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M. WANJIKU

THE AUDITOR-GENERAL

ON

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

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

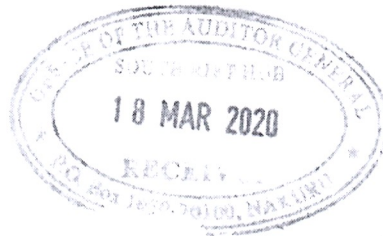


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NAIVASHA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Core Values

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

(b) Key Management

The NGCDF 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)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 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 |

(d) 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.

(e) NGCDF Naivasha Constituency Headquarters

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

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

Reports and Financial Statements for the year ended June 30, 2019

(f) NGCDF NAivasha Constituency Contacts

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

(g) NGCDF Naivasha Constituency Bankers

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

(h) Independent Auditors

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

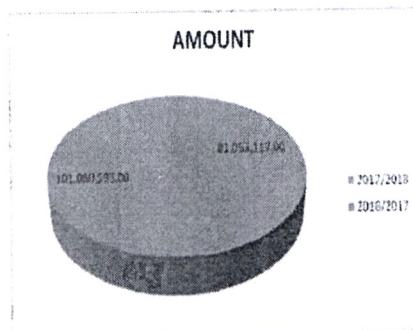
(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
NAIVASHA CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2019**

II.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 2018/2019. 2017/2018 our overall performance was at 47% which was below average. However, in the year under review, 2018/2019 our overall performance was at 64.5% which was a commendable improvement from the last financial year. This was because there was a stability in the management hence affecting the utilization of the funding positively.

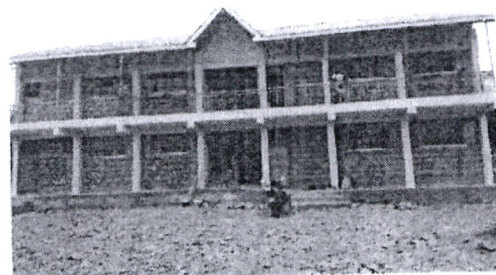


We envisage a better performance in the financial year 2019/2020 bearing in mind the capacity of the committee and the PMCs that have been improved through capacity building trainings and are now more informed to exercise our mandate.

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.

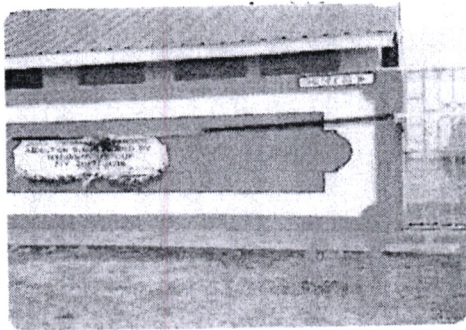


Gathima primary after.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
NAIVASHA CONSTITUENCY
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Unity Primary School staff toilets
before and after



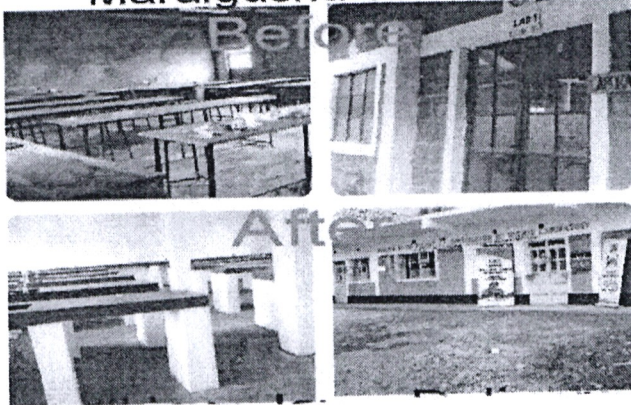
Unity Primary School



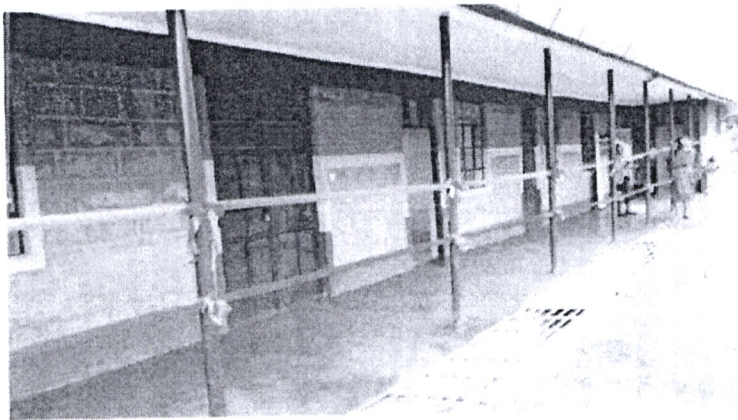
Nyakairu Secondary School

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
 NAIVASHA CONSTITUENCY
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Maraigushu sec. Lab.



Maraigushu secondary



Maiela police station

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

However, there are several challenges facing NGCDF Naivasha Constituency among them low capacity of the PMCs in project implementation, low capacity of the 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 NGCDF Naivasha Constituency it is the only remaining mechanism to address local development and bridge the development gaps left between the county and the national government.

Name
 Alex Mbugua

Designation
 NG-CDFC Chairman

Sign

Date
 11th March 2020

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
NAIVASHA CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2019**

STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-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 NGCDF-Naivasha Constituency financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of its 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 its 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 it has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the funds received by it 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 NGCDF-Naivasha Constituency 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 11/3 2020.



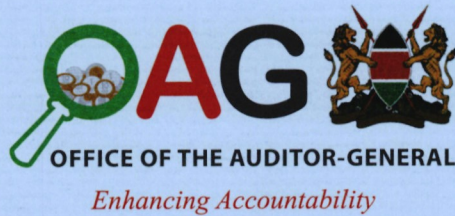
Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund (NGCDF) – Naivasha Constituency set out on pages 8 to 35, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and 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, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Errors in the Annual Reports and the Financial Statements

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

- 1.1 The financial statement has “revised template 30 June, 2019” reflected on the cover page.
- 1.2 The statement of Management responsibilities at page 7 reflects the word “Entity” instead of NGCDF – Naivasha Constituency; and
- 1.3 The statement of cash flows omits cash and cash equivalent at the end of the year balance.

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

Consequently, the annual report and the financial statements for the year ended 30 June, 2019 as prepared and presented are not in compliance with International Public Sector Accounting Standards (Cash Basis) template.

2. Inaccuracies in the Financial Statements

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

- 2.1** The statement of receipts and payments reflects Nil expenditure on acquisition of assets while the summary of fixed asset register in annex 4 reflects additions of Kshs.2,000,000 during the year;
- 2.2** The summary statement of appropriation - recurrent and development combined reflects budget adjustment of Kshs.75,944,352 which is not supported by approved code list from the NGCDF Board;
- 2.3** The summary statement of appropriation-recurrent and developments combined reflects final budget amount of Kshs.184,985,228 that differs with the approved code list amount of Kshs.128,158,117 resulting to an unexplained variance of Kshs.56,827,111.
- 2.4** Note 15.4 to the financial statements reflects project management bank account opening balances of Kshs.31,654,840 which differs from the detailed listing at Annex 5 amounting to Kshs.25,636,364 resulting to unreconciled variance of Kshs.5,998,476.

Consequently, the accuracy and completeness of the financial statements as prepared and presented could not be confirmed.

3. Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers of Kshs.61,600,400; (2018 - Kshs.36,653,606) and as disclosed in Note 7 to the financial statements. Included in the transfers are bursaries to secondary and tertiary institutions of Kshs.37,299,860 out of which bursary payments amounting to Kshs.18,648,020 were not supported by schedules.

Consequently, the accuracy and validity of bursary payments included in other grants and transfers amounting to Kshs.61,600,400 could not be confirmed.

4. Anomalies in the Bank Reconciliation Statements

The statement of assets and liabilities reflects bank balances of Kshs.5,331,571;(2018-Kshs.10,459,869) and as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement in support reflects payments in cash book but not in bank amounting to Kshs.3,068,726 out of which, cheques totalling Kshs.1,371,000 were stale, but had not been written back into the cash book. Further, receipts and payments of

Kshs.5,001 and Kshs.74,256 respectively in the bank statement had not been recorded in the cash book.

Consequently, the accuracy and completeness of the cash balances of Kshs.5,331,571 as at 30 June, 2019 could not be confirmed.

5. Unsupported Compensation of Employees

The statement of receipts and payments reflects compensation of employees' of Kshs.2,223,131;(2018 - Kshs.2,407,853) and as disclosed under Note 4 to the financial statements. However, the expenditure was not supported by a schedule of employees' remuneration for each month in the year. This is in breach of Section 120(3) of the Public Finance Management (National Government) Regulations 2015 that requires the accounting officer to certify the correctness of the payroll at least once in every month.

Consequently, the accuracy and validity of compensation of employees' expenditure of Kshs.2,223,131 for the year ended 30 June, 2019 could not be confirmed.

6. Unsupported Committee Expenditure

The statement of receipts and payments reflects use of goods and services of Kshs.9,615,864; (2018 - Kshs.6,923,955) and as disclosed in Note 5 to the financial statements. However, committee expense of Kshs.2,932,400 was not adequately supported by a schedule of meetings, list of attendees and allowances paid to individual member.

Consequently, the accuracy and validity of use of goods and services of Kshs.9,615,864 for the year ended 30 June, 2019 could not be confirmed.

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

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.184,985,228 and Kshs.108,784,483 respectively resulting to an under-funding of Kshs.76,200,745 or 41% of the budget. Similarly, the Fund spent Kshs.113,912,781 against an approved budget of Kshs.184,985,228 resulting to an under-expenditure of Kshs.71,072,447 or 38% of the

budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Naivasha Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Status of Projects Implementation

Review of the project implementation status report as of 30 June, 2019 indicates that one hundred and three (103) projects with funding allocation of Kshs.134,112,413. Forty-six (46) were completed, twelve (12) projects were ongoing, twenty-nine (29) had not started and sixteen (16) were ongoing prior year projects.

1.1. Incomplete Projects

Fifty-seven (57) projects with funding allocation of Kshs.82,025,863 were incomplete due to slow tendering processes and delays in receipt of funds from the Board.

Consequently, it was not possible to confirm if and when value for money will be realized from the incomplete projects.

1.2. Unsatisfactorily Implemented Projects

Eighteen (18) projects with Funding allocation of Kshs.41,752,550 were sampled for verification during the month of February, 2020. Fourteen (14) projects with funding allocation of Kshs.36,252,550 were not satisfactorily implemented. Below are the individual observations made against the projects: -

| Project Beneficiary and Details | Cost (Kshs.) | Observations |
|---|--------------|---|
| Maryland Police Post – Completion of a police post;(roofing, plastering, windows and doors, painting and branding (Kshs.700,000) construction of three (3) holding cells and armory (Kshs.800,000) | 1,500,000 | Roofing, windows, doors, cells and armory done. Painting and branding was not done. |
| Mountain View AP Post – Construction of three (3) holding cells and armory (Kshs.800,000); construction of ablation (Kshs.800,000); Purchase and installation of 10,000 litres water tank and guttering (Kshs.200,000), and construction of two (2) door toilets (Kshs.200,000) | 2,000,000 | Cells, armory, ablation and toilets done. Water tank and guttering worth Kshs.200,000 was not done. |

| Project Beneficiary and Details | Cost (Kshs.) | Observations |
|---|---------------------|---|
| Sision AP Post - Construction of four (4) offices to completion (Kshs.1,000,000) | 1,000,000 | Not started, land ownership documents being awaited. |
| Lake Naivasha Girls Secondary School – Construction of a one storey with two (2) classrooms to completion | 2,000,000 | Not started, procurement of contractor services in process. |
| Milimani Secondary School – Construction of five (5) offices to completion (Kshs.4,000,000) | 4,000,000 | Not started, procurement of contractor services in process. |
| Gathima Primary School - Completion of four (4) classrooms and branding | 4,614,550 | No title deed |
| Naivasha Deb Primary – Construction of one special unit class with shelves, toilet and cupboards (Kshs.1,600,000) | 1,338,000 | Project not branded |
| St. Paul Primary School – Construction of class rooms (Kshs.4,000,000) | 2,400,000 | Incomplete |
| Nyonjoro Primary School – Construction of class rooms | 2,500,000 | Incomplete |
| Ndabibi Primary School – Construction of class rooms | 2,400,000 | Incomplete |
| Nyakairu Senior, Maella Central Mixed and Rubiri Secondary – Construction of class rooms | 7,900,000 | Funds reallocated to other projects without the requisite approval. |
| Mariella Police Station | 2,000,000 | Funds reallocated to other projects without the requisite approval. |
| Mountain View Police Station | 600,000 | No title deed |
| Chiefs Office Kirima Location | 2,000,000 | No title deed |
| Total | 36,252,550 | |

No satisfactory explanations have been rendered for the deficiencies in projects implementation.

Consequently, it was not possible to confirm if and when the constituents of Naivasha will realize value for money from the projects valued at Kshs.36,252,550 for the year ended 30 June, 2019.

2. Project Management Bank Accounts

Note 15.4 PMC account balances reflects project bank account balances of Kshs.30,184,489; (2018-Kshs.31,654,840). As previously reported, the balance includes Maryland Police Post and Maraigushu Secondary School projects bank account balances of Kshs.993,950 and Kshs.616,986 respectively that are dormant and deactivated. Management has not provided explanations as to why the balances have not been refunded into the main Fund account.

Further, thirty-seven (37) projects which were on going, were not supported by project implementation status report contrary to Section 8(2)(g) of the National Government 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.

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

Non-Maintenance of a Fixed Asset Register

Annex 4 of summary of fixed assets register reflects historical cost balance of fixed assets of Kshs.11,381,391. However, the Management has not provided a detailed fixed asset register in support of the balance 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 was not possible to confirm whether mechanisms for effective management of the fixed assets to safeguard them against pilferage are in place.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease operations..

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2022

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


Reports and Financial Statements for the year ended June 30, 2019


III. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2018 - 2019 Kshs | 2017 - 2018 Kshs |
|-------------------------------------|------|---------------------|----------------------|
| RECEIPTS | | | |
| Transfers from CDF board | 1 | 108,784,483 | 75,253,447 OB |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | 5,799,670 OB |
| TOTAL RECEIPTS | | 108,784,483 | 81,053,117 OB |
| PAYMENTS | | | |
| Compensation of employees | 4 | 2,223,131 | 2,407,853 OB |
| Use of goods and services | 5 | 9,615,864 | 6,923,955 OB |
| Transfers to Other Government Units | 6 | 38,473,386 | 26,100,000 OB |
| Other grants and transfers | 7 | 61,600,400 | 36,653,606 OB |
| Acquisition of Assets | 8 | - | 397,096 OB |
| Other Payments | 9 | 2,000,000 | - |
| TOTAL PAYMENTS | | 113,912,781 | 72,482,510 OB |
| SURPLUS/DEFICIT | | (5,128,298) | 8,570,607 |

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

11/3 2019 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name:
ICPAK Member Number:

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

Reports and Financial Statements for the year ended June 30, 2019

IV. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2018 - 2019 Kshs | 2017 - 2018 Kshs |
|--|------|---------------------|----------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 5,331,571 | 10,459,869 OB |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | <u>5,331,571</u> | <u>10,459,869</u> OB |
| Current Receivables | | | |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | <u>5,331,571</u> | <u>10,459,869</u> OB |
| FINANCIAL LIABILITES | | | |
| Accounts Payable | | | |
| Retention | 12A | - | - |
| Gratuity | 12B | - | - |
| Total Financial Liabilities | | <u>-</u> | <u>-</u> |
| NET FINANCIAL ASSETS | | <u>5,331,571</u> | <u>10,459,869</u> OB |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July | 13 | 10,459,869 | 1,889,262 OB |
| Surplus/Deficit for the year | | (5,128,298) | 8,570,607 OB |
| Prior year adjustments | 14 | - | - |
| net liabilities | | <u>5,331,571</u> | <u>10,459,869</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 11/3 2019 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name:

ICPAK Member Number:


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


Reports and Financial Statements for the year ended June 30, 2019

V. STATEMENT OF CASHFLOW

| CASH FLOWS FROM OPERATING ACTIVITIES | | 2018 - 2019 | 2017 - 2018 |
|--|-----|--------------------|--------------------|
| Receipts | | | |
| Transfers from CDF Board | 1 | 108,784,483 | 75,253,447 |
| Other Receipts | 3 | - | 5,799,670 |
| Total Receipts | | 108,784,483 | 81,053,117 |
| Payments | | | |
| Compensation of Employees | 4 | 2,223,131 | 2,407,853 |
| Use of goods and services | 5 | 9,615,864 | 6,923,955 |
| Transfers to Other Government Units | 6 | 38,473,386 | 26,100,000 |
| Other grants and transfers | 7 | 61,600,400 | 36,653,606 |
| Other Payments | 9 | 2,000,000 | - |
| Total Payments | | 113,912,781 | 72,085,414 |
| Total Receipts Less Total Payments | | (5,128,298) | 8,967,703 |
| Adjusted for: | | | |
| Outstanding Imprest | 11 | - | - |
| Retention | 12A | - | - |
| Gratuity Payable | 12B | - | - |
| Prior Year adjustment | 14 | - | - |
| Net Adjustments | | | |
| Net cash flow from operating activities | | (5,128,298) | 8,967,703 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | - | 397,096 |
| Net cash flows from Investing Activities | | | (397,096) |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (5,128,298) | 8,570,607 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 10,459,869 | 1,889,262 |

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 11/2 2020 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name:
ICPAK Member Number:


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) - NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019


VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| VII 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 CDF Board | 109,040,876 | 75,944,352 | 184,985,228 | 108,784,483 | 76,200,745 | 58.8% |
| Proceeds from Sale of Assets | | | | | | |
| Other Receipts | | | | | | |
| TOTAL | 109,040,876 | 75,944,352 | 184,985,228 | 108,784,483 | 76,200,745 | 64.5% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,230,000 | 2,520,147 | 4,750,147 | 2,223,131 | 2,527,016 | 46.8% |
| Use of goods and services | 7,583,679 | 3,564,996 | 11,148,676 | 9,615,864 | 1,532,812 | 86.3% |
| Transfers to Other Government Units | 42,435,386 | 28,937,670 | 71,373,056 | 38,473,386 | 32,899,670 | 53.9% |
| Other grants and transfers | 56,119,810 | 29,141,607 | 85,261,418 | 61,600,400 | 23,661,018 | 72.2% |
| Acquisition of Assets | 672,000 | 2,904 | 674,904 | - | 674,904 | 0.0% |
| Other Payments | - | 11,777,027 | 11,777,027 | 2,000,000 | 9,777,027 | 17.0% |
| TOTAL | 109,040,876 | 75,944,352 | 184,985,228 | 113,912,781 | 71,072,447 | 61.6% |

- i. Compensation to employees: payment of gratuity was factored but did not materialise.
- ii. Transfer to other governments units: There was a slow down in the utilization due to high turnover of FAMs
- iii. Other grants and transfers: There was a slow down in the utilization due to high turnover of FAMs

The NGCDF-Naivasha Constituency financial statements were approved on 11/3 2019 and signed by:


Fund Account Manager
 Name:


Sub-County Accountant
 Name:
 ICPAK Member Number:

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

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 | Budget utilization difference |
|---|------------------------------|------------------|---------------------------|---|----------------------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | |
| 1.1 Compensation of employees | 2,230,000 | 2,520,147 | 4,750,147 | 2,223,131 | 2,527,016 |
| 1.2 Committee allowances | 3,100,000 | 3,962,069 | 7,062,069 | 2,564,900 | 4,497,169 |
| 1.3 Use of goods and services | 1,212,453 | 2,204,551 | 3,417,004 | 3,100,964 | 316,040 |
| 1.4 Acquisition of assets | - | - | - | - | - |
| Sub Total | 6,542,453 | 8,686,767 | 15,229,220 | 7,888,995 | 7,340,225 |
| 2.0 Monitoring and evaluation | | | | | |
| 2.1 Capacity building | 1,599,056 | 300,000 | 1,899,056 | 2,000,000 | (100,944) |
| 2.2 Committee allowances | 1,000,000 | 1,080,370 | 2,689,370 | 2,500,000 | 189,370 |
| 2.3 Use of goods and services | 672,170 | 600,378 | 1,278,545 | 1,450,000 | (171,455) |
| Sub Total | 3,271,226 | 2,595,745 | 5,866,971 | 5,950,000 | (83,029) |
| 3.0 Emergency | | | | | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – (PAKISTAN CONSOLIDATED)
Reports and Financial Statements
For the year ended June 30, 2019

| | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|------------------|
| 3.1 Primary Schools | 5,138,993 | 400,000 | 5,538,993 | 2,582,050 | 2,956,943 |
| 3.2 Secondary schools | 600,000 | 568,966 | 1,168,966 | 600,000 | 568,966 |
| 3.3 Tertiary institutions | - | - | - | - | - |
| 3.4 Security projects | - | 2,137,931 | 2,137,931 | - | 2,137,931 |
| Sub Total | 5,738,993 | 3,106,897 | 8,845,890 | 3,182,050 | 5,663,840 |
| 4.0 Bursary and Social Security | | | | | |
| 4.2 Secondary Schools | 18,000,000 | 9,377,224 | 27,377,224 | 25,908,395 | 1,468,829 |
| 4.3 Tertiary Institutions | 12,000,000 | 1,000,000 | 13,000,000 | 11,391,465 | 1,608,535 |
| 4.5 Social Security | - | - | - | - | - |
| Sub Total | 30,000,000 | 10,377,224 | 40,377,224 | 37,299,860 | 3,077,364 |
| 5.0 Sports | | | | | |
| 5.1 Sports tournament | 2,180,817 | 2,900,559 | 5,081,376 | 2,900,559 | 2,180,817 |
| Sub Total | 2,180,817 | 2,900,559 | 5,081,376 | 2,900,559 | 2,180,817 |
| 6.0 Environment | | | | | |
| Various projects 2016/17 | - | 1,600,000 | 1,600,000 | - | 1,600,000 |
| Various projects 2017/18 | - | 1,637,931 | 1,637,931 | - | 1,637,931 |
| 6.1 Naitihli primary school :- 6 door toilets | 600,000 | - | 600,000 | 600,000 | - |
| 6.2 Manera primary school:- 6 door toilets | 600,000 | - | 600,000 | 600,000 | - |

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

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| 6.3 Rubiri secondary :- 6 door toilets | 600,000 | - | 600,000 | 600,000 | - |
| 6.4 Kegesha police post:- Water tank | 200,000 | - | 200,000 | 200,000 | - |
| Sub Total | 2,000,000 | 3,237,931 | 5,237,931 | 2,000,000 | 3,237,931 |
| 7.0 Primary Schools Projects | | | | | |
| Shindano Primary School | 300,000 | - | 300,000 | 300,000 | - |
| Unity Primary School | 800,000 | - | 800,000 | 800,000 | - |
| Gathima Primary School | 1,414,550 | - | 1,414,550 | 1,414,550 | - |
| Hindu Primary School | 100,000 | - | 100,000 | 100,000 | - |
| Nganyumu Primary School | 1,000,000 | 2,100,000 | 3,100,000 | 3,100,000 | - |
| Ereji Primary School | 300,000 | - | 300,000 | 300,000 | - |
| Longonot Township Primary School | 1,304,000 | - | 1,304,000 | 1,304,000 | - |
| Manera Primary School | 336,000 | - | 336,000 | 336,000 | - |
| Kamuyu Primary school | 1,150,000 | - | 1,150,000 | 1,150,000 | - |
| Ihindu Primary School | 250,000 | 618,617 | 868,617 | 250,000 | 618,617 |
| Kimungu Primary School | 250,000 | - | 250,000 | 250,000 | - |
| Longonot DEB Primary School | 100,000 | 450,000 | 550,000 | 100,000 | 450,000 |
| Gathima primary school | 8,200,000 | - | 8,200,000 | - | 8,200,000 |
| Kiburuti Primary School | 950,000 | - | 950,000 | - | 950,000 |

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

| | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Gituru Primary School | 600,000 | - | 600,000 | 600,000 | 600,000 | - |
| Highway Primary School | 300,000 | - | 300,000 | 300,000 | 300,000 | - |
| Naivasha D.E.B Primary School | 1,600,000 | 1,338,000 | 2,938,000 | 1,600,000 | 1,600,000 | 1,338,000 |
| Gitumba Primary School | 1,600,000 | - | 1,600,000 | 1,600,000 | 1,600,000 | - |
| Unity Primary School | 1,744,836 | - | 1,744,836 | 1,744,836 | 1,744,836 | - |
| Milimani Primary School Project | - | 750,000 | 750,000 | 750,000 | 750,000 | - |
| Kamuyu Primary School Project | - | 400,000 | 400,000 | 400,000 | 400,000 | - |
| Longonot Deb Primary School | - | 450,000 | 450,000 | 450,000 | 450,000 | - |
| Naivasha Deb Primary School | - | 1,338,000 | 1,338,000 | 1,338,000 | 1,338,000 | - |
| Longonot Township Primary School | - | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | - |
| Kanjogo Primary School | - | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Manera Primary School | - | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | - |
| Mwicingiri Primary School Project | - | 400,000 | 400,000 | 400,000 | 400,000 | - |
| Sub Total | 22,299,386 | 12,244,617 | 34,544,003 | 22,987,386 | 22,987,386 | 11,556,617 |
| 8.0 Secondary Schools Projects | | | | | | |
| Rubiri Secondary School | 400,000 | - | 400,000 | 400,000 | 400,000 | - |
| Dric Vocational Training Center | 800,000 | - | 800,000 | 800,000 | 800,000 | - |
| Maiella Central Mixed Secondary School | 400,000 | - | 400,000 | 400,000 | 400,000 | - |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIYASHA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

| | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-----------|
| Nyakairu Senior Secondary School | 900,000 | - | 900,000 | 900,000 | - | - |
| Ngoni Secondary School | 200,000 | - | 200,000 | 200,000 | 200,000 | - |
| Longonot Secondary School | - | 7,000,000 | 7,000,000 | - | - | 7,000,000 |
| Maai Mahiu Boys Secondary School | 200,000 | - | 200,000 | 200,000 | 200,000 | - |
| Kipkonyo Secondary School | 600,000 | 2,400,000 | 3,000,000 | 3,000,000 | 3,000,000 | - |
| Gitumba Secondary School | 600,000 | - | 600,000 | 600,000 | 600,000 | - |
| Ndoroto Secondary School | 336,000 | 1,600,000 | 1,936,000 | 1,936,000 | 1,936,000 | - |
| Maraigushu Secondary School | 1,000,000 | 1,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | - |
| Lake Naivasha Girls Secondary school | 2,000,000 | - | 2,000,000 | 2,000,000 | - | 2,000,000 |
| Milimani High School | 4,000,000 | - | 4,000,000 | 4,000,000 | - | 4,000,000 |
| Kihara Secondary School | 1,900,000 | - | 1,900,000 | 1,900,000 | - | 1,900,000 |
| MaaiMahiu Boys | 1,900,000 | - | 1,900,000 | 1,900,000 | 1,900,000 | - |
| Karima Secondary School | 2,050,000 | - | 2,050,000 | 2,050,000 | - | 2,050,000 |
| Kinung'uzi Secondary School | 950,000 | - | 950,000 | 950,000 | 950,000 | - |
| Narasha Secondary School | 1,900,000 | - | 1,900,000 | 1,900,000 | 1,900,000 | - |
| Sub Total | 20,136,000 | 12,300,000 | 32,436,000 | 15,486,000 | 16,950,000 | |
| 9.0 Tertiary institutions Projects | | 999,670 | 999,670 | | | 999,670 |

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

| | | | | | |
|--|-------------------|------------------|-------------------|-------------------|------------------|
| Sub Total | | 999,670 | 999,670 | - | 999,670 |
| 10.0 Security Projects | | | | | |
| 10.1 Utheri Wa Lari Police Station | 1,000,000 | 2,137,931 | 3,137,931 | 3,137,931 | - |
| 10.2 Naivasha Town Location Chief's office | 2,100,000 | - | 2,100,000 | 2,100,000 | - |
| 10.3 Maryland Police Post | 1,500,000 | - | 1,500,000 | 1,500,000 | - |
| 10.4 Kongoni ACC Office | 3,200,000 | - | 3,200,000 | - | 3,200,000 |
| 10.5 Kamuyu Administration Police Post | 900,000 | - | 900,000 | - | 900,000 |
| 10.6 Sision Administration Police Post | 1,000,000 | - | 1,000,000 | - | 1,000,000 |
| 10.7 Naivasha Police Station | 2,000,000 | - | 2,000,000 | - | 2,000,000 |
| 10.8 Kirima Chief's Office | 1,300,000 | - | 1,300,000 | 1,300,000 | - |
| 10.9 Mountain View AP Post | 2,000,000 | - | 2,000,000 | 2,000,000 | - |
| 10.01 Ndabibi West Chief's Office | 1,200,000 | 2,000,000 | 3,200,000 | 3,200,000 | - |
| Mai Mahu Chiefs Office | - | 1,000,000 | 1,000,000 | 1,000,000 | - |
| MARAIGUSHU AP POST PROJECT | - | 1,000,000 | 1,000,000 | 1,000,000 | - |
| KIGECHA AP POST PROJECT | - | 980,000 | 980,000 | 980,000 | - |
| Sub Total | 16,200,000 | 7,117,931 | 23,317,931 | 16,217,931 | 7,100,000 |
| 11.0 Acquisition of assets | | | | | |
| 11.1 Motor Vehicles | - | - | - | - | - |

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

| | | | | | |
|--|--------------------|-------------------|--------------------|--------------------|-------------------|
| 11.2 Construction of CDF office | - | 2,000,000 | 2,000,000 | - | 2,000,000 |
| 11.3 Purchase of furniture and equipment | 672,000 | - | 672,000 | - | 672,000 |
| 11.4 Purchase of computers | - | - | - | - | - |
| Sub Total | 672,000 | 2,000,000 | 2,672,000 | - | 2,672,000 |
| 12.0 Others | | | | | |
| 12.1 Strategic Plan | - | 3,500,000 | 3,500,000 | - | 3,500,000 |
| 12.2 Innovation Hub | - | 4,677,011 | 4,677,011 | - | 4,677,011 |
| 12.2 TIVET | - | 2,200,000 | 2,200,000 | - | 2,200,000 |
| Sub Total | - | 10,377,011 | 10,377,011 | - | 10,377,011 |
| Grand Total | 109,040,876 | 75,944,352 | 184,985,228 | 113,912,781 | 71,072,447 |

This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

Reports and Financial Statements for the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements for the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash 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.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAIVASHA CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2019
SIGNIFICANT ACCOUNTING POLICIES**

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

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

Reports and Financial Statements for the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2018-2019 | 2017 - 2018 |
|---------------------------------|----------------------|--------------------|-------------------|
| | | Kshs | Kshs |
| Normal Allocation | B005176 8/08/18 | 54,784,483.15 | |
| | B030285 27/12/18 | 10,000,000.00 | |
| | B005429 28/2/2019 | 12,000,000.00 | |
| | B006477 28/2/2019 | 8,000,000.00 | |
| | B047038 6/6/2019 | 13,000,000.00 | |
| | B042812 6/6/2019 | 11,000,000.00 | |
| | | | 5,500,000.00 |
| | | - | 31,848,275.00 |
| | | - | 37,905,172.00 |
| Conditional grants | | | - |
| Receipt from other Constituency | | | - |
| TOTAL | | 108,784,483 | 75,253,447 |

2. PROCEEDS FROM SALE OF ASSETS

| | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| | 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) –
NAIVASHA CONSTITUENCY**

Reports and Financial Statements for the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2018-2019 Kshs | 2017-2018 Kshs |
|---|-------------------|-------------------------|
| Interest Received | - | - |
| Rents | - | - |
| Receipts from Sale of tender documents | - | - |
| Other Receipts Not Classified Elsewhere | - | - |
| Receipt from Naivasha KMTC | - | 5,799,670 ^{OB} |
| Total | - | 5,799,670 |

4. COMPENSATION OF EMPLOYEES

| Description | 2018-2019 | 2017 - 2018 |
|---|------------------|-------------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 2,223,131 | 1,847,860 ^{OB} |
| Basic wages of casual labour | | |
| Personal allowances paid as part of salary | | |
| House allowance | | |
| Transport allowance | | |
| Leave allowance | | |
| Other personnel payments | | |
| Employer contribution to NSSF | | |
| Gratuity-Paid | | |
| Gratuity-Accrued | | 559,993 ^{OB} |
| TOTAL | 2,223,131 | 2,407,853 |

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

Reports and Financial Statements for the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| Description | 2018-2019 | 2017 - 2018 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 526,872 | 570,000 |
| Electricity | 46,300 | 74,489 |
| Water & sewerage charges | 17,705 | 847,733 |
| Office rent | 0 | 130,640 |
| Communication, supplies and services | 228,414 | 0 |
| Domestic travel and subsistence | 112,000 | 26,350 |
| Printing, advertising and information supplies & services | | 448,800 |
| Rentals of produced assets | | 0 |
| Training expenses | 2,148,000 | 1,170,000 |
| Hospitality supplies and services | 150,000 | 1,714,000 |
| Other committee expenses | 1,632,500 | 0 |
| Committee allowance | 2,932,400 | 0 |
| Insurance costs | - | 694,835 |
| Specialised materials and services | 0 | 420,000 |
| Office and general supplies and services | 970,998 | 347,358 |
| Fuel, oil & lubricants | 450,675 | 479,750 |
| Other operating expenses | 400,000 | 0 |
| Bank service commission and charges | 0 | |
| Security operations | | |
| Routine maintenance - vehicles and other transport equipment | | |
| Routine maintenance- other assets | | |
| Strategic Plan | | |
| TOTAL | 9,615,864 | 6,923,955 |

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NAIVASHA CONSTITUENCY**
Reports and Financial Statements for the year ended June 30, 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2018-2019 | 2017 - 2018 |
|------------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to Primary schools | ✓ 22,987,386 | 15,800,000 DB |
| Transfers to Secondary schools | ✓ 15,486,000 | 10,300,000 DB |
| Transfers to Tertiary institutions | - | - |
| TIVET | - | - |
| TOTAL | 38,473,386 | 26,100,000 |

7. OTHER GRANTS AND OTHER PAYMENTS

| Description | 2018-2019 | 2017 - 2018 |
|-------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary -Secondary | ✓ 25,908,395 | 8,058,815 DB |
| Bursary -Tertiary | ✓ 11,391,465 | 11,168,585 DB |
| Bursary-Special schools | - | 5,490,000 DB |
| Mocks & CAT | - | 0 DB |
| Security | ✓ 16,217,931 | 7,600,000 DB |
| Sports | ✓ 2,900,559 | 0 DB |
| Environment | ✓ 2,000,000 | 1,736,206 DB |
| Emergency Projects | ✓ 3,182,050 | 2,600,000 DB |
| TOTAL | 61,600,400 | 36,653,606 |

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

Reports and Financial Statements for the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

| <u>Non Financial Assets</u> | | 2018-2019 | 2017 - 2018 |
|---|--|------------------|--------------------|
| | | Kshs | Kshs |
| Purchase of Buildings | | - | - |
| Construction of Buildings | | - | - |
| Refurbishment of Buildings | | ✓ 2,000,000 | - |
| Purchase of Vehicles | | | |
| Purchase of Bicycles & Motorcycles | | | |
| Overhaul of Vehicles | | | |
| Purchase of office furniture and fittings | | | |
| Purchase of computers ,printers and other IT equipments | | | 397,096 |
| Purchase of photocopier | | | |
| Purchase of other office equipments | | - | - |
| Purchase of soft ware | | - | - |
| Acquisition of Land | | - | - |
| TOTAL | | 2,000,000 | 397,096 |

9. OTHER PAYMENTS

| | | 2018 - 2019 | 2017 - 2018 |
|-------------------------|--|--------------------|--------------------|
| | | Kshs | Kshs |
| 9 Other Payments | | | |
| Strategic Plan | | - | - |
| Office renovation | | ✗ 2,000,000 | - |
| | | - | - |
| TOTAL | | 2,000,000 | - |

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

Reports and Financial Statements for the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

| Name of Officer or Institution | Date Imprest Taken | Amount Taken | Amount Surrendered | Balance |
|--------------------------------|--------------------|--------------|--------------------|------------|
| | | Kshs | Kshs | Kshs |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | | <u>NIL</u> |

12A. RETENTION

| | 2018 - 2019 | 2017-2018 |
|------------|-------------|-----------|
| | Kshs | Kshs |
| Supplier 1 | - | - |
| Supplier 2 | - | - |
| Supplier 3 | - | - |

Total

Nil

Nil

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

| | 2018 - 2019 | 2017-2018 |
|--------|-------------|-----------|
| | Kshs | Kshs |
| Name 1 | - | - |
| Name 2 | - | - |
| Name 3 | - | - |

Add as appropriate

Total

Nil

Nil

[Provide short appropriate explanations as necessary]

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

Reports and Financial Statements for the year ended June 30, 2019

13. BALANCES BROUGHT FORWARD

| | | 2018-2019 | 2017 - 2018 |
|---------------|--|-------------------|--------------------|
| | | (1/7/2018 | (1/7/2017) |
| | | Kshs | Kshs |
| Bank accounts | | 10,459,869 | 1,889,262 |
| Cash in hand | | - | - |
| Imprest | | - | - |
| TOTAL | | 10,459,869 | 1,889,262 |

[Provide short appropriate explanations as necessary]

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14. PRIOR YEAR ADJUSTMENTS

| | 2018-2019 | 2017-2018 |
|---------------|------------------|------------------|
| | Kshs | Kshs |
| Bank Accounts | - | - |
| Cash in Hand | - | - |
| Imprest | - | - |
| Total | - | - |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAIVASHA CONSTITUENCY**
Reports and Financial Statements for the year ended June 30, 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2018-2019 Kshs | 2017 - 2018 Kshs |
|---|-------------------|---------------------|
| Senior Management | - | - |
| Middle Management | - | - |
| Unionisable Employees | - | - |
| Others (staff on 3 year contract) | 630,594 | 565,440 |
| TOTAL | 630,594 | 565,440 |
| | ^ | ^ |
| 15.3: UNUTILIZED FUND (See Annex 3) | | |
| | 2018-2019 Kshs | 2017 - 2018 Kshs |
| Compensation of employees | 1,200,000 | 1,145,689 |
| Use of goods and services | 1,613,679 | 3,309,585 |
| Amounts due to other Government entities | 37,807,386 | 34,071,959 |
| Amounts due to other grants and other transfers | 25,119,810 | 8,085,594 |
| Acquisition of assets | - | - |
| Others (<i>specify</i>) | - | 10,167,027 |
| TOTAL | 65,740,875 | 56,779,854 |
| | ^ | ^ |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NAIVASHA CONSTITUENCY**
Reports and Financial Statements for the year ended June 30, 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

| | 2018-2019 | 2017-2018 |
|--|----------------------|-----------------------------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 30,184,489.15 | 31,654,839.75 ^{OB} |
| TOTAL | 30,184,489.15 | 31,654,839.75 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

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 2019 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, 2019 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) |
|--|----------------------------------|--|--|------------------------------|
| | 2017/18 | | | 2018/19 |
| Land | | | | |
| Buildings and structures | 4,000,000 | 2,000,000 | - | 6,000,000 |
| Transport equipment | 4,200,000 | | - | 4,200,000 |
| Office equipment, furniture and fittings | 305,905 | | - | 305,905 |
| ICT Equipment, Software and Other ICT Assets | 875,486 | | - | 875,486 |
| Other Machinery and Equipment | | | - | |
| TOTAL | 9,381,391 | 2,000,000 | - | 11,381,391 |

^ ^ ^

**NATIONAL GOVERNMENT ENTITY - CONSTITUENCIES DEVELOPMENT FUND
(NGCDF) – NAIVASHA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)**

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

| PMC | Bank | Account number | Bank Balance | Bank Balance |
|--|--------|----------------|--------------|--------------|
| | | | 2018/19 | 2017/18 |
| Kamuyu Primary School | EQUITY | 200277349608 | 1,150,070.00 | 0 |
| Kinungi Primary School | EQUITY | 200262325460 | 255,755.00 | 0 |
| Ndibithi Primary School | EQUITY | 200263612886 | 606,665.00 | 0 |
| Manera Primary School | EQUITY | 200263789176 | 204,050.00 | 0 |
| Rubiri Secondary School | EQUITY | 200277353373 | 697,292.50 | 2,400,000.00 |
| Unity Primary School | EQUITY | 200262312422 | 1,749,706.00 | 2,101,290.00 |
| Gathima Primary School | EQUITY | 200277352509 | 414,390.00 | 3,200,000.00 |
| Ngunyumu Primary School | EQUITY | 200268198406 | 703,517.50 | 0 |
| Longonot Township Primary School | EQUITY | 200262865544 | 1,315,770.00 | 0 |
| Giture Primary School | EQUITY | 200263931546 | 0 | 0 |
| Highway Primary School | EQUITY | 200268345776 | 0 | 0 |
| Naivasha Deb Primary School | EQUITY | 200262156315 | 1,604,705.00 | 0 |
| Gituamba Primary School | EQUITY | 200268185007 | 1,600,820.00 | 0 |
| Dric Vocational Center | EQUITY | 200277363839 | 368,160.00 | 2,400,000.00 |
| Maraigushu Secondary School | EQUITY | 200265598682 | 1,013,816.10 | 616,986.10 |
| Maai Mahiu Boys Secondary School | EQUITY | 200266157947 | 2,101,735.00 | 800,000.00 |
| Kinungi Secondary School | EQUITY | 200264209214 | 988,936.00 | 0 |
| Narasha Secondary School | EQUITY | 200778948887 | 1,900,000.00 | 0 |
| Shindano Primary School | EQUITY | 200277353510 | 114,485.00 | 798,100.00 |
| Ihindu Primary School | EQUITY | 200262321878 | 354,023.00 | 800,907.00 |
| Ereti Primary School | EQUITY | 200270334806 | 605 | 1,000,045.00 |
| Longonot Deb Primary School | EQUITY | 200264942732 | 27,276.60 | 436,326.00 |
| Maiella Central Mixed Secondary School | EQUITY | 200277345126 | 930 | 2,750,000.00 |
| Nyakairu Senior Secondary School | EQUITY | 200277351284 | 900,725.00 | 2,750,000.00 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NAIVASHA CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)**

| | | | | |
|--------------------------------------|--------|--------------|----------------------|----------------------|
| Ngondi Secondary School | EQUITY | 200263789083 | 170,105.00 | 1,015.00 |
| Kipkonyo Secondary School | EQUITY | 200277625894 | 302,575.00 | 0 |
| Ndoroto Secondary School | EQUITY | 200277650952 | 18,847.50 | 0 |
| Utheri Wa Lari Police Station | EQUITY | 200277375661 | 1,205,041.00 | 2,000,000.00 |
| Naivasha Town Location Chiefs Office | EQUITY | 200277360208 | 588,590.00 | 1,000,000.00 |
| Maryland Police Post | EQUITY | 200272287509 | 1,114,359.65 | 0 |
| Kirima Chiefs Office | EQUITY | 200277379959 | 1,300,065.00 | 2,000,000.00 |
| Mountain View Ap Post | EQUITY | 200272136385 | 2,000,170.00 | 601,645.00 |
| Ndabibi West Chiefs Office | EQUITY | 200277650196 | 3,199,760.00 | 00 |
| Naivasha Ngcdf Office Project | EQUITY | 200278966574 | 2,000,000.00 | 0 |
| Maraigushu Ap Post | EQUITY | 200263890354 | 7,788.00 | 0 |
| Milimani High School | EQUITY | 200262827638 | 245.3 | 50 |
| Kigecha Ap Post Project | EQUITY | 200277649639 | 203,510.00 | 0 |
| TOTAL | | | 30,184,489.15 | 25,656,364.10 |

3116947839.75
 0/B

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

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

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) | Time frame: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|---|
| | <p>Doubtful Expenditure Kshs. 2,400,000 which was paid for construction of three (3) classrooms at St. Paul's Primary School. However, the project was not in the approved 2017/2018 code list or in the prior years' code lists. The Board approved reallocation of Kshs.4,000,000 but only Kshs.2,400,000 was transferred for the construction and completion of the project. The balance of Kshs. 1,600,000 remained unexplained and undisclosed in the financial statements as unutilized funds. Further, the bill of quantities had a provision of Kshs. 2,552,400 for the project, hence the disbursed funds of Kshs.2,400,000 fell short by Kshs.152,400. The project file did not have the bid documents, the procurement records, the contract agreement and expenditure returns. Therefore, the process of supplier identification and award could not be confirmed. Further, site verification revealed the following; external walling surfaces were not painted with exterior paint, internal walls near the windows and doors developed cracks, the internal walls were not finished with gloss emulsion plastic paint, stanchion 75mm steel pipes in the veranda were not installed, the adjacent walling to the verandah had major cracks and the room had no celotex ceiling lining. Even though the classrooms were in use, it could not be confirmed whether they were the</p> | <p>The three classrooms at St Paul's Primary School were constructed as a result of reallocation of funds from the disbursement in the FY. 2014/15. The Board's letter on the decision in its meeting held on 11th May, 2018 is hereby attached for audit verification. However, the contractor did not complete the works as per the bill of quantities provided by Public Works Officer and the quotations by the supplier. The valuation by the Public Works Officer during the termination of the contract was Kshs 2,400,000 hence transfer of the same funds to the School against approved 4,000,000. 00. The balance of Kshs 1,600,000 is for completion of the three classrooms and the funds are in the CDF Main account. Attached are copies of quotations from suppliers and technical evaluation report for your review.</p> | <p>FAM.- P.NGUGI</p> | <p>RESOLVED</p> | <p>RESOLVED</p> |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NAIVASHA CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)**

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (<i>Name and designation</i>) | Status: (<i>Resolved / Not Resolved</i>) | Time frame: (<i>Put a date when you expect the issue to be resolved</i>) |
|--|---|---------------------|---|--|--|
| | newly constructed in the financial year under review or only renovations were undertaken. | | | | |