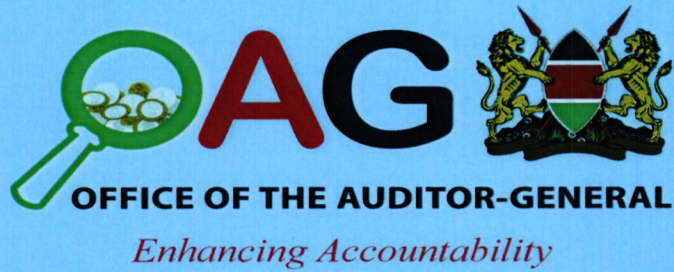


REPUBLIC OF KENYA



## REPORT

PARLIAMENT  
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THE NATIONAL ASSEMBLY	
OF DATE: 22 NOV 2022	DAY: Tuesday
TABLED BY: LOM	

**THE AUDITOR-GENERAL** *he mura*

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2021**

*Revised Template 30<sup>th</sup> June 2021*



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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2021**

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

*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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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 2021 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>Alex Mbugua</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.

**(e) NAIVASHA Constituency NGCDF Headquarters**

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

*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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**(f) 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)

**(g) NAIVASHA Constituency NGCDF 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

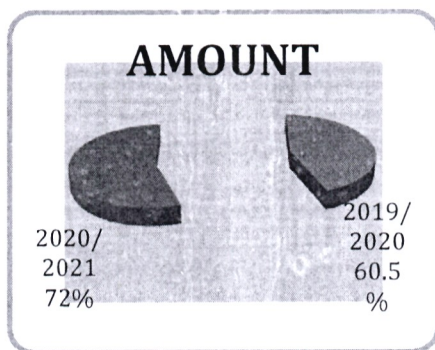
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**II. NG-CDFC CHAIRMAN'S REPORT**



Alex Mbugua  
Chairman  
Naivasha NGCDFC

On behalf of Naivasha NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2020/2021. During the year 2019/2020, our overall performance was at 60.5% which was below average. However, in the year under review, 2020/2021 our overall performance was at 72.0% which was a commendable improvement from the last financial year given the serious effect of 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*

We envisage a better performance in the financial year 2021/2022 bearing in mind the capacity of the committee and the PMCs are build and we are now informed to exercise our mandate.

However, with constant sensitisation of the public, we were able to prioritize the community needs and prepare our proposal based on the identified community needs. Despite late

*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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disbursement of funds we were able to carry out successful projects like Governor secondary School laboratory, Karima Primary School, Kayole Chiefs'Office and Highway Secondary School



*Governor Secondary School Laboratory*



*Karima Primary School (Renovation and upgrading of 8 classrooms)*



*Kayole Chiefs office (Construction of a 3 roomed office)*



*Highway Secondary School (Construction of 4 classrooms)*

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


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

*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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among others. 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 between the county and the national government.

  
.....  
**Alex Mbugua**  
NG-CDFC Chairman

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

#### Introduction

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

The key development objectives of *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

#### 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 20/21 -we increased number of classrooms with 9, laboratories with 2 etc, in schools/institutions - 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	2 Police posts and 2 chiefs' offices constructed - More police officers deployed
Environment	Enhance conservation initiatives in the	Purchase of water tanks and guttering for	Number of institutions that have benefited of	5 water tanks that have been delivered to 4

*Naivasha Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Reports and Financial Statements for The Year Ended June 30, 2021*

<b>Constituency Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
	constituency to conserve and protect natural resources in the county	water interaction	the tanks	institutions
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".
Disaster Management	To Ensure all emergency cases are promptly attended to .	- sunken toilets are reconstructed and ground managed	- Number of institutions that have benefited of the toilets	In the financial year 2020/21, 8 toilets have been reconstructed

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

##### **2. Environmental performance**

Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

The constituency has embarked on water harvesting and provision of sanitary facilities, toilets and abolutions. This has really impacted on the constituents especially during Covid-19 season.

### **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 interests

### **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.

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**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, 2021. 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, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- NAIVASHA Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF 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 29/6 2022.

  
\_\_\_\_\_  
**Chairman NGCDF Committee**

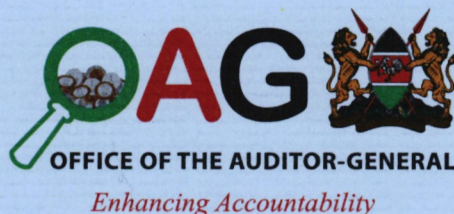
Name: PATRICK M. KIARA

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

Name: PETER NGUNI

# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAIVASHA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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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 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

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Naivasha Constituency set out on pages 16 to 48, which comprise of the statement of financial assets and liabilities as at 30 June, 2021,

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*Report of the Auditor-General on National Government Constituencies Development Fund - Naivasha Constituency  
for the year ended 30 June, 2021*

and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts 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 National Government Constituencies Development Fund - Naivasha Constituency as at 30 June, 2021 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 Sector Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Statement of Receipts and Payments**

The statement of receipts and payments reflects an amount of Kshs.108,198,818 in respect to transfer to other Government units whereas Note 6 to the financial statement reflects an amount of Kshs.106,010,066 resulting to an unexplained variance of Kshs.2,188,752.

Further, the statement of receipts and payments reflects a total of Kshs.9,656,411 in respect of use of goods and services and as disclosed in Note 5 to the financial statements. The amount includes committee expenses of Kshs.2,399,000 which includes Kshs.1,062,000 for training expenses which was erroneously classified as committee expenses. Further, supporting schedules reflected an amount of Kshs.2,940,000 resulting to an unexplained variance of Kshs.541,000.

In addition, included in Note 5 to the financial statements is other committee allowance expenditure of Kshs.4,035,000 while the supporting schedule provided for audit reflected an amount of Kshs.3,594,000 resulting to an unexplained variance of Kshs.441,000.

In the circumstances, the accuracy of the statement of receipts and payments could not be confirmed.

#### **2. Unsupported Compensation of Employees**

The statement of receipts and payments reflects compensation of employees' amount of Kshs.3,870,416 and as disclosed in Note 4 to the financial statements. The amount includes Kshs.2,662,788 in respect of basic salaries, however the gross payroll reflected an amount of Kshs.2,572,068 resulting to an unreconciled variance of Kshs.90,720. Further, included in the balance is gratuity payments of Kshs.1,207,628 that have not been supported by the staff names, contract period, rate and amounts paid.

In the circumstances, the accuracy and completeness of compensation of employees' expenditure of Kshs.3,870,416 could not be confirmed.

### **3. Unsupported Other Grants and Payments**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.36,965,363. However, Note 7 to the financial statements reflects Kshs.39,154,115 resulting to an unexplained variance of Kshs.2,188,752. Further, the amount includes bursary payments to secondary schools and tertiary institutions of Kshs.12,831,000 and Kshs.607,000 respectively, all totalling to Kshs.13,438,000. However, these amounts have not been supported with student details, admission numbers, learning institutions, cheque numbers, amounts awarded and ward of resident.

In the circumstances, the accuracy and completeness of other grants and payments balance of Kshs.15,626,752 could not be confirmed.

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

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units of Kshs.108,198,818 relating to funds disbursed to various Project Management Committees. However, actual expenditure returns and acknowledgement letters from the institutions that received the funds were not provided for audit.

In the circumstances, the completeness and accuracy of the transfers to other Government units of Kshs.108,198,818 could not be confirmed.

### **5. Inaccuracies in Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.15,064,190. The bank reconciliation statement reflected payments in cashbook not yet recorded in bank statement balance of Kshs.8,749,868 out of which stale cheques totalling to Kshs.1,093,800 had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.15,064,190 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 reflects final receipts budget and actual on a comparable basis of Kshs.220,444,076 and Kshs.161,462,724 respectively resulting to an under-funding of Kshs.58,981,352 or 27% of the budget. Similarly, the Fund expended Kshs.158,691,008 against an approved budget of Kshs.220,444,076 resulting to an under-expenditure of Kshs.61,753,068 or 28% of the budget.

The underfunding and underperformance 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, 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. Irregular Budgeting of Bursary Grants**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers expenditure of Kshs.36,965,363. Included in the expenditure is an amount of Kshs.13,438,000 incurred on bursaries to secondary schools and tertiary institutions. However, the bursary payments constituted six percent (6%) of the Fund's total budget of Kshs.220,444,076. This was contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which requires bursaries to be allocated not less than twenty-five (25%) of the funds allocated to the Fund.

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

#### **2. Unsupported Project Management Committee Bank Balances**

Note 17.4 to the financial statements reflects Project Management Committee bank balances balance of Kshs.54,052,264. However, the balance has not been supported with cashbooks, bank reconciliation statements, expenditure returns and Projects Implementation Status Reports contrary to Section 10 of the National Government Constituencies Development Fund Act, 2015 which requires project management committees to keep proper books of accounts and make returns to the Constituency committee on how the sum has been used.

In the circumstance, Management was 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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


**08 September, 2022**


*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*


**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	161,367,724	132,140,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	95,000	100,000
<b>TOTAL RECEIPTS</b>		<b>161,462,724</b>	<b>132,240,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,870,416	2,613,501
Use of goods and services	5	9,656,411	7,828,412
Transfers to Other Government Units	6	108,198,818.35	59,034,609
Other grants and transfers	7	36,965,363	51,887,751
Acquisition of Assets	8	-	665,700
Other Payments	9	-	3,250,000
<b>TOTAL PAYMENTS</b>		<b>158,691,008</b>	<b>125,279,973</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>2,771,716</u></b>	<b><u>6,960,903</u></b>

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 29/6 2021 and signed by:

  
Fund Account Manager  
Name:

  
National Sub-County  
Accountant  
Name: STEPHEN KOKENO  
ICPAK M/No: 10200


  
PATRICK M. KIARA  
Chairman NG-CDF Committee  
Name:


*Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

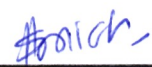
**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	15,064,190	12,292,474
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>15,064,190</b>	<b>12,292,474</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>15,064,190</b>	<b>12,292,474</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>15,064,190</b>	<b>12,292,474</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	13	12,292,474	5,331,571
Prior year adjustments	14	-	-
Surplus/Deficit for the year		2,771,716	6,960,903
<b>NET FINANCIAL POSITION</b>		<b>15,064,190</b>	<b>12,292,474</b>

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 29/6/21 2021 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)  
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STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	161,367,724	132,140,876
Other Receipts	3	95,000	100,000
<b>Total receipts</b>		<b>161,462,724</b>	<b>132,240,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,870,416	2,613,501
Use of goods and services	5	9,656,411	7,828,412
Transfers to Other Government Units	6	108,198,818.35	59,034,609
Other grants and transfers	7	36,965,363	51,887,751
Other Payments	9	-	3,250,000
<b>Total payments</b>		<b>158,691,008</b>	<b>124,614,273</b>
<b>Total Receipts Less Total Payments</b>		<b>2,771,716</b>	<b>7,626,602</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>2,771,716</b>	<b>7,626,602</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(665,700)
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(665,700)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>2,771,716</b>	<b>6,960,903</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>12,292,474</b>	<b>5,331,571</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>15,064,190</u></b>	<b><u>12,292,474</u></b>

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 29/6 2021 and signed by:

		
<b>Fund Account Manager</b> Name: <u>PETER NGUNJIRI</u>	<b>National Sub-County Accountant</b> Name: <u>STEPHEN KOKENO</u> ICPAK M/No: <u>10200</u>	<b>Chairman NG-CDF Committee</b> Name: <u>PATRICK M. KIPROTICH</u>

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

**IX. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	B	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021		Kshs	Kshs	2020/2021	30/06/2021	Kshs	
Transfers from NGCDF Board	137,088,879	12,292,474		70,967,723	220,349,076	161,367,724	46,688,878	78.8%
Proceeds from Sale of Assets					0			0.0%
Other Receipts(A-in-A)	0	95,000.00			95,000	95,000		100.0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>12,387,474</b>		<b>70,967,723</b>	<b>220,444,076</b>	<b>161,462,724</b>	<b>46,688,878</b>	<b>78.8%</b>
<b>PAYMENTS</b>								
Compensation of Employees	2,550,000	1,000,000		352,704	3,902,704	3,870,416	32,288	99.2%
Use of goods and services	9,047,881	2,899,999		993,405	12,941,285	9,656,411	3,284,874	74.6%
Transfers to Other Government Units	64,210,066	6,013,744		45,300,000	115,523,810	108,198,818.35	9,513,744	91.8%
Other grants and transfers	48,680,933	2,122,431		22,721,614	73,524,978	36,965,363	34,370,863	53.3%
Acquisition of Assets	-	6,300		-	6,300	-	6,300	0.0%

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Other Payments	-	250,000	-	250,000	-	250,000	0.0%
Funds pending approval**	12,600,000	95,000	1,600,000	14,295,000	-	14,295,000	0.0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>12,387,474</b>	<b>70,967,723</b>	<b>220,444,076</b>	<b>158,691,008</b>	<b>61,753,068</b>	<b>72.0%</b>

*\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*


**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
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The under utilization experienced in most projects was due to ;

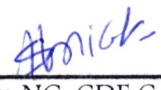
- i) a slow implementation speed due to the ugly threats of the Covid-19 pandemic
- ii) Delay in release of funds by the Board
- iii) Most of the projects being in schools, the crash program in the schools was a hindrance in the smooth implementation

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	61,753,068
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	46,688,878
	15,064,190
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	15,064,190

The NGCDF-NAIVASHA Constituency financial statements were approved on 29/6/2022 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**  
Name: PETER NGUHI

  
\_\_\_\_\_  
**National Sub-County  
Accountant**  
Name: STEPHEN KOKENO  
ICFAK M/No: 10200

  
\_\_\_\_\_  
**Chairman NG-CDF Committee**  
Name: PATRICK M. KIARA

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,550,000	1,000,000	452,704	4,002,704	3,870,416	132,288
1.2 Committee allowances	3,700,000	1,000,000	293,405	4,993,405	4,399,000	594,405
1.3 Use of goods and services	1,447,920	-	200,000	1,647,920	1,100,000	547,920
	<b>7,697,920</b>	<b>2,000,000</b>	<b>946,109</b>	<b>10,644,029</b>	<b>9,369,416</b>	<b>1,274,613</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,000,000	-	200,000	2,200,000	1,650,000	550,000
2.2 Committee allowances	1,300,000	1,500,000	100,000	2,900,000	2,035,000	865,000
2.3 Use of goods and services	599,960	500,000	100,000	1,199,960	472,411	727,549
	<b>3,899,960</b>	<b>2,000,000</b>	<b>400,000</b>	<b>6,299,960</b>	<b>4,157,411</b>	<b>2,142,549</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools						
NAIVASHA POLICE STATION					400,000	(400,000)
NYAKAIRU PRIMARY SCHOOL					600,000	(600,000)
MARAIGUSHU CHIEFS OFFICE					400,000	(400,000)
Nyakairu Primary School					200,000	(200,000)
Manera Primary School					200,000	(200,000)
Naivasha G.K. Prison Primary school					200,000	(200,000)
MIRERA PRIMARY SCHOOL					1,000,000	(1,000,000)
KARAI SECONDARY SCHOOL					400,000	(400,000)
LONGONOT DEB PRIMARY SCHOOL					4,800,000	(4,800,000)
3.2 Secondary schools						
3.3 Tertiary institutions						

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

3.4 Security projects	7,192,207	758,173	4,594,224	-	12,544,604	8,200,000	-	4,344,604
<b>4.0 Bursary and Social Security</b>								
4.1 Primary Schools								
4.2 Secondary Schools	18,000,000	95,000	10,000,000		28,095,000	12,831,000		15,264,000
4.3 Tertiary Institutions	11,200,000	-			11,200,000	607,000		10,593,000
4.4 Universities	-	-	-		-	-		-
4.5 Social Security	2,400,000	-			2,400,000	-		2,400,000
	<b>31,600,000</b>	<b>95,000</b>	<b>10,000,000</b>		<b>41,695,000</b>	<b>13,438,000</b>		<b>28,257,000</b>
<b>5.0 Sports</b>								
5.1 Sports activities	2,599,973	-	1,427,990		4,027,963	4,027,963.00		0
<b>6.0 Environment</b>								
Narasha secondary school	400,000	-			400,000	400,000		-
Narasha Primary school	1,788,752	-			1,788,752	1,788,752		-
Sisioni Police Post	300,000	-			300,000	300,000		-
6.1 Ndiibithi 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
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
	<b>2,488,752</b>	-	<b>2,000,000</b>		<b>4,488,752</b>	<b>2,488,752</b>		<b>2,000,000</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>								
Central Primary School	3,300,000	-			3,300,000	3,300,000		-
Gk prison primary School	4,400,000	-			4,400,000	4,400,000		-
Kinungi primary School	3,660,000	-			3,660,000	3,660,000		-
Munyu Primary School	5,600,000	-			5,600,000	5,600,000		-
Old Kijabe Primary School	4,400,000	-			4,400,000	4,400,000		-
Karima Primary School	4,400,000	-			4,400,000	4,400,000		-
Namcha Primary School	1,200,000	-			1,200,000	1,200,000		-
Milimani Primary School	6,900,000	-			6,900,000	6,900,000		-
Lakeview Primary School	3,850,066	-			3,850,066	3,850,066		-
Ngondi Primary School	1,200,000	-			1,200,000	1,200,000		-

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Shermoi Primary School	4,400,000	-	-	4,400,000	4,400,000	-
Mwicingiri Primary School	4,400,000	-	-	4,400,000	4,400,000	-
Nyamathi Primary School	4,400,000	-	-	4,400,000	4,400,000	-
Ngati Primary School	2,200,000	-	-	2,200,000	2,200,000	-
MIRERA PRIMARY SCHOOL	-	-	2,800,000	2,800,000	2,800,000	-
MAIELLA TOWNSHIP PRIMARY SCHOOL	-	-	5,600,000	5,600,000	5,600,000	-
NDABIBI CENTRAL PRIMARY SCHOOL	-	-	2,800,000	2,800,000	2,800,000	-
LONGONOT DEB PRIMARY SCHOOL	-	-	3,200,000	3,200,000	3,200,000	-
MWICIRINGIRI PRIMARY SCHOOL	-	-	2,000,000	2,000,000	2,000,000	-
Ngeya Primary SCHOOL	-	-	3,500,000	3,500,000	3,500,000	3,500,000
St.Pauls Primary School	-	1,600,000	-	1,600,000	1,600,000	1,600,000
<b>Subtotal</b>	<b>54,310,066</b>	<b>1,600,000</b>	<b>19,900,000</b>	<b>75,810,066</b>	<b>70,710,066</b>	<b>5,100,000</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
Ngondi Secondary School	2,600,000	-	-	2,600,000	2,600,000	-
Kihara Secondary School	3,200,000	-	-	3,200,000	3,200,000	-
Nyojoro secondary School	2,600,000	-	-	2,600,000	2,600,000	-
Ndoroto Secondary School	1,500,000	-	-	1,500,000	1,500,000	-
NYAMATHI SECONDARY SCHOOL	-	-	1,500,000	1,500,000	1,500,000	-
MAIELLA CENTRAL SECONDARY SCHOOL	-	-	1,500,000	1,500,000	1,500,000	-
MUNYU SECONDARY SCHOOL	-	-	3,000,000	3,000,000	3,000,000	-
GOVERNOR SECONDARY SCHOOL	-	-	4,500,000	4,500,000	4,500,000	-
HIGHWAY SECONDARY SCHOOL	-	-	8,000,000	8,000,000	8,000,000	-
Kihara secondary school	-	-	1,900,000	1,900,000	1,900,000	-
Ndabibi Main Secondary School	-	-	3,000,000	3,000,000	3,000,000	-
narasha Secondary School	-	2,813,744	2,000,000	4,813,744	2,000,000	2,813,744
<b>Others</b>	-	-	-	-	-	-
Ndabibi Secondary School	-	1,600,000	-	1,600,000	-	1,600,000
<b>Subtotal</b>	<b>9,900,000</b>	<b>4,413,744</b>	<b>25,400,000</b>	<b>39,713,744</b>	<b>35,300,000</b>	<b>4,413,744</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						

**Naivasha Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

9.1	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
<b>10.0 Security Projects</b>									
Maiella chiefs office	4,000,000	-	-	-	4,000,000	-	-	4,000,000	-
Viwandani police post	800,000	-	-	-	800,000	-	-	800,000	-
SISION AP POST	-	1,000,000	-	-	1,000,000	-	-	1,000,000	-
SISION POLICE POST	-	200,000	-	-	200,000	-	-	200,000	-
KINAMBA CHIEFS OFFICE	-	3,500,000	-	-	3,500,000	-	-	3,500,000	-
<b>Others</b>									
Subtotal	4,800,000	-	4,700,000	-	9,500,000	-	6,000,000	3,500,000	-
<b>11.0 Acquisition of assets</b>									
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	6,300	-	-	6,300	-	-	6,300	-
11.4 Purchase of computers	-	-	-	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	6,300	-	-	6,300	-	-	6,300	-
<b>12.0 Others</b>									
12.1 Strategic Plan	-	250,000	-	-	250,000	-	-	250,000	-
12.2 Innovation Hub	-	1,169,257	-	-	1,169,257	-	-	1,169,257	-
<b>Subtotal</b>	-	1,419,257	-	-	1,419,257	-	-	1,419,257	-
Funds pending approval**									
Electricity Connection	5,000,000	-	-	-	5,000,000	-	5,000,000	-	-
Nys Primary school	7,600,000	-	-	-	7,600,000	-	-	7,600,000	-
Shermoi Primary School	-	1,600,000	-	-	1,600,000	-	-	1,600,000	-
12.3 Unallocated funds(AIA)	-	95,000	-	-	95,000	-	-	95,000	-
<b>Subtotal</b>	12,600,000	95,000	1,600,000	-	14,295,000	-	5,000,000	9,295,000	-
<b>Total</b>	137,088,879	12,387,474	70,967,723	220,444,076	158,691,008	61,753,068			

## **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.

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

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

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

#### ***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

#### **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 in June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 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 2021

#### **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 OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B 005108	1		55,040,876
AIE NO. B 030184	2		4,000,000
AIE NO. B 030428	3		20,000,000
AIE NO. B 006370	4		9,100,000
AIE NO. B 042761	5		15,000,000
AIE NO. B 047007	6		15,000,000
AIE NO. B 041083	7		14,000,000
AIE NO. B104531	1	69,367,724	
AIE NO. B124628	2	9,000,000	
AIE NO. B119595	3	8,500,000	
AIE NO. B119986	4	13,000,000	
AIE NO. B128227	5	6,900,000	
AIE NO. B138952	6	12,000,000	
AIE NO. B 047450	7	7,000,000	
AIE NO. B 041290	8	11,600,000	
AIE NO. B 047710	9	6,000,000	
AIE NO. B 049297	10	6,000,000	
AIE NO. B 096578	11	12,000,000	
<b>TOTAL</b>		<b>161,367,724</b>	<b>132,140,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	95,000	100,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>95,000</b>	<b>100,000</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,662,788	2,266,251
Basic wages to temporary employees	-	161,490
<b>Personal allowances paid as part of salary</b>		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,207,628	-
Employer Contributions Compulsory national social security schemes	-	-
<b>Total</b>	<b>3,870,416</b>	<b>2,613,501</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021		2019-2020	
	Kshs		Kshs	
Committee Expenses	2,399,000		3,854,000	
Other committee expenses	4,035,000		1,870,000	
Utilities, supplies and services	425,790		511,893	
Electricity	55,130		26,000	
Water and sewerage	22,166		17,129	
Communication, supplies and services	340,150		294,000	
Domestic travel and subsistence	43,600		150,000	
Printing, advertising and information supplies & services	70,005		189,390	
Rentals of produced assets				
Training expenses	1,650,000		166,000	
Hospitality supplies and services	100,000		100,000	
Insurance costs				
Specialized materials and services				
Office and general supplies and services	200,000		150,000	
Other operating expenses	315,570	500,000		
Routine maintenance – vehicles and other transport equipment				
Routine maintenance – other assets				
<b>Total</b>	<b>9,656,411</b>		<b>7,828,412</b>	

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to primary schools (see attached list)	70,710,066	43,984,609
Transfers to secondary schools (see attached list)	35,300,000	15,050,000
Transfers to tertiary institutions (see attached list)	-	-
<b>TOTAL</b>	<b>106,010,066</b>	<b>59,034,609</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	12,831,000	17,716,934
Bursary – tertiary institutions (see attached list)	607,000	6,860,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	6,000,000	14,300,000
Sports projects (see attached list)	4,027,363	3,180,817
Environment projects (see attached list)	2,488,752	2,100,000
Emergency projects (see attached list)	8,200,000	7,730,000
Electricity (REREC)	5,000,000	-
<b>Total</b>	<b>39,154,115</b>	<b>51,887,751</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	665,700
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
<b>Total</b>	-	<b>665,700</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	3,250,000
ICT Hub	-	-
	-	<b>3,250,000</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**10: CASH BOOK BANK BALANCE**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Equity Bank , 0200261809700	15,064,190	12,292,474
<b>Total</b>	<b>15,064,190</b>	<b>12,292,474</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<b>Total</b>		-	-	-

12A. RETENTION

	2020-2021	2019-2020
	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	-	-

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	12,292,474	5,331,571
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>12,292,474</b>	<b>5,331,571</b>

#### 14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>TOTAL</b>	-	-	-

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

#### 15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	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	-	-

#### 16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	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 receivables D= A+B-C	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	260,270	630,594
Others ( <i>specify</i> )	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	32,288	1,352,704
Use of goods and services	3,284,874	3,893,405
Amounts due to other Government entities (see attached list)	9,513,744	72,299,615
Amounts due to other grants and other transfers (see attached list)	34,370,863	3,758,173
Acquisition of assets	6,300	6,300
Others ( <i>specify</i> )	250,000	250,000
Funds pending approval	14,295,000	100,000
	<b>61,753,068</b>	<b>81,660,197</b>

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**17.4: PMC account balances (See Annex 5)**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	54,052,264	32,452,604
	54,052,264	32,452,604

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	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.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
<b>NG-CDFC Staff</b>				
1. PATRICIA WANGARI MWANGI	OFFICE ASSISTANT	1/1/2021	21297	CONTRACTUAL
2. NANCY WANGUI KAMAU	RECORDS OFFICER	1/1/2021	31047	CONTRACTUAL
3. BONIFACE KAMAU NJOGU	LIASON OFFICER	1/1/2021	62611	CONTRACTUAL
4. MARTHA NJERI MWANGI	ACCOUNT ASSISTANT	1/1/2021	41520	CONTRACTUAL
5. PETER WAWERU CHEGE	DRIVER	1/1/2021	26877	CONTRACTUAL
6. HARISON KAMAU	CLERK OF WORKS	1/1/2021	45871	CONTRACTUAL
7. MARGARET WAIRIMU	IT OFFICER	1/1/2021	31047	CONTRACTUAL
<b>Sub-Total</b>			260,270	
<b>Grand Total</b>			260,270	

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		32,288	1,352,704	
Use of goods & services		3,284,875	3,893,405	
Amounts due to other Government entities			72,299,615	
Shermoi Primary School	Construction of 16 door toilets	1,600,000		
narasha Secondary School	Construction of an office and toilets	1,213,744		
Ndabibi Secondary School	Top up in construction of 2 classrooms	1,600,000		
Ngeya Primary SCHOOL	Construction of 2 classrooms and supply of 100 lockers	3,500,000		
St.Pauls' Primary School	Top up in construction of 2 classrooms	1,600,000		
<b>Sub-Total</b>		<b>9,513,744</b>		
<b>Amounts due to other grants and other transfers</b>			3,758,173	
<b>Emergency</b>		613,863		
<b>6.0 Environment</b>		2,000,000		
KINAMBA CHIEFS OFFICE		3,500,000		
Bursary		28,257,000		
<b>Sub-Total</b>		<b>34370863</b>		
Acquisition of assets		6,300	6,300	
<b>Others (specify)</b>				
Strategic plan		250,000	250,000	

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Sub-Total				
Funds pending approval	14,295,000	100,000		
<b>Grand Total</b>	<b>61,753,068</b>	<b>81,660,197</b>		

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
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>12,047,091</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

<b>PMC</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
MIRERA PRIMARY SCHOOL	0200261802505	333	
NAIVASHA POLICE STATION	0200279179310	2,380	
NYAKAIRU PRIMARY SCHOOL	0200264731230	979	
MARAIGUSHU CHIEFS OFFICE	0200263890354	396	
SISION AP POST	0200280152806	2,365	
MAIELLA TOWNSHIP PRIMARY SCHOOL	0200262513200	378,063	
NDABIBI CENTRAL PRIMARY SCHOOL	0200264946164	1,092,848	
MWICIRINGIRI PRIMARY SCHOOL	0200277658235	4,400,793	
MAIELLA CENTRAL SECONDARY SCHOOL	0200277345126	68,572	
MUNYU SECONDARY SCHOOL	0200270899968	1,369,861	
GOVERNOR SECONDARY SCHOOL	0200270718511	310,623	
NARASHA SECONDARY SCHOOL	0200278948887	94,003	
HIGHWAY SECONDARY SCHOOL	0200280235227	5,325,143	
NAIVASHA NGCDF SPORTS	0200277375783	976,359	
NAIVASHA G.K. PRISON PRIMARY SCHOOL	0200280342748	195,498	
NYAMATHI SECONDARY SCHOOL	0200263890354	1,484	
MANERA PRIMARY SCHOOL	0200263789176	980	
KIHARA SECONDARY SCHOOL	0200279493783	3,209,999	
NDABIBI MAIN SECONDARY SCHOOL	0200280296282	171,473	
NDOROTO SECONDARY SCHOOL	0200277650952	136,996	
KARAI SECONDARY SCHOOL	0200270648561	9,248	
VIWANDANI POLICE POST	0200280781629	1,410	
NGONDI PRIMARY SCHOOL	0200280765699	8,700	
KINUNGI PRIMARY SCHOOL	0200262325460	772,201	
NAMUNCHA PRIMARY SCHOOL	0200280777196	1,600	
KARIMA PRIMARY SCHOOL	0200271657882	4,380,310	
NYAMATHI PRIMARY SCHOOL	0200279844241	239,570	

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<b>PMC</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
LAKEVIEW PRIMARY SCHOOL	0200280764199	213,506	
SHERMOI PRIMARY SCHOOL	0200279786048	264,375	
NG'ATI PRIMARY SCHOOL	0200280781964	2,199,100	
NARASHA PRIMARY SCHOOL	0200268970615	120,367	
LONGONOT DEB PRIMARY SCHOOL	0200264942732	7,587	
NYAKINYUA PRIMARY SCHOOL	0200280769996	192,230	
MUNYU PRIMARY SCHOOL	0200262322222	5,601,590	
CENTRAL PRIMARY SCHOOL	0200263501814	2,417,954	
NGONDI SECONDARY SCHOOL	0200263789083	1,698,965	
MUNENGI PRIMARY SCHOOL	0200263458668	599,805	
KIJABE TOWNSHIP SECONDARY SCHOOL	0200264485403	13,475	
OLD KIJABE PRIMARY SCHOOL	0200269777958	2,461,611	
MILIMANI PRIMARY SCHOOL	0200262827638	6,899,529	
NYONJORO SECONDARY SCHOOL	0200290872119	2,601,620	
MAIELLA CHIEF'S OFFICE	0200280784045	4,000,000	
ST.PAULS' PRIMARY SCHOOL	0200263446804	401,860	
MAAI MAHIU PRIMARY	0200263943415	600,170	
KIPKONYO SECONDARY SCHOOL	0200277625894	606,335	
Naivasha NG-CDF sports	0200277375783	0	1,796
Shermoi primary School	0200279786048	264,375	249,700
Manera primary school	0200263789176	0	450
Munyu primary school	0200262322222	5,601,590	174,710
Nyamathi primary school	0200279844241	239,570	2,002,000
Shindano primary school	0200277353510	775	507,955
Unity primary school	0200262312422	0	121,040
Gathima primary school	0200277352509	223,378	4,963,895

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<b>PMC</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
Mitamaiyu primary school	0200262583520	302,893	7,001,590
Ngunyumu primary school	0200268198406	0	2,738
Ereri primary school	0200270334806	0	122,230
Longonot township primary school	0200262865544	0	11,350
Kinamba primary school	0200262213397	6,943	1,909,713
Kabati primary school	0200268198580	52,500	3,004,300
Longonot township secondary school	0200261661858	9,086	1,283,757
Kiambogo secondary school	0200269326212	22,841	923,765
Ndoroto secondary school	0200277650952	136,995	887,348
Rutere secondary school	0200262582928	2,762	601,602
Ndabibi West Chiefs office	0200277650196	0	8,080
Mountain view Ap post	0200272136385	0	400
Dric vocational training center	0200277363839	0	2,060
Naivasha Central primary school	0200263501814	2,417,954	361,910
Ngeya primary school	0200262541442	0	1,915
Karai Secondary school	0200270648561	0	7,408
Lake Naivasha Girls Secondary school	0200278987768	116,337	245,798
Milimani high school	0200262721465	0	161,191
Karima secondary school	0200278992593	28,217	2,050,038
Maryland police post	0200272287509	18,279	1,000,290
Kongoni ACC office	0200278964979	0	72,026
Kamuyu AP post	0200277349608	0	49,812
Naivasha police station	0200279179310	0	1,500
Maai mahiu chiefs office	0200277655374	36,430	1,000,425
Kiburuti primary school	0200279407495	0	20,880
Nyonjoro primary school	0200263789046	0	425
Kayole chiefs office	0200279896304	101,880	3,500,000
Rutere Primary School	1271020165	0	198,507
<b>TOTAL</b>		<b>54,052,264</b>	<b>32,452,604</b>

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**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)
6.0 Bursary Payments	it was not possible to confirm whether bursary payments of Kshs.11,638,036 were issued to deserving recipients.	The committee will detail the vetting requirements and details in future to ensure only the bright and needy students benefit as per the NGCDF Act 2015.	resolved	F/Y2020/2021
8.0 Cash and Cash Equivalent	The management has not explained why the stale cheques were not reserved and why bank charges and receipt in bank were not recorded in cashbook.	Stale cheques will always be reversed as soon as they get stale and cash book issues will be dealt with promptly.	resolved	Six months after cheques are drawn
1.0 Maintenance	it has not been possible to confirm	The management has	resolved	

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of a Fixed Asset	whether Management has in place mechanisms for effective management of the fixed asset to safeguard them against pilferage.	introduced a more detailed schedule for the fixed assets capturing the status and location and monitored quarterly.	
<b>1.1 Expenditure Budget Analysis</b>	<p>The under expenditure of Kshs.71,072,447 or 38% may have curtailed delivery of goods and services to the residents of Naivasha Constituency. This implies that public funds were lying idle at the expense of other deserving areas</p>	<p>The management has ensured that once funds are received, the funds are released to the projects immediately.</p>	<p>F/Y 2020/2021</p>
<b>1.4 Project Status</b>	<p>The incomplete fifty-seven (57) projects amounted to Kshs.82,025,863 which was attributed to slow tender processes and delay in disbursements by National Government Constituency Development Fund Board.</p>	<p>The management has ensured hastening of tender process</p>	<p>F/Y 2020/2021</p>

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