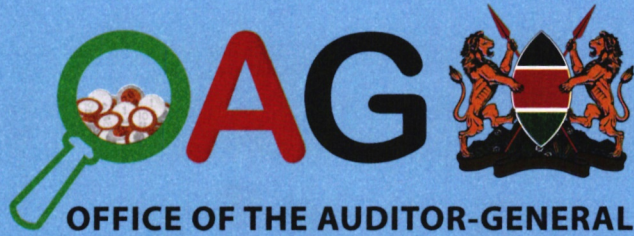
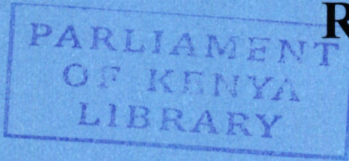


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY	
DATE: 27 JUL 2023	DAY: Thursday
TABLED BY: ON	Hon. Naomi Wago, mp Deputy Majority Whip
CLEAR THE TABLE:	Finlay Muriuki

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

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



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**NAIVASHA CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

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

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

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## **I. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

### **Mandate**

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

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

- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	<b>Peter Ngugi</b>
2.	Sub-County Accountant	<b>Stephen Kokeno</b>
3.	Chairman NGCDFC	<b>Patrick M. Kiara</b>
4.	Member NGCDFC	<b>Recho Kabura</b>

**(d) Fiduciary Oversight Arrangements**

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

**(a) NAIVASHA Constituency NGCDF Headquarters**

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

**(b) NAIVASHA Constituency NGCDF Contacts**

Telephone: (254) 718165659  
E-mail: [cdfnaivasha@ngcdf.go.ke](mailto:cdfnaivasha@ngcdf.go.ke)  
Website: [www.cdfnaivasha.go.ke](http://www.cdfnaivasha.go.ke)

**(c) NAIVASHA Constituency NGCDF Bankers(A/C no.0200261809700)**

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

**(e) Independent Auditors**

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

**(f) Principal Legal Adviser**

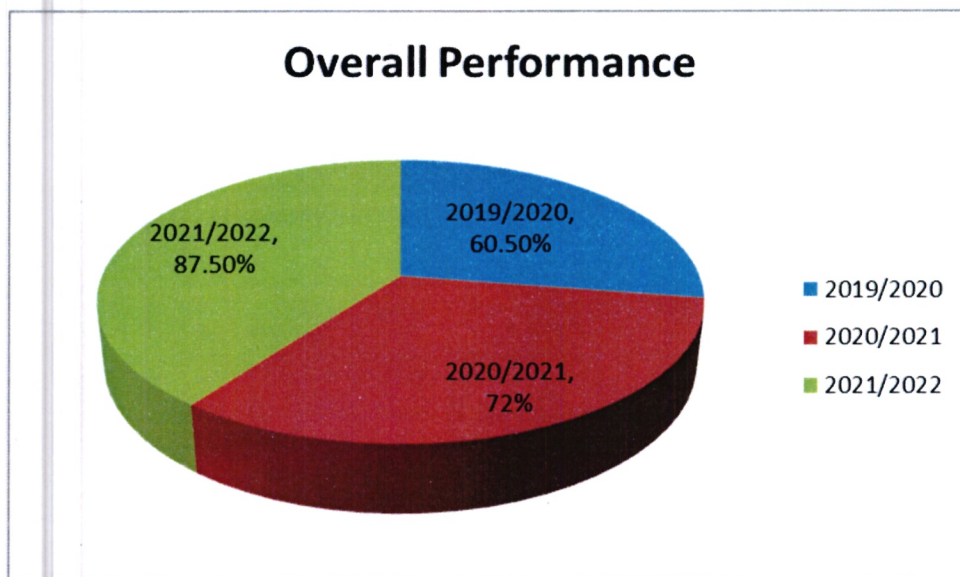
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**II. NG-CDFC Chairman's Report**



**PATRICK M.KIARA  
NAIVASHA NGCDF -CHAIRMAN**

On behalf of Naivasha NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2021/2022. During the year 2020/2021, our overall performance was at 72% which was quite an improvement. However, in the year under review, 2021/2022 our overall performance went up to 87.50% which was a commendable progression from the last financial year given the serious effect on performance by the Covid-19 pandemic. This was because there was stability in the management hence affecting the utilization of the funding positively.



*Figure 1*



*Figure 2*

We envisage a better performance in the financial year 2022/2023 bearing in mind the capacity of the committee and the PMCs are build and we are now informed to exercise our mandate. However, with constant sensitisation of the public, we were able to prioritize the community needs and prepare our proposal based on the identified community needs. With the timely disbursement of funds we were able to carry out successful projects like Milimani Primary School, Sindano Primary School, Ngondi Primary School, Central Primary School, Kiambogo Primary School, Maiela Chiefs Office.



*Milimani Primary School*



*Ngondi Primary School*



*Sindano Primary School*



*Maiela Chiefs Office*



*Central Primary School*

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

### **Challenges**

However there are several challenges facing NG CDF among them low capacity of the PMCs in project implementation, low capacity of the CDFCs, political interference, unqualified staff, unqualified contractors among others.

**Solutions**

Frequent development forums and awareness forums are being held to bring awareness to the public and the PMC's are being thoroughly trained in order to enhance their capacity in project implementation.

Despite all the challenges associated with the NG- CDF it is the only remaining mechanism to address local development and bridge the development gaps left by the county government.

*Patrick M. Kiara*  
.....  
**Patrick M. Kiara**  
**NG-CDFC Chairman**

### III. Statement Of Performance Against Predetermined Objectives for FY2021/22

#### Introduction

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

The key development objectives of *Naivasha Constituency 2018-2022* plan are to:

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

*(Enumerate all the objectives of the constituency as per the Strategic Plan)*

#### Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's beneficiaries at all levels</li> </ul>	In FY 21/22 -we increased number of classrooms in secondary schools with 9, and in primary schools with 24. - Bursary beneficiaries at all levels were as per the attached schedules
Security	To improve security status in the constituency	Police posts constructed - More police officers deployed	No of structures done in reduction of Insecurity cases	Perimeter fence around Police station and 1 chiefs' office constructed - More police officers deployed
Environment	Enhance conservation	Construction of pit latrines in	Number of institutions that	23 toilets were constructed in

Constituency Sector	Objective	Outcome	Indicator	Performance
	initiatives in the constituency to conserve and protect natural resources in the county	various schools	have benefited of the latrines	schools
Sports	To promote youth activities in the constituency	-Sports tournament initiated -Sports equipment supplied to major teams	Number of successful tournaments initiated	16 Teams participating in the Constituency final tournaments. The “Naivasha best”.
Emergencies	To Ensure all emergency cases are promptly attended to .	- sunken toilets are reconstructed and ground managed	- Number of institutions that have benefited of the toilets	In the financial year 2021/22, 22 toilets have been reconstructed

#### IV. Environmental and Sustainability Reporting

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

##### 1. Sustainability strategy and profile -

To ensure sustainability of Naivasha NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Naivasha NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

- Naivasha NGCDF has embarked on construction of pit latrines and water harvesting through guttering and collection tanks
- . Naivasha NGCDF has supported construction of chiefs' offices and securing of police station through fencing around their environment.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Naivasha constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Naivasha constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

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

Naivasha NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

## 5. Community Engagements-

Naivasha NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

### **Public Awareness**

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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

.....  
  
Name PETER NGUGI

FAM

## **V. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF-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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- Naivasha Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

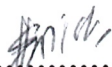
*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

**Approval of the financial statements**

The NGCDF- Naivasha Constituency financial statements were approved and signed by the Accounting Officer on 9/5 2023.

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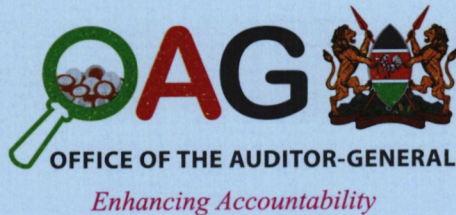
**Name: PATRICK M. KIARA**  
**Chairman – NGCDF Committee**

.....  


**PETER NGUGI**  
**Finance Account Manager**

# REPUBLIC OF KENYA

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NAIROBI

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

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Adverse Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Naivasha Constituency set out on pages 1 to 38, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the

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

In my opinion, because of significance of the matters discussed in the basis for adverse opinion section of my report, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund - Naivasha Constituency as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Inaccuracy of Transfers from National Government Constituencies Development Fund (CDF) Board**

The statement of receipts and payments reflects transfers from CDF Board balance of Kshs.183,777,758 which differs with the summary statement of appropriation balance of Kshs.198,841,948 resulting to an unreconciled variance of Kshs.15,064,190.

In the circumstances, the accuracy and completeness of transfers from CDF Board amounting to Kshs.183,777,758 could not be confirmed.

#### **2. Unsupported Use of Goods and Services Expenditure**

The statement of receipts and payments reflects use of goods and services of Kshs.11,032,735 which, as disclosed in Note 5 to the financial statements includes committee expenses balance of Kshs.2,305,000 and committee allowances of Kshs.5,513,000 all totalling to Kshs.7,818,000. However, the schedule indicating the committee members paid and expenditure returns were not provided for audit.

In the circumstances, the accuracy and completeness of use of goods and services expenditure of Kshs.7,818,000 could not be confirmed.

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

The statement of receipts and payments reflects transfers to other Government units of Kshs.73,307,106 as disclosed in Note 6 to the financial statements. However, the Project Management Committee bank statements, expenditure returns and project implementation status report in support of the amount were not provided for audit. Further, transfer of an amount of Kshs.1,600,000 to Shemoi primary school is omitted from the amount.

In the circumstances, the accuracy and completeness of transfers to other Government units of Kshs.73,307,106 could not be confirmed.

#### **4. Unsupported Bursary Payments**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.76,289,000 as disclosed in Note 7 to the financial statements. The amount includes bursary to secondary schools amounting to Kshs.46,928,763 which differs with the amount of Kshs.26,289,763 disclosed in the schedule resulting to an unexplained variance of Kshs.20,639,000. Further, the amount of Kshs.46,928,763 also includes unrepresented cheques amounting to Kshs.19,472,513 whose subsequent payments were not supported by bank statements. In addition, the amount includes bursary to tertiary institutions balance of Kshs.17,360,237 which is not supported by a schedule showing student name, admission number, name of institution, amount of bursary awarded and cheque number.

In the circumstances, the accuracy, completeness and regularity of bursary payments of Kshs.64,289,000 could not be confirmed.

#### **5. Unsupported Cash and Cash Equivalents Balance**

The statement of assets and liabilities reflects bank balance of Kshs.24,896,279. However, the bank reconciliation statement reflects unrepresented cheques balance of Kshs.40,380,485 out of which cheques amounting to Kshs.1,058,000 were stale and had not been reversed in the cashbook. Further, the bank reconciliation statement reflects receipts in bank statements not yet recorded in cashbook of Kshs.5,000 dating back to 25 November, 2017.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,063,000 could not be confirmed.

#### **6. Unsupported Project Committee Bank Balances**

Note 17.4 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.32,780,810 out of which Kshs.18,392,834 was supported with bank statements leaving an unsupported balance of Kshs.14,387,976. Further, the balance brought forward of Kshs.50,628,304 has not been supported by project implementation status report.

In the circumstances, the accuracy and completeness of the Project Management Committee (PMC) bank balances of Kshs.32,780,810 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 adverse opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects a final receipts budget of Kshs.198,841,948 against actual expenditure of Kshs.173,945,669 resulting to under expenditure of Kshs.24,896,279 or 12.5% of the budget.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Submission of the Emergency Reserves Utilization Reports to the Board**

Included in other grants and transfers of Kshs.76,289,000 is Kshs.4,500,000 incurred on emergency projects. However, no evidence was provided for audit to confirm that the Fund filed reports on the utilization of the emergency reserves to the NG-CDF Board within thirty (30) days as stipulated in the Regulation 20 (2) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, Management was in breach of the law.

#### **2. Project Implementation Status**

Review of sampled projects with a budget of Kshs.80,558,039 and funding allocations of Kshs.57,558,039 revealed that the projects were either ongoing and under procurement while others are pending and had not started.

In the circumstances, value for money has not been achieved and the public have not benefited from these projects.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion sections of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the Fund 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 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 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 controls 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 controls 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 controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund 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 controls.

- 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 controls 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

17 July, 2023

*Naivasha Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*


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


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	183,777,758	161,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	=	95,000
<b>Total Receipts</b>		<b>183,777,758</b>	<b>161,462,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,316,828	3,870,416
Use Of Goods and Services	5	11,032,735	9,656,411
Transfers To Other Government Units	6	73,307,106	108,198,818.35
Other Grants and Transfers	7	76,289,000	36,965,363
Acquisition Of Assets	8	-	-
Other Payments	9	10,000,000	=
<b>Total Payments</b>		<b>173,945,669</b>	<b>158,691,008</b>
<b>Surplus/(Deficit)</b>		<b><u>9,832,089</u></b>	<b><u>2,771,716</u></b>

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

The Constituency financial statements were approved on 9/6 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

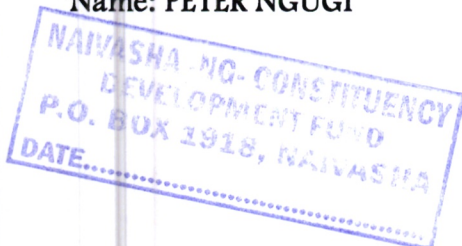
  
\_\_\_\_\_  
National Sub-County  
Accountant

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee

Name: PETER NGUGI

Name:STEPHEN KOKENO  
ICPAK M/No:10200

Name: PATRICK M.KIARA



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


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

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	24,896,279	15,064,190
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>24,896,279</b>	<b>15,064,190</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>			<b>15,064,190</b>
		<b>24,896,279</b>	
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>Total Financial Liabilities</b>		-	-
<b>Net Financial Assets</b>		<b>24,896,279</b>	<b><u>15,064,190</u></b>
<b>Represented By</b>			
Fund Balance B/Fwd	13		12,292,474
Prior Year Adjustments	14	15,064,190	-
Surplus/Deficit for The Year		-	2,771,716
<b>Net Financial Position</b>		<b>9,832,089</b>	<b><u>15,064,190</u></b>
		<b>24,896,279</b>	

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

The Constituency financial statements were approved on 9/15 2023 and signed by:

  
Fund Account Manager

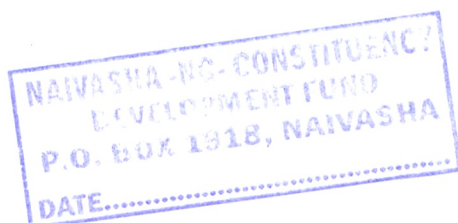
  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: PETER NGUGI

Name: STEPHEN KOKENO  
ICPAK M/No:10200

Name: PATRICK M.KIARA



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

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

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	183,777,758	161,367,724
Other Receipts	3	-	95,000
<b>Total Receipts</b>		<b>183,777,758</b>	<b>161,462,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,316,828	3,870,416
Use Of Goods and Services	5	11,032,735	9,656,411
Transfers To Other Government Units	6	73,307,106	108,198,818.35
Other Grants and Transfers	7	76,289,000	36,965,363
Other Payments	9	10,000,000	0
<b>Total Payments</b>		<b>173,945,669</b>	<b>158,691,008</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:		-	-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>9,832,089</b>	<b>2,771,716</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>9,832,089</b>	<b>2,771,716</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>10</b>	<b>15,064,190</b>	<b>12,292,474</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>10</b>	<b>24,896,279</b>	<b>15,064,190</b>

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

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

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The Constituency financial statements were approved on 9/5 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

Name: PETER NGUGI

  
\_\_\_\_\_  
National Sub-County  
Accountant

Name: STEPHEN KOKENO  
ICPAK M/No:10200

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee

Name: PATRICK M.KIARA



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

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	B		c=a+b	d	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement	2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	137,088,879	15,064,190	46,688,879	198,841,948	198,841,948	(0)	
Proceeds From Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	#DIV/0!
<b>Totals</b>	<b>137,088,879</b>	<b>15,064,190</b>	<b>46,688,879</b>	<b>198,841,948</b>	<b>198,841,948</b>	<b>(0)</b>	<b>100.0%</b>
<b>Payments</b>							
Compensation Of Employees	2,549,999	967,712		3,517,711	3,316,828	200,883	94.3%
Use Of Goods and Services	9,140,700	2,317,162	284,874	11,742,736	11,032,735	710,001	94.0%
Transfers To Other Government Units	57,958,039	0	18,163,744	76,121,783	73,307,106	2,814,677	96.3%
Other Grants and Transfers	49,890,140	10,353,760	26,640,260	86,884,160	76,289,000	10,595,160	87.8%
Acquisition Of Assets	7,550,000	0		7,550,000	-	7,550,000	0.0%
Other Payments	10000000	1,425,556		11,425,556	10,000,000	1,425,556	87.5%
Funds Pending Approval**			1,600,000	1,600,000			
<b>Totals</b>	<b>137,088,879</b>	<b>15,064,190</b>	<b>46,688,878</b>	<b>198,841,947</b>	<b>173,945,669</b>	<b>24,896,278</b>	<b>87.5%</b>

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


**Explanatory Notes .**


- (a) On other grants and transfers, kshs 1,600,000, whose AIE was received in July 2022 was implemented in July 2022  
(b) On other payments, ICT Hubs is not yet implemented due to lack of appropriate location

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.)  
The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	24,896,278
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	(16,664,189)
	8,232,089
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	<b>8,232,089</b>

The Constituency financial statements were approved on 9/5 2023 and signed by:

  
Fund Account Manager

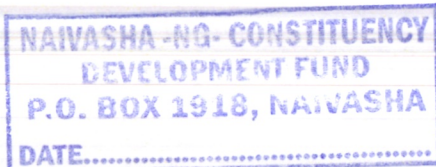
  
National Sub-County  
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Name: PATRICK M.KIARA



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

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	2,549,999.37	967,712		3,517,711	3,316,828	200,883	
1.2 Committee allowances	3,700,000.00	1,813,000		5,513,000	5,513,000	-	
1.3 Use of goods and services	1,543,800.00	0	284,874	1,828,674	1,543,800	284,874	
<b>Total</b>	<b>7,793,799</b>	<b>2,780,712</b>	<b>284,874</b>	<b>10,859,385</b>	<b>10,373,628</b>	<b>485,757</b>	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	2,000,000.00	504,162		2,504,162	2,079,035	425,127	
2.2 Committee allowances	1,300,000.00			1,300,000	1,300,000	-	
2.3 Use of goods and services	596,900.20			596,900	596,900	0	
<b>Total</b>	<b>3,896,900</b>	<b>504,162</b>	<b>-</b>	<b>4,401,062</b>	<b>3,975,935</b>	<b>425,127</b>	
<b>3.0 Emergency</b>							

**Naivasha Constituency**  
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**Annual Report and Financial Statements for The Year Ended June 30, 2022**

3.1 Primary Schools	3,400,000			3,400,000	3,400,000	-
3.2 Secondary schools	1,100,000			1,100,000	1,100,000	-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
3.5 Unutilised	2,692,206	-		2,692,206		2,692,206
<b>Total</b>	<b>7,192,207</b>	<b>-</b>		<b>7,192,207</b>	<b>4,500,000</b>	<b>2,692,207</b>
<b>4.0 Bursary and Social Security</b>				-		
4.1 Secondary Schools	23,000,000.00	2,865,790	21,062,973	46,928,763	46,928,763	-
4.2 Tertiary Institutions	12,000,000.00	3,987,970	3,377,287	19,365,257	17,360,237	2,005,020
4.3 Social Security	-			-		-
4.4 Special Needs	-			-		-
<b>Total</b>	<b>35,000,000</b>	<b>6,853,760</b>	<b>24,440,260</b>	<b>66,294,020</b>	<b>64,289,000</b>	<b>2,005,020</b>
<b>5.0 Sports</b>	2,597,933.44			2,597,933	2,400,000	197,933
<b>Total</b>	<b>2,597,933</b>			<b>2,597,933</b>	<b>2,400,000</b>	<b>197,933</b>
<b>6.0 Environment</b>						
Kipkenyo primary school	600,000			600,000	600,000	-
Naivasha Highway Secondary school	1,700,000			1,700,000	1,700,000	-
Ndabithi primary	-	-	600,000	600,000		600,000
Manera primary	-	-	600,000	600,000		600,000
Rubiri primary	-	-	600,000	600,000		600,000

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Kagesha police post	-	-	200,000	200,000		200,000
<b>Total</b>	<b>2,300,000</b>	<b>-</b>	<b>2,000,000</b>	<b>4,300,000</b>	<b>2,300,000</b>	<b>2,000,000</b>
<b>7.0 Primary Schools Projects</b>						
Emmanuel primary school	2,200,000.00			2,200,000	2,200,000	-
Highway primary school	1,650,000.00			1,650,000	1,650,000	-
Karai primary school	1,650,000.00			1,650,000	1,650,000	-
Karima primary school	300,000			300,000	300,000	-
Kiambogo primary school	2,200,000			2,200,000	2,200,000	-
Kiburuti/Tumaini primary school	1,100,000			1,100,000	1,100,000	-
Maai mahiu primary school	3,000,000			3,000,000	3,000,000	-
Manera primary school	3,600,000			3,600,000	3,600,000	-
Mirera primary school	3,400,000			3,400,000	3,400,000	-
Moi ndabi primary school	2,600,000			2,600,000	2,600,000	-
Mununga primary school	2,200,000			2,200,000	2,200,000	-
Ngondi primary school	2,600,000			2,600,000	2,600,000	-
Nkaampani primary school	2,600,000			2,600,000	2,600,000	-
Nyakinyua primary school	2,200,000			2,200,000	2,200,000	-
NYS primary school	11,600,000			11,600,000	11,600,000	-
Rubiri primary school	1,650,000			1,650,000	1,650,000	-
Shindano primary school	2,200,000			2,200,000	2,200,000	-

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

Sision primary school	1,300,000			1,300,000	1,300,000	-	
NYS Primary School			7,500,000	7,500,000	7,500,000		
<b>Total</b>	<b>48,050,000</b>	<b>-</b>	<b>7,500,000</b>	<b>55,550,000</b>	<b>55,550,000</b>	<b>-</b>	
<b>8.0 Secondary Schools Projects</b>						-	
Kamuyu secondary school	2,600,000.00			2,600,000	2,600,000	-	
Fred Kubai/Ngeya secondary school	500,000.00			500,000	500,000	-	
Karai secondary school	300,000.00			300,000	300,000	-	
Kihara secondary school	1,700,000			1,700,000	1,700,000	-	
Maiella township secondary school	2,200,000			2,200,000	2,200,000	-	
Kipkenyo SecondarySchool			1,350,000	1,350,000	1,350,000	-	
Naivasha highway secondary school	1,410,106			1,410,106	1,410,106	0	
Rutere secondary school	1,197,933			1,197,933	1,197,000	933	
Narasha secondary	0	0	2,813,744	2,813,744		2,813,744	
Ngeya/Fred Kubai Secondary School			6,500,000	6,500,000	6,500,000	-	
						-	
<b>Total</b>	<b>9,908,039</b>	<b>-</b>	<b>10,663,744</b>	<b>20,571,783</b>	<b>17,757,106</b>	<b>2,814,677</b>	
<b>9.0 Tertiary institutions Projects</b>						-	
						-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>10.0 Security Projects</b>						-	

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

Mwicingiri chiefs office	1,500,000.00			1,500,000	1,500,000	-	
Naivasha Administration Police Line	800,000			800,000	800,000	-	
Utheri wa Lari Police station	500,000			500,000	500,000	-	
Sisioni Police Post			200,000.00	200,000	0	200,000	
Kinamba chiefs office	0	3,500,000	0	3,500,000		3,500,000	
<b>Total</b>	<b>2,800,000</b>	<b>3,500,000</b>	<b>200,000</b>	<b>6,500,000</b>	<b>2,800,000</b>	<b>3,700,000</b>	
<b>11.0 Acquisition of assets</b>						-	
Motorvehicle	7,550,000			7,550,000		7,550,000	
	-		-	-	-	-	
<b>Total</b>	<b>7,550,000</b>		<b>-</b>	<b>7,550,000</b>		<b>7,550,000</b>	
<b>12.0 Other payments</b>						-	
Electricity	10,000,000			10,000,000.00	10,000,000	-	
Strategicplan		250,000.00		250,000.00		250,000.00	
ICT Hub		1,169,256.00		1,169,256.00		1,169,256.00	
Furniture		6,300.00		6,300.00		6,300.00	
				-			
<b>Total</b>	<b>10,000,000</b>	<b>1,425,556</b>	<b>-</b>	<b>11,425,556</b>	<b>10,000,000</b>	<b>1,425,556</b>	
<b>13.0 unallocated fund</b>							
Unallocated projects			1,600,000	1,600,000		1,600,000	

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AIA							
PMC savings							
<b>Total</b>			1,600,000	1,600,000	-	1,600,000	
	137,088,879	15,064,190	46,688,878	198,841,947	173,945,669	24,896,278	

NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury

## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

***Significant Accounting Policies continued***

**Transfers from the National Government Constituency Development Fund (NG-CDF)**

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

**Proceeds from Sale of Assets**

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

***Unutilized Funds from PMCs.***

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

**External Assistance**

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalents.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

***Significant Accounting Policies continued***

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

***Significant Accounting Policies continued***

**14. Errors**

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

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

**15. Related Party Transactions**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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**XII. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B104531		69,367,724
AIE NO. B124628		9,000,000
AIE NO. B119595		8,500,000
AIE NO. B119986		13,000,000
AIE NO. B128227		6,900,000
AIE NO. B138952		12,000,000
AIE NO. B 047450		7,000,000
AIE NO. B 041290		11,600,000
AIE NO. B 047710		6,000,000
AIE NO. B 049297		6,000,000
AIE NO. B 096578		12,000,000
AIE NO.B105234	33,000,000	
AIE NO.B105530	44,000,000	
AIE NO.B105890	22,000,000	
AIE NO.B128959	12,000,000	
AIE NO.B154155	12,000,000	
AIE NO.B155542	14,088,879	
AIE NO.B164385	18,000,000	
AIE NO.B128645	5,000,000	
AIE NO.B089062	12,088,879	
AIE NO.B895018	10,000,000	
AIE NO.A054626	1,600,000	
<b>TOTAL</b>	<b>183,777,758</b>	<b>161,367,724</b>

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**2. Proceeds From Sale of Assets**

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

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	95,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

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*Notes To the Financial Statements (Continued)*

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,051,172.00	2,662,788
Personal allowances paid as part of salary	0	
House Allowance	556,896.00	-
Transport Allowance	336,000.00	-
Leave allowance	282,040.00	-
Gratuity to contractual employees	0	1,207,628
Employer Contributions Compulsory national social security schemes	90,720.00	-
<b>Total</b>	<b>3,316,828</b>	<b>3,870,416</b>

**5. Use Of Goods and Services**

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	2,305,000	2,399,000
Utilities, supplies and services	402,150	425,790
Communication, supplies and services	84,020	340,150
Electricity	58,462	55,130
Water and sewerage	18,238	22,166
Domestic travel and subsistence	287,000	43,600
Printing, advertising and information supplies & services	146,040	70,005
Rentals of produced assets	-	-
Training expenses	1,687,500	1,650,000
Hospitality supplies and services	159,100	100,000
Other committee expenses	5,513,000	4,035,000
Committee allowance	-	-
Bank commission and charges	45,600	-
Specialized materials and services	-	-
Office and general supplies and services	326,625.00	200,000
Other operating expenses	-	315,570
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
<b>Total</b>	<b>11,032,735</b>	<b>9,656,411</b>

*Notes To The Financial Statements (Continued)*

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**6. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	54,200,000	70,710,066
Transfers To Secondary Schools (See Attached List)	19,107,106	35,300,000
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>73,307,106</b>	<b>106,010,066</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	46,928,763	12,831,000
Bursary – tertiary institutions (see attached list)	17,360,237	607,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,800,000	6,000,000
Sports projects (see attached list)	2,400,000	4,027,363
Environment projects (see attached list)	2,300,000	2,488,752
Emergency projects (see attached list)	4,500,000	8,200,000
<b>Total</b>	<b>76,289,000</b>	<b>34,154,115</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Notes To the Financial Statements (Continued)*

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**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Electricity (REREC)	10,000,000	5,000,000
	<b>10,000,000</b>	<b>5,000,000</b>

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>	-	-
<i>Name Of Bank, Account No.</i>	24,896,279	15,064,190
<b>Total</b>	<b>24,896,279</b>	<b>15,064,190</b>
<b>10 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide Cash Count Certificates for Each]</i>		

**11: Outstanding Imprests**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

*Notes to the Financial Statement Continued*

**12A. Retention**

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

[Provide short appropriate explanations as necessary.]

**12B. Gratuity**

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

[Provide short appropriate explanations as necessary]

**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	15,064,190	12,292,474
Cash in hand	-	-
Imprest	-	-
Total	15,064,190	12,292,474

[Provide short appropriate explanations as necessary]

**14. Prior Year Adjustments**

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	15,064,190		15,064,190
Cash in hand			
Accounts Payables			
Receivables			
Others ( <i>specify</i> )			
<b>Total</b>	15,064,190		15,064,190

\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)

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

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		
Changes in Account Receivables E= D-A		

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

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

Notes to the Financial Statements (Continued)

**17. Other Important Disclosures**

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

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

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

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff Gratuity	317,930	260,270
Others ( <i>specify</i> )		
Total	317,930	260,270

**17.3: Unutilized Fund (See Annex 3)**

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	200,883	32,288
Use of goods and services	425,127	3,284,874
Amounts due to other Government entities (see attached list)	8,491,964	9,513,744
Amounts due to other grants and other transfers (see attached list)	7,972,003	34,370,863
Acquisition of assets	7,556,300	6,300
Funds pending approval	250,000	250,000
Total	24,896,278	61,753,068

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	32,780,810.35	50,628,304.5
Total	32,780,810.35	50,628,304.5

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**Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	B	C	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**Annex 2 - Analysis of Pending Staff Payables**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
<b>NG-CDFC Staff</b>				
1. PATRICIA WANGARI MWANGI	OFFICE ASSISTANT	1/1/2022	26,877	CONTRACTUAL
2. NANCY WANGUI KAMAU	RECORDS OFFICER	1/1/2022	36,627	CONTRACTUAL
3. BONIFACE KAMAU NJOGU	LIASON OFFICER	1/1/2022	75,631	CONTRACTUAL
4. MARTHA NJERI MWANGI	ACCOUNT ASSISTANT	1/1/2022	50,820	CONTRACTUAL
5. PETER WAWERU CHEGE	DRIVER	1/1/2022	34,317	CONTRACTUAL
6. HARISON KAMAU	CLERK OF WORKS	1/1/2022	55,171	CONTRACTUAL
7. MARGARET WAIRIMU	IT OFFICER	1/1/2022	38,487	CONTRACTUAL
<b>Sub-Total</b>			<b>317,930</b>	

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Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments	
<b>Grand Total</b>					

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		200,883	32,288	
Use of goods & services		425,127	3,284,874	
Amounts due to other Government entities		<b>2,814,677</b>		
Narasha secondary		2,813,744		
Rutere secondary school		933		
Sub-Total				
Amounts due to other grants and other transfers		<b>10,595,160</b>	<b>34,370,863</b>	
Emergency		2,692,206		
Bursary - tertiary		2,005,020		
Sports		197,933		
Sisioni Police Post		200,000		
Security (Kinamba Chiefs)		3,500,000		
Environment		2,000,000		
Sub-Total				
Acquisition of assets		7,556,300	6,300	
Motor vehicle purchase		7,550,000		
Furniture		6,300		
Others ( <i>specify</i> ) strategic plan		250,000	250,000	
Sub-Total				
Funds pending approval			14,295,000	
<b>Grand Total</b>		<b>24,896,278</b>	<b>61,753,068</b>	

**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2020/21</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2021/22</b>
Land	-	-	-	-
Buildings and structures	6,000,000	-	-	6,000,000
Transport equipment	4,200,000	-	-	4,200,000
Office equipment, furniture and fittings	971,605	-	-	971,605
ICT Equipment, Software and Other ICT Assets	875,486	-	-	875,486
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>12,047,091</b>	<b>-</b>	<b>-</b>	<b>12,047,091</b>

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

PMC	Bank	Account number		Bank Balance 2021/22	Bank Balance 2020/21
KINAMBA CHIEFS OFFICE	Equity Bank, Naivasha	020028275817	3/5/2021	1,200.00	0
EMMANUEL PRIMARY SCHOOL	Equity Bank, Naivasha	0200282395855	3/5/2021	258,422.00	0
FRED KUBAI/NGEYA SECONDARY SCHOOL	Equity Bank, Naivasha	0200282138364	3/5/2021	3,180.00	0
Gathima primary school	Equity Bank, Naivasha	0200277352509	6/7/2021	778.00	223,378.00
GOVERNOR SECONDARY SCHOOL	Equity Bank, Naivasha	0200270718511	6/7/2021	686,134.00	310,623.00
HIGHWAY PRIMARY SCHOOL	Equity Bank, Naivasha	0200268345776	3/5/2021	158,036.35	0
HIGHWAY SECONDARY SCHOOL	Equity Bank, Naivasha	0200280235227	3/5/2021	1,604,464.00	0
Kabati primary school	Equity Bank, Naivasha	0200268198580	6/7/2021	52,500.00	52,500.00
KAMUYU SECONDARY SCHOOL	Equity Bank, Naivasha	0200282667559	3/5/2021	2,003,855.00	0
KARAI PRIMARY SCHOOL	Equity Bank, Naivasha	0200271657862	3/5/2021	82,103.00	0
KARAI SECONDARY SCHOOL	Equity Bank, Naivasha	0200270648561	6/7/2021	10,807.00	9,248.00
KARIMA PRIMARY SCHOOL	Equity Bank, Naivasha	0200271657882	6/7/2021	8,148.50	4,380,310.00
Karima secondary school	Equity Bank, Naivasha	0200278992593	6/7/2021	28,217.50	28,217
Kayole chiefs office	Equity Bank, Naivasha	0200279896304	6/7/2021	101,880.00	101,880.00
KIAMBOGO PRIMARY SCHOOL	Equity Bank, Naivasha	0200282409324	3/5/2021	3,310,010.00	0
Kiambogo secondary school	Equity Bank, Naivasha	0200269326212	6/7/2021	22,841.00	22,841.00
KIBURUTI/TUMAINI PRIMARY SCHOOL	Equity Bank, Naivasha	0200279407495		1,119,855.00	19,855.00
KIHARA SECONDARY SCHOOL	Equity Bank, Naivasha	0200279493783	6/7/2021	23,320.00	3,209,999.00
KIJABE TOWNSHIP SECONDARY SCHOOL	Equity Bank, Naivasha	0200264485403	6/7/2021	12,450.00	13,475.00
Kinamba primary school	Equity Bank, Naivasha	0200262213397	6/7/2021	6,943.00	6,943.00
KINUNGI PRIMARY SCHOOL	Equity Bank, Naivasha	0200262325460	6/7/2021	296.00	772,201.00
KIPKONYO PRIMARY SCHOOL	Equity Bank, Naivasha	0200282409266	3/5/2021	380,805.00	0
KIPKONYO SECONDARY SCHOOL	Equity Bank, Naivasha	0200277625894	6/7/2021	631,681.50	606,335.00
Lake Naivasha Girls Secondary school	Equity Bank, Naivasha	0200278987768	6/7/2021	116,337.50	116,337.00
LAKEVIEW PRIMARY SCHOOL	Equity Bank, Naivasha	0200280764199	6/7/2021	400.15	213,506.00
Longonot township secondary school	Equity Bank, Naivasha	0200261661858	6/7/2021	9,086.50	9,086.50
LONGONOT DEB PRIMARY SCHOOL	Equity Bank, Naivasha	0200264942732	6/7/2021	7,587.00	7,587.00

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PMC	Bank	Account number		Bank Balance 2021/22	Bank Balance 2020/21
Maai mahiu chiefs office	Equity Bank,Naivasha	0200277655374	6/7/2021	36,430.00	36,430.00
MAAI MAHIU PRIMARY SCHOOL	Equity Bank,Naivasha	0200263943415	6/7/2021	136,481.95	600,170.00
MAIELLA CENTRAL SECONDARY SCHOOL	Equity Bank,Naivasha	0200277345126	6/7/2021	472.00	472.00
MAIELLA CHIEF'S OFFICE	Equity Bank,Naivasha	0200280784045	6/7/2021	28,290.00	4,000,000.00
MAIELLA TOWNSHIP PRIMARY SCHOOL	Equity Bank,Naivasha	0200262513200	6/7/2021	463.35	378,068.00
MAIELLA TOWNSHIP SECONDARY SCHOOL	Equity Bank,Naivasha	0200282936801	3/5/2021	2,200,600.00	0
MANERA PRIMARY SCHOOL	Equity Bank,Naivasha	0200263789176	2/5/2021	1,491,200.20	980.00
MARAIGUSHU CHIEFS OFFICE	Equity Bank,Naivasha	0200263890354	2/5/2021	396.000	306.00
Maryland police post	Equity Bank,Naivasha	0200272287509	2/5/2021	18,279.65	18,279.00
MILIMANI PRIMARY SCHOOL	Equity Bank,Naivasha	0200262827638	2/5/2021	349,108.45	6,899,529.00
MIRERA PRIMARY SCHOOL PROJECT	Equity Bank,Naivasha	0200261802505	2/5/2021	3,400,333.00	333.00
Mitamaiyu primary school	Equity Bank,Naivasha	0200262583520		302,893.00	302,893.00
MOI NDABI PRIMARY SCHOOL	Equity Bank,Naivasha	0200282258041	3/5/2021	1,287,274.00	0
MUNENGI PRIMARY SCHOOL	Equity Bank,Naivasha	0200263458668	2/5/2021	1,685.00	599,805.00
MUNUNGA PRIMARY SCHOOL	Equity Bank,Naivasha	0200266377583	3/5/2021	316,525.26	0
MUNYU PRIMARY SCHOOL	Equity Bank,Naivasha	0200262322222	2/5/2021	289,515.00	5,601,590.00
MUNYU SECONDARY SCHOOL	Equity Bank,Naivasha	0200270899968	2/5/2021	16,773.50	1,369,861.00
MWICIRINGIRI CHIEFS OFFICE	Equity Bank,Naivasha	0200282939588	3/5/2021	1,500,700.00	0
MWICIRINGIRI PRIMARY SCHOOL	Equity Bank,Naivasha	0200277658235	2/5/2021	557.50	68,572.00
NAIVASHA ADMINISTRATION POLICE	Equity Bank,Naivasha	0200279179310	2/5/2021	2,380.00	2,380.00
Naivasha Central primary school	Equity Bank,Naivasha	0200263501814	2/5/2021	390.00	2,417,954.00
NAIVASHA G.K. PRISON PRIMARY SCHOOL	Equity Bank,Naivasha	0200280342748	2/5/2021	23,650.00	195,498.00
NAIVASHA HIGHWAY SECONDARY SCHOOL	Equity Bank,Naivasha	0200280235227	2/5/2021	1,604,464.00	5,325,143.00
NAIVASHA NGCDF SPORTS	Equity Bank,Naivasha	0200277375783	2/5/2021	291,939.10	976,359.00
NAMUNCHA PRIMARY SCHOOL	Equity Bank,Naivasha	0200280777196	2/5/2021	1,600.00	1,600.00
NARASHA PRIMARY SCHOOL	Equity Bank,Naivasha	0200268970615	2/5/2021	10,437.35	120,367.00
NARASHA SECONDARY SCHOOL	Equity Bank,Naivasha	0200278948887	2/5/2021	9,222.50	94,003.00
NDABIBI CENTRAL PRIMARY SCHOOL	Equity Bank,Naivasha	0200264946164	2/5/2021	82,577.00	1,092,848.00
NDABIBI MAIN SECONDARY SCHOOL	Equity Bank,Naivasha	0200280296282	2/5/2021	13,380.00	171,473.00

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PMC	Bank	Account number		Bank Balance 2021/22	Bank Balance 2020/21
NDIBITHI PRIMARY SCHOOL	Equity Bank, Naivasha	0200263812886	2/5/2021	17,144.00	1,698,965.00
Ndoroto secondary school	Equity Bank, Naivasha	0200277650952	2/5/2021	26,395.50	136,996.00
NG'ATI PRIMARY SCHOOL	Equity Bank, Naivasha	0200280781964	2/5/2021	4,584.00	2,199,100.00
Ngeya primary school	Equity Bank, Naivasha	0200262541442	2/5/2021	1,915.00	1,915.00
NGONDI PRIMARY SCHOOL	Equity Bank, Naivasha	0200280765699	2/5/2021	118,828.00	8,700.00
NGONDI SECONDARY SCHOOL	Equity Bank, Naivasha	0200263789083	2/5/2021	6,222.00	6,222.00
NKAAMPANI PRIMARY SCHOOL	Equity Bank, Naivasha	0200269985154	3/5/2021	1,621,416.00	0
NYAKAIRU PRIMARY SCHOOL	Equity Bank, Naivasha	0200264731230	2/5/2021	979.00	979.00
NYAKINYUA PRIMARY SCHOOL	Equity Bank, Naivasha	0200280769996	2/5/2021	2,201,990.00	172,230.00
Nyamathi primary school	Equity Bank, Naivasha	0200279844241	2/5/2021	22,940.00	239,570.00
NYAMATHI SECONDARY SCHOOL	Equity Bank, Naivasha	0200263890354	2/5/2021	1,484.00	1,484.00
NYONJORO SECONDARY SCHOOL	Equity Bank, Naivasha	0200290872119	2/5/2021	113,969.00	2,601,620.00
NYS PRIMARY SCHOOL	Equity Bank, Naivasha	0200281753211	4/12/2021	2,629,951.04	0
OLD KIJABE PRIMARY SCHOOL	Equity Bank, Naivasha	0200269777958	4/3/2021	2,029.50	2,461,611.00
RUBIRI PRIMARY SCHOOL	Equity Bank, Naivasha	0200282232687	4/12/2021	209,581.50	0
RUTERE SECONDARY SCHOOL	Equity Bank, Naivasha	0200262582928	4/3/2021	926,264.00	2,762.00
SHERMOI PRIMARY SCHOOL	Equity Bank, Naivasha	0200279786048	4/3/2021	775.00	264,375.00
SHINDANO PRIMARY SCHOOL	Equity Bank, Naivasha	0200277353510	4/3/2021	775.00	775.00
SISION AP POST	Equity Bank, Naivasha	0200280152806	4/3/2021	2,365.00	2,365.00
SISION PRIMARY SCHOOL	Equity Bank, Naivasha	0200282421855	4/3/2021	642,380.00	0
ST. PAULS' PRIMARY SCHOOL	Equity Bank, Naivasha	0200263446804	4/3/2021	2,260.00	401,860.00
UTHERI WA LARI POLICE STATION	Equity Bank, Naivasha	0200277375661	4/3/2021	165,797.00	47,541
VIWANDANI POLICE POST	Equity Bank, Naivasha	0200280781629	4/3/2021	1,410.00	0
<b>Total</b>				<b>32,780,810.35</b>	<b>50,628,304.5</b>

**Annex 6: Progress On Follow Up of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3	Annex 5 to the financial statements reflects eighty-one (81) Project Management Committee bank balances totalling to Kshs.54,052,264. However, the balances were not supported with expenditure returns, cashbooks, and bank reconciliation	<b>The management has embarked on ensuring all accountable documents are in place before any payment is processed by the PMCs. The NGCDF office has been using a project specific statement of account for account reconciliation during payments (Annex 4.3)</b>	Resolved	
4.4	It was established during the audit	<b>The delays in implementation</b>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>review that the fund final approved budget amounted to Kshs 220,444,076 for the year ended on 30 June, 2021. A total of Kshs.158,691,008 or 72% had been spent on the projects, leaving Kshs.47,458,069 or 28% unspent as detailed below.</p>	<p>were occasioned by delays in the release of funds by the National Board. Some funds were released in July as per attached copy of AIE(Annex 4.4)</p>		
4.6.1	<p>the committee expenses figure includes Kshs. 1,062,000 that related to training expenses incurred for Fund staff and committee members in a training workshop in Mombasa. This expenditure</p>	<p>The management has done the required correction in the Financial statement.</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	was misclassified as committee expenses instead of being charged as training expenses.			
4.7	The statement of receipts and payments reflects transfers to other government entities amount of Kshs.106,010,066 relating to funds disbursed to various Project Management Committees. However, actual expenditure returns and acknowledgement letters from Institutions that received the funds were not availed for audit verification. This is contrary to	<b>The management takes cognizance of the above observations. The management has introduced a statement of account for each project which clearly shows the financial standing of the project. However, the committee will ensure introduction of</b>	Not resolved	30 <sup>th</sup> June , 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Section 15(1) (d) of the National Constituency Development Fund Regulations, 2016, which states that the Project Management Committees shall prepare returns and file them with a Constituency Committee.	the above at the Project management level.(annex 4.7)		
4.10	The statement of receipts and payments reflects other grants and transfers of Kshs. 39,154,115 (2020 – Kshs.51,887,751) and as disclosed under Note 7 to the financial statements. The amount includes Kshs 8,200,000 for emergency projects out of which	The Naivasha NGCDF committee resolved to fund the projects as intervention measures against Covid - 19.This was advised via the attached NGCDF Board circular. (Covid -19	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>projects of Kshs 1,600,000 did not meet emergency criteria set under section 8(3) of the National Constituencies Development Fund Act, 2015 as detailed below.</p>	<p><b>interventions measures) (Annex 4.10)</b></p>		



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Name **PETER NBSI**  
Fund Account Manager.