoebe A. Nyagudi


Signature

For Chairman

Date

Mr. Samuel Kabue

7.12.2010
Signature

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010

	NOTES	2009/10 (KSHS.)
Income		
Grants	2	200,000,000
Other Incomes		-
TOTAL		200,000,000
Expenditure		
Salaries	3	585,750
Non-Staff Administration Costs	4	3,113,940
Other Operating Cost	5	204,050
Board Expenses		5,034,745
Travelling & Accomodation Costs	6	353,490
Grants to Groups		50,550,718
Audit fees		500,000
TOTAL		60,342,693
Operating Surplus		139,657,308

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

STATEMENT OF FINANCIAL POSITION
FOR THE (SIX MONTHS PERIOD) AS AT 30 JUNE 2010

	NOTE	30-Jun-10 (KSHS.)
ASSETS		
NON-CURRENT ASSETS		
PROPERTY PLANT & EQUIPMENT(NBV)		<u>-</u>
		<u>-</u>
CURRENT ASSETS		
CASH		1,080
BANK	7	<u>140,156,228</u>
		<u>140,157,308</u>
TOTAL ASSETS		<u><u>140,157,308</u></u>
RESERVES AND LIABILITIES		
RESERVES		
SURPLUS		<u>139,657,308</u>
		<u>139,657,308</u>
CURRENT LIABILITIES		
CREDITORS		-
PROVISIONS		<u>500,000</u>
		<u>500,000</u>
TOTAL RESERVES AND LIABILITIES		<u><u>140,157,308</u></u>

FOR CHAIRMAN: *[Signature]*

DATE: *7.12.2010*

DIRECTOR: *[Signature]*

DATE: *7.12.2010*

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

**STATEMENT OF CASHFLOW
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010**

	NOTE	30-Jun-10 (KSHS.)
OPERATING ACTIVITIES		
Cash generated from Operating activities	9	140,157,308
INVESTING ACTIVITIES		
Purchase of Equipment		-
INCREASE IN CASH & CASH EQUIVALENTS		140,157,308
Cash & Cash equivalent at the beginning of the Period		-
Cash & Cash equivalent at the end of the Period		140,157,308

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010**

	CAPITAL RESERVES (KSHS.)	SURPLUS (KSHS.)	TOTAL (KSHS.)
SURPLUS FOR THE YEAR	-	139,657,308	139,657,308
BALANCE AS AT 30/06/2010	-	139,657,308	139,657,308

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted are set out below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified to include valuation of donations received in-kind and equipment as described below.

(b) Revenue

(i) Grants

Unrestricted grants are accounted for in the when confirmation of the commitment to pay is received from the donors or the Government of Kenya (GoK).

(ii) Donations in kind

Donations in kind are recognized on a receipt basis and recorded at their estimated market values.

(c) Foreign currencies

Transactions during the year are translated at the rates ruling on the transaction dates.

2. GRANTS

The Fund received Kshs. 200 Million inform of grants disbursed on quarterly basis at kshs. 50 Million Per quarter.

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 SALARIES	30-Jun-10
	(KSHS.)
Honoraria	390,000
Responsibility allowance	195,750
TOTAL	585,750

4 NON-STAFF ADMINISTRATION COSTS	30-Jun-10
	(KSHS.)
Communication, Supplies & Services	40,120
Printing, Advertising & Information Supplies & Services	2,685,198
Catering Services	61,746
Office and General Supplies and Services	322,196
Routine Maintenance - Vehicles	4,680
TOTAL	3,113,940

5 OTHER OPERATING EXPENSES	30-Jun-10
	(KSHS.)
Bank Service Commission & Charges	8,050
Contracted Professional Services	196,000
TOTAL	204,050

6 TRAVELLING & ACCOMMODATION	30-Jun-10
	(KSHS.)
Domestic Travel Expenses	353,490
TOTAL	353,490

7 BANK AND CASH BALANCES

	AMOUNT
	Kshs
Cash on Hand	1,080
Cash at Bank	140,156,228
Total	140,157,308

8 PROVISIONS

This relates to Audit fees for financial year 2009/10 provided for during the year amounting to Kshs. 500,000

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 CASH GENERATED FROM OPERATIONS

KSHS

OPERATING SURPLUS FOR THE YEAR

139,657,308

ADJUSTMENTS:

Audit fees provision

500,000

OPERATING SURPLUS BEFORE W/C CHANGES

140,157,308

NET CASH GENERATED FROM OPERATING ACTIVITIES

140,157,308

10. Legal Status

The National Development Fund was established under section 32 of the Disability Act 2003. The Council is a body Corporate (Parastatal) or a Semi-Autonomous Government Agency that is capable of suing and being sued and acquiring, holding and disposing movable and immovable property.

11. Employees

The NDFPWD had no employees and used staff from National Council for Persons with Disabilities to run its activities.

12. Use of funds.

The management of NDFPWD ensures that funds from the Government of Kenya and various donors are used as stipulated in the approved annual budgets, Grants Agreements and Project Documents. This is done with due attention to economy, efficiency and only for the purposes for which the funding was provided.

13. Currency

The financial statements are presented in Kenya Shillings (Kshs.).

14. Comparatives

No comparative figures are provided since the financial statements are prepared for the first time for 6 months i.e from January to June 2009

NATIONAL DEVELOPMENT FUND FOR PERSONS WITH DISABILITIES

TRIAL BALANCE FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010

ACCOUNT DESCRIPTION	DR.	CR.
Personnel Emoluments	585,750	
Communication, Supplies & Services	40,120	
Travel tickets, Subsistence & other Transportation costs	353,490	
Printing, Advertising & Information Supplies & Services	2,685,198	
Board expenses	5,034,745	
Catering Services	61,746	
Office and General Supplies and Services	322,196	
Other Operating Expenses	204,050	
Routine Maintenance - Vehicles	4,680	
Grants to groups	50,550,718	
Audit fees	500,000	
Provision for Audit fees		500,000
Grants		200,000,000
Cash	1,080	
Bank	140,156,228	
Capital Reserves		-
TOTAL	200,500,000	200,500,000