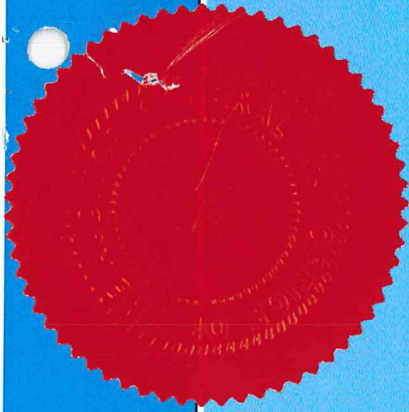


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY	
DATE: 10 FEB 2022	DAY: Wed
TABLED BY: LOM	
OF THE TABLE: S. Kalama	

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
NAKURU TOWN WEST CONSTITUENCY**

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





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
NAKURU TOWN WEST CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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

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Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	II
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE .....	V
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES.....	X
<del>IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....</del>	<del>Xi</del>
V. STATEMENT OF NG-CDF NAKURU TOWN WEST MANAGEMENT RESPONSIBILITIES.....	XX
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- NAKURU TOWN WEST CONSTITUENCY.....	XXI
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	1
IX. STATEMENT OF CASHFLOW .....	3
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	4
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	6
XII. SIGNIFICANT ACCOUNTING POLICIES.....	9
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	13

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**Core Values**

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

**(b) Key Management**

The NGCDF Nakuru Town West Constituency day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Faith Kathambi
2.	Sub-County Accountant	Beatrice Ndege
3.	Chairman NGCDFC	Wilfred Nyakundi
4.	Member NGCDFC	Douglas Sengera

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF Nakuru Town West Constituency Headquarters**

P.O. Box 16051  
NAKURU.  
GILANI STREET  
HOLLYCROSS KOLEN ROAD



*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**(f) NGCDF Nakuru Town West Constituency Contacts**

Telephone: (254) 722606424  
E-mail: nakurutwest@gmail.com

**(g) NGCDF Nakuru Town West Constituency Bankers**

1. Family Bank  
Nakuru finance branch  
P.O Box 519-20100  
Nakuru.

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Annual Constituency Allocation

I am pleased to present the unaudited financial statements for Nakuru Town West Constituency for the financial year ended 30th June 2020. During the year, the Constituency was allocated a total of Kshs 137,367,724.14 as normal allocation and Kshs 36,000.00 as Appropriation In Aid (AIA).

On receipt of the above allocations, Nakuru Town West National Government Constituencies Development Fund Committee (NG-CDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noted that during the FY 2019/2020, we received 72.76% of the normal Constituency funding equivalent to Kshs 100,000,000.00 and these funds were then disbursed to earmarked projects. In addition the constituency Received Kshs. 2,000,000 which is for the previous financial year, thus the total amount received during the financial year was Kshs 102,000,000.

Sector Prioritization

During the year, a total of Kshs 40,600,000.00 was allocated as transfers to other Government Units which consist of transfers to primary schools and secondary schools compared to an allocation of Kshs 36,347,166.88 allocated during the FY 2018/2019.

The Committee also allocated Kshs 47,068,721.79 in normal allocation towards other grants and transfers which consists of Bursary, Mocks and CATs, sports, environment and emergency compared to an allocation of Kshs 36,680,029.84 in the FY 2018/2019. Other allocations during the FY 2019/2020 include Kshs 13,369,747.59 towards Security Projects, Kshs 13,000,000.00 towards Roads Projects and a total of Ksh.12,365,255.17 allocated towards administrative costs as well as the NGCDFC monitoring & evaluation programmes and Capacity Building.

Sectoral Analysis of Funding

Over the past 8 years since start of the constituency, the Constituency has received a total of Kshs 674,288,362.53 which were subsequently disbursed to various projects in such sectors as education, water, health, roads and bridges, security etc, in addition to the statutory bursary, emergency, sports, environment, administration and monitoring and evaluation votes. The funding has benefitted over 300 projects and the breakdown in terms of the number of projects funded falling under National Government in these leading sectors over the last five years is as hereunder provided;

Number of Projects Per Sectors FY2019/2020 - 2013/14 (In Key Sectors)

Sector	Number of Projects						
	2019/2020	2018/19	2017/18	2016/17	2015/16	2014/15	Total
Primary Schools	18	17	10	7	12	20	84
Secondary Schools	3	5	3	4	5	7	27
Security	5	4	NIL	3	1	2	6
Roads	3	4	7	5	5	3	27
<b>Total No Funded</b>	<b>29</b>	<b>30</b>	<b>20</b>	<b>19</b>	<b>23</b>	<b>32</b>	<b>144</b>

Source: Nakuru Town West NG-CDF Records (2020)

It is therefore notable that within the education sector, primary schools have realized the highest number of projects funded in the Constituency. Overall, the ranking based on highest number projects



*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

funded over the period has primary Schools as the leading sector. The sectorial analysis in terms of total funding to the respective sectors falling under National Government over the last 6 years is as hereunder provided;

**Sectoral Analysis FY2014/15 - 2019/2020 (6 Years)**

<i>No</i>	<i>Financial Year</i>	<i>Amount Allocated</i>	<b>% Sectoral Allocation</b>		
			<i>Education</i>	<i>Roads</i>	<i>Security</i>
	2014/2015	89,704,944.00	33.40	18.95	4.46
	2015/2016	94,912,773.00	25.60	14.78	2.11
	2016/2017	81,896,551.72	26.25	20.37	10.38
	2017/2018	98,189,655.17	34.12	15.35	0
	2018/2019	109,040,875.50	33.33	15.59	11.62
	2019/2020	137,403,724.14	29.55	9.46	9.73
<b>Average % Allocations</b>			<b>30.38</b>	<b>15.75</b>	<b>6.38</b>

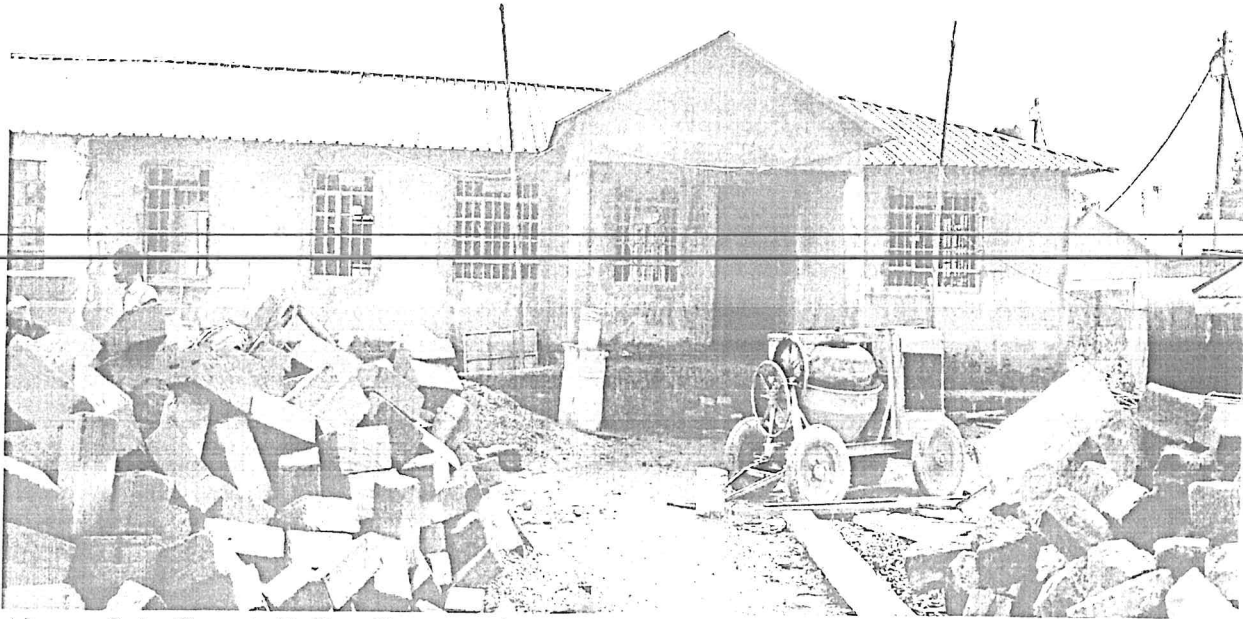
**Source: Nakuru Town West NG-CDF Records (2020)**

From the above, it is evident that the leading sectors over the period are **education, Roads and Security** at an average percentage allocation of **30.38%, 15.75%, and 6.38%** respectively. The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other national government residual functions. During the FY 2019/2020, the Committee undertook to expedite the disbursement of funds to earmarked projects in accordance with the provisions of the NGCDF Act, 2015, as amended in 2016, and the requirements of the Annual Performance Contract. The disbursements saw the implementation of approved project activities across the Constituency. As at the close of the fiscal year 2019/2020 on 30th June 2020, the funds due to projects was Kshs 38,975,349 and the overall funds utilization and absorption rate stood at 72.8 percent. This is an impressive performance realized by the Committee during the year on funds absorption based on funding received from the NG-CDF Board, since there was late disbursement of funds and as at the close of the financial period ending 30<sup>th</sup> June 2020, all the allocated funds had not been received from the NG-CDF Board hence some of the projects implementation had not started.

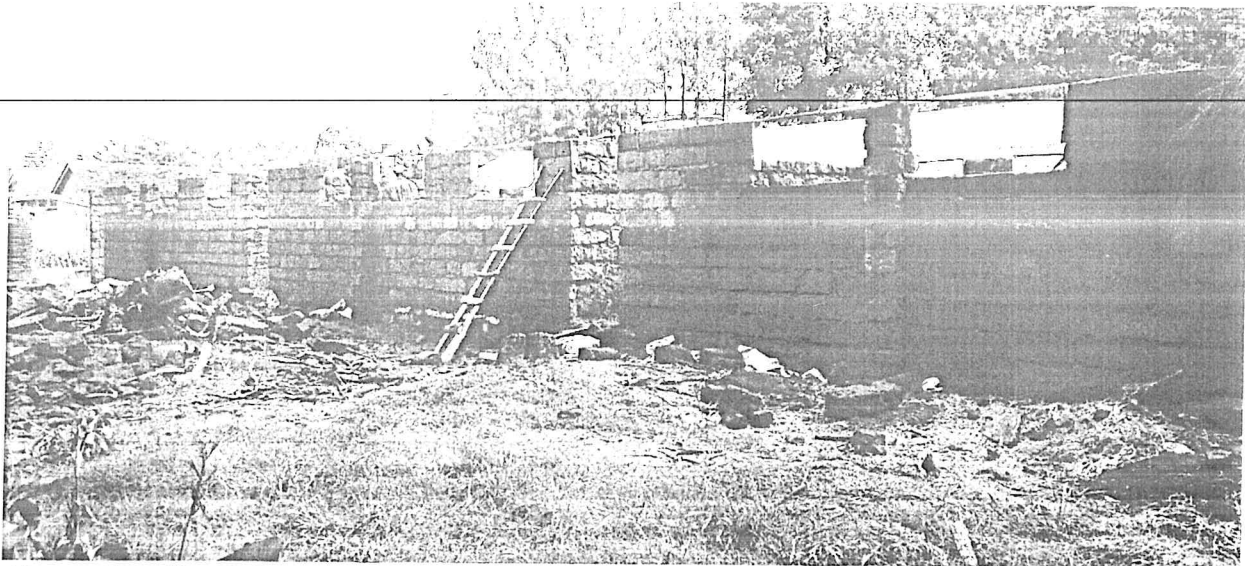
**Achievements and Major Undertakings**

During the year, the Committee disbursed a total of Kshs 31,528,530 as bursary to needy students in secondary, tertiary institutions and this was to benefit a total of over 2,000 students, however due to the COVID19 pandemic, schools were closed hence some of the beneficiaries had not collected their cheques.

Major physical facilities funded are infrastructure such as construction of a police station and police division headquarters, classrooms, removal of Asbestos, Toilet blocks in schools and construction of perimeter walls to secure the schools premises. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary and secondary whilst increasing retention and transition rates while equally reducing the burden of education for low income families. Another major project undertaken during the year is the Construction of Sub-County Police Commander (SCPC) Office and Furnishing Kaptembwo Police station which was fully constructed by NG-CDF with Furnitures, which will serve as Police Division Headquarters. The Sub-County Police Commander (SCPC) Office project is currently ongoing and at 70 percent completion. It is expected that the project will be fully completed by October 2020. Provided below are the current status of some projects funded;



**Above: Sub-County Police Commander (SCPC) Office- Construction ongoing**

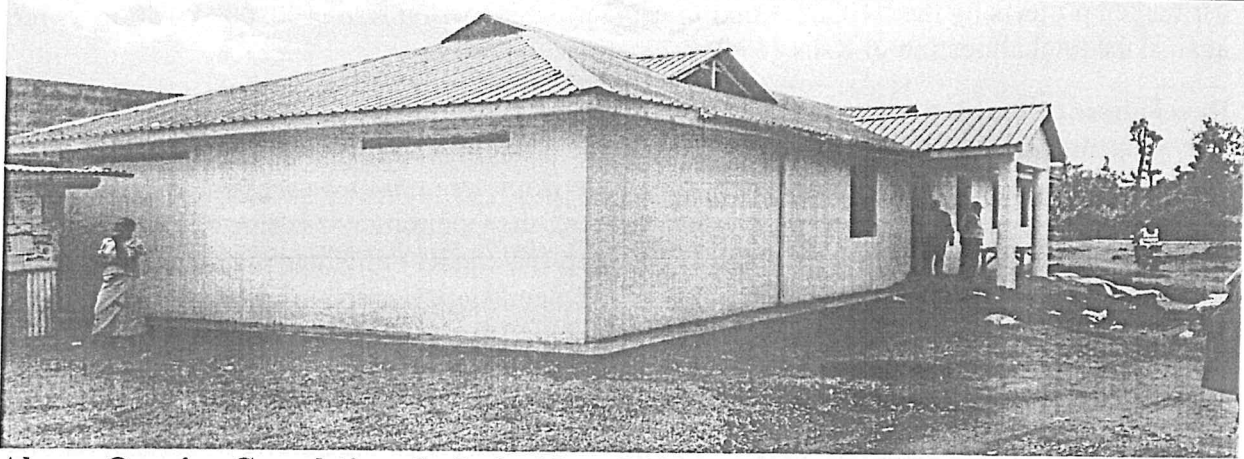


**Above: Muslim Primary School Construction of Three Classrooms- Construction ongoing**

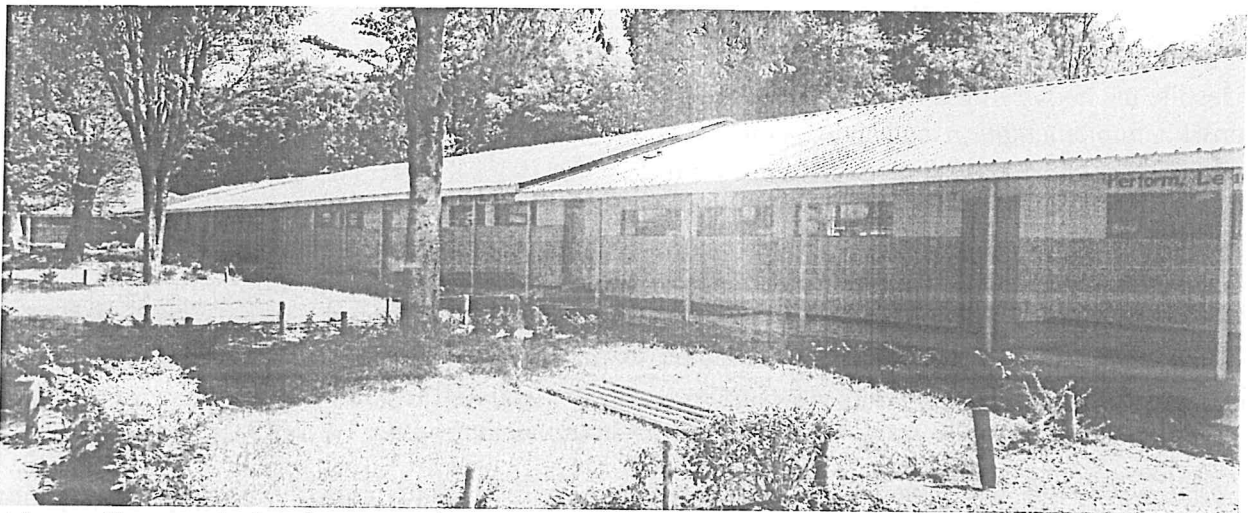


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY**

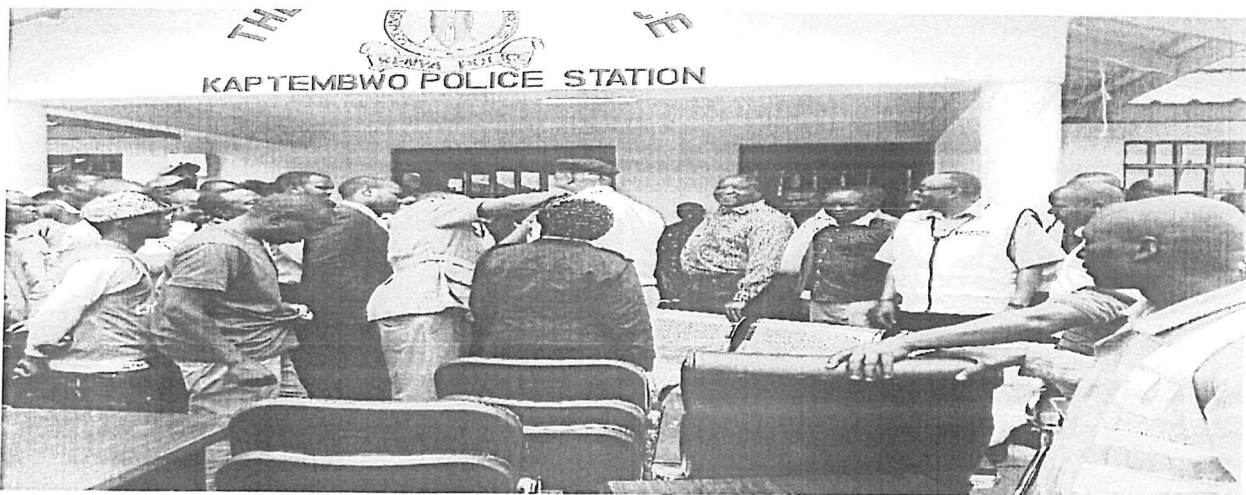
**Reports and Financial Statements  
For the year ended June 30, 2020**



**Above: Ongoing Completions St. Luke Mwariki Police Post- Completion ongoing**



**Above: Removal of Asbestos and re-roofing 14 classrooms in Moi Primary School- Construction ongoing**



**Above: Delivery of purchased Office Furnitures – Kaptembwo Police Station**

**Budgetary Appropriations**

During the financial year 2019/2020, the overall budget utilization stood at 96.54 percent based on the funds received. This was achieved due to expeditious disbursement of funds received to

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)*

*NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

earmarked projects by the NGCDF Committee. During the period Kshs.100, 000,000.00 was received against the total allocation of Kshs 137,367,724.14.

**Development Planning**

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee is basing its development plans on its strategic plan which is a formalized road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NG-CDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

**Challenges**

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2019/2020. These encompass, inadequate record keeping by project management committees and delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the year 2019/2020 scaled up its capacity building programmes for NG-CDF Committee, Project Management Committees and staff on various aspects of NG-CDF projects management. ~~These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees.~~ The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2019/2020.

I wish to sincerely thank the NG-CDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2019/2020.

Sign



**CHAIRMAN NGCDF COMMITTEE**



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

#### Introduction

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

Nakuru Town West is s constituency which is promising. The constituency stands tall on the effective of the capable constituents, its location and the existence of industrial areas and partially sharing town.

The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In emphasising the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2022) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, increase security and environmental conservation among others.

The major development objectives of NGCDF Nakuru Town West Constituency's 2018-2022 plan are to;

- a) Upgrade infrastructure in educational institutions in order to create a conducive learning environment.
- b) Enhance academic performance of educational institutions in Nakuru Town West Constituency.
- c) Ensure access to education by all in order to avoid leaving anyone behind.
- d) Decongest available health facilities.
- e) Enhance access to health care by all constituents.
- f) Improve and enhance the state of existing road, NG-CDF and ICT infrastructure.
- g) Enhance security in each and every part of the constituency.
- h) Empower women to participate in economic development of the constituency.
- i) Empower youth and prepare them for better life and access to employment opportunities.
- j) Empower people with special needs eliminate dependency and abuse.
- k) To nature talent and promote social integration in the constituency.
- l) Ensure access to clean water and sanitation facilities.
- m) To ensure better use and management of the environment to serve current and future generation.
- n) Promote innovation decision making based on statistical facts.

#### IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF Nakuru Town West Constituency, like any other Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Nakuru Town West NG-CDF Committee always highlights Corporate Responsibility as a device with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency.

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The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance.

We further looked at performance on responsible leadership with clear hint on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. This is what guides us to deliver our strategies, which is founded on social sector, specifically; Education, Training, Security Sector Support, Environment, and Sports. This support also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

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

The NG-CDF Committee Nakuru Town West strived to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic;

##### Vision and Mission Statement

**Vision:** A model constituency in economic development. The constituency seeks to make significant giant steps towards achieving economic development. It aims at becoming a model to be emulated by other constituencies in the country.

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**Mission:** Efficient and effective utilization of resources for achievement of equitable and sustainable development. The constituency will endeavour to utilize the available resources in a manner that will bring remarkable change to the people.

**Core Values:** The core values provide information concerning what we believe in and wish to uphold in the course of providing services to the people of Nakuru Town West Constituency. To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a gauge by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

## **2. Environmental performance**

The Environmental policy guiding the NG-CDFC Nakuru Town West are the following:-

- ✓ Comply with all applicable environmental regulations;
- ✓ Prevent pollution whenever possible;
- ✓ Train all of our staff on environmental program and empower them to contribute and participate;
- ✓ Communicate our environmental commitment and efforts to our customers, staff, and our community; and
- ✓ Continually improve over time by striving to measure our environmental impacts and by setting goals to reduce these impacts each year.
- ✓ Complying with all applicable environmental legislation and sustainability commitments
- ✓ Preventing pollution and reducing consumption of resources through waste management strategies that promote waste minimization re-use, recovery and recycling, as appropriate
- ✓ Promoting and continuing to invest in technologies that provide alternatives to business travel
- ✓ Ensure our staff are aware of the environmental impacts of their work activities and encourage them through regular awareness and training to minimize those impacts.
- ✓ Promoting the protection and enhancement of biodiversity and ecosystems through employee awareness programs and stakeholder engagement.
- ✓ Pursuing a programme of continuous improvement by reviewing our Environmental Management System and related objectives, targets, policies and practices.

The NG-CDFC office has conducted trainings in for NG-CDFCs, NG-CDFC staffs and PMCs on environmental management which has great impacted in environment management. These has positively impacted the environment.

The office has noted a major limitation on the environmental management as prolonged draughts being experienced which causes planted seedlings to dry up.

All employees and contractors/Suppliers are encouraged to co-operate with NG-CDFC Office Nakuru Town West in the implementation of the Environmental Policy document and ensure that their own work, so far as is reasonably practicable, is carried out with minimum risk to the environment. Consultation with all relevant stakeholders is structured to ensure environmental awareness.

### **Environmental Action Plan**

The Environmental Action Plan for Nakuru Town West NG-CDF has identified three (3) areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These areas together with our Environmental strategic action are listed below:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

KEY ISSUE	ELEMENTS	DESCRIPTION	STRATEGIC ACTION
	Climate	change Changing climatic conditions have had a negative impact on fauna as well as flora	The constituency will allocate 2 percent of its budget annually to support tree planting, supply of water for agricultural production
	Alternative fuel and energy	Over-dependence on fossil fuels continues to harm the environment and hinders achievement of sustainable development	The constituency will advocate and support the use of clean energy such as solar power. Allocation towards installation of solar energy in schools and other facilities will be given priority
Environmental			
	Waste management and disposal	A lot of waste is generated since the constituency lies at the heart of Nakuru town. This may range from industrial to domestic waste. This may pose hazards to people and environment	To work closely with County government of Nakuru in order to ensure proper waste disposal and management. Recycling and re-use of materials to be encouraged to reduce waste

### 3. Employee Welfare

#### TERMS AND CONDITIONS OF SERVICE

This section highlights the general rules that governs employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

#### Employment Categories

Nakuru Town West NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements as outlined in the act and circulars. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements. Recruitment Procedure.

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done The Advertisement contains the following:

- ✓ Job title
- ✓ Main purpose of the job
- ✓ A brief description of the key responsibilities of the job
- ✓ Education, experience, skills and competencies required for the job

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements  
For the year ended June 30, 2020**

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- ✓ Location of the job
- ✓ Clear instructions on how to apply and information to be submitted in the application
- ✓ Closing date for receipt of applications.

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria. Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

#### **Offer of Appointment**

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

#### **Letters of Appointment**

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

**Orientation and Induction of employees** The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this. Induction and orientation is done within the first three months of employment.

#### **Promotions**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal Recommendations for promotion is only made by the NG-CDFC resolution HEALTH, SAFETY AND WELL BEING This provides guidelines on the health, safety and well-being of the office staff Guidelines to General Safety The office has to maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage. Emergency Preparedness Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

**Fire precautions** The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers Provision of protective equipment and clothing The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Reporting of an Accident Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

**Guidance and counselling**

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

**Health Care Services**

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis HIV and AIDS is a major challenge facing officers in and out of the Institute.

It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive. HIV/AIDS shall be treated like any other challenging issue at the workplace.

All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status. It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace. HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling.

There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers. Drug and Substance Abuse Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC. Persons Living with Disability An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities.

The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities Sexual harassment and other Forms of Harassment Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive. Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.



The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment. Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being. Reporting Harassment Cases Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

#### **COMMUNITY ENGAGEMENTS**

Public Participation in Project Identification and Implementation and Monitoring The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency. The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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. Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- ✓ Providing information helps them understand the issues, options, and solutions available for the projects
- ✓ Consulting with the public aids in obtaining their feedback on alternatives or decisions
- ✓ Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable. 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 Public Awareness and Sensitisation Exercise Provide

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)*

*NAKURU TOWN WEST CONSTITUENCY*

Reports and Financial Statements

For the year ended June 30, 2020

- ✓ A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- ✓ Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- ✓ Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- ✓ Increase public participation at all stages of project cycle funded under NG-CDF kitty
- ✓ Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- ✓ Measure the impact of the projects funded by NG-CDF • Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non-state actors.

Promote awareness creation on constitution and devolved governance system in Kenya Covid-19 Mitigation Measures Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking distributing sanitizers free of charge to the public.

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

Nakuru Town West is s constituency which is promising. The constituency stands tall on the effective of the capable constituents, its location and the existence of industrial areas and partially sharing town.

The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In emphasising the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2022) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, increase security and environmental conservation among others.

The major development objectives of NGCDF Nakuru Town West Constituency's 2018-2022 plan are to;

- o) Upgrade infrastructure in educational institutions in order to create a conducive learning environment.
- p) Enhance academic performance of educational institutions in Nakuru Town West Constituency.
- q) Ensure access to education by all in order to avoid leaving anyone behind.

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

- r) Decongest available health facilities.
- s) Enhance access to health care by all constituents.
- t) Improve and enhance the state of existing road, NG-CDF and ICT infrastructure.
- u) Enhance security in each and every part of the constituency.
- v) Empower women to participate in economic development of the constituency.
- w) Empower youth and prepare them for better life and access to employment opportunities.
- x) Empower people with special needs eliminate dependency and abuse.
- y) To nature talent and promote social integration in the constituency.
- z) Ensure access to clean water and sanitation facilities.
- aa) To ensure better use and management of the environment to serve current and future generation.
- bb) Promote innovation decision making based on statistical facts.

**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) there after converted into development outcomes. Indicators were identified for reasons of tracking progress and performance measurement: Underneath we provide the progress on attaining the stated objectives

Constituen cy Program	Objectives	Outcome	Indicator	Performance
Education	To upgrade infrastructure in educational institutions in order to create a conducive learning environment Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Increased enrolment in primary schools and increase in intake.  Increase in performance and high rate of transition to Secondary school, Tertiary and Colleges.	Number of usable physical infrastructure built in primary and secondary institutions  Number of bursary beneficiaries at all levels	In the FY 2019/2020. We increased schools infrastructures through constructing 16 classrooms, 40 doors toilets and renovation of 20 classrooms in the following schools/institutions;- Mwariki Primary, Mwariki Secondary, Eileen Ngochoch Primary, Moi Primary school, Muslim Primary school, Milimani Primary school, Magoon Primary and Kelelwet Secondary School.
Security	Enhance security in each and every part of the constituency.	Improvement of security in the constituency.  Quick insecurity response by the Police.	Construction of a police station and new police post.  Construction of Sub county Police commander (SCPC) office,	In the FY 2019/2020. We have increased security through constructing Sub-County Police (SCPC) office, 1 Police Station- Kaptembwo Police station and 1 new police post St. Luke Mwariki Police Post



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

		Reduction of crime rates.	Construction of Assistant chiefs office.	and 1 Parkview Assistant chiefs Office.
Environment	To ensure better use and management of the environment to serve current and future generation.	Improvement of environment through planting of trees and maintaining hygiene by construction of Toilets in various schools	Number of Tree seedling planted in schools. Number of Toilets constructed within the financial year.	In the FY 2019/2020. Nakuru Town West Ng-CDF had budgeted to construct two Toilet blocks in Prisons primary school. We had also budgeted to plant 2,400 tree seedlings in the following schools;- Prisons Primary School, Kibowen Koment Primary School, Mogoon Secondary School, Mogoon Primary School, Mwariki Primary School and Nakuru Hills Special School.
Sports	To nature talent and promote social integration in the constituency.	Increase in social integration. Reduction of crime. Improved Cohesion among communities	Number of Tournaments organized and done. Number of sports uniforms distributed to Clubs, Trophies awarded to winning teams.	In the FY 2019/2020. NG-CDF Nakuru Town west had planned for integration through clubs participation and distribution of trophies, balls and sports uniforms to various groups.
Disaster Management	To reduce, or avoid, the potential losses from hazards, assure prompt and appropriate assistance to victims of disaster, and achieve rapid and effective recovery.	Reduction of risks related to disasters.	Number of Trainings done to CDFCs, Staff and PMCs.	In the FY 2019/2020. We have significantly reduced risks related to disasters by training the following groups on Disaster management'- 10 NG-CDFCs, 7 NG-CDFC staffs, 111 PMCs

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**V. STATEMENT OF NG-CDF NAKURU TOWN WEST 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 NG-CDF-Nakuru Town West Constituency is responsible for the preparation and presentation of the NG-CDF-Nakuru Town West Constituency's financial statements, which give a true and fair view of the state of affairs of the NG-CDF-Nakuru Town West Constituency for and as at the end of the financial year 2019/2020 ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF-Nakuru Town West Constituency; (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 NG-CDF-Nakuru Town West Constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

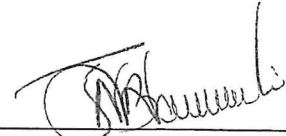
The Accounting Officer in charge of the NGCDF-Nakuru Town West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-Nakuru Town West Constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the NGCDF-Nakuru Town West Constituency's financial position as at that date. The Accounting Officer charge of the NGCDF-Nakuru Town West Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Nakuru Town West 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-Nakuru Town West Constituency confirms that the NG-CDF-Nakuru Town West Constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF-Nakuru Town West Constituency'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 NGCDF-Nakuru Town West 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-Nakuru Town West Constituency financial statements were approved and signed by the Accounting Officer on 22<sup>nd</sup> January 2021.

  
\_\_\_\_\_  
Fund Account Manager  
Name: Faith Kathambi

  
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Sub-County Accountant  
Name: Beatrice Ndege  
ICPAK Member Number:

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAKURU TOWN WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Nakuru Town West Constituency set out on pages 1 to 30, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### **Basis for Qualified Opinion**

##### **1. Other Grants and Transfers**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers totalling to Kshs.60,928,530. The following observations were made:

##### **1.1 Unsupported Construction of Roads and Bridges**

Included in the balance is an expenditure totalling to Kshs.13,000,000 for maintenance of roads and bridges and an amount of Kshs.3,600,000 for emergency fund. The expenditure on emergency fund included an amount of Kshs.2,150,000 on roads incurred on heavy grading, culvert cleaning, fill in hardcore material and compact, gravel patching



with watering and compaction of access roads but the nature of the emergency was not disclosed. Further, these expenditures were not supported with evidence of conditions of the roads. In addition, the drawing/sketch map did not indicate the details of the maintained roads to ease physical verification.

In the circumstances, the accuracy, completeness and validity of expenditure totalling to Kshs.15,150,000 on other grants and payments for the year ended 30 June, 2020 could not be confirmed.

## **1.2. Unsupported Bursaries**

The balance included bursary to secondary schools amount of Kshs.29,694,740 and bursary to tertiary Institutions amount of Kshs.1,833,790. However, acknowledgements for bursary disbursed, list of bursary applications, list of rejected applications and Bursary Committee recommendations, vetting minutes and detail out the cheque numbers and student admission numbers for one thousand and ninety-eight (1,098) students were not provided.

In the circumstances the accuracy, completeness and validity of bursaries totalling to Kshs.31,528,530 for the year ended 30 June, 2020 could not be confirmed.

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

Annex 5 to the financial statements discloses thirty-two (32) Project Management Committee bank balances totalling to Kshs.24,537,316. However, the balances were not supported with bank reconciliation statements and certificate of bank balance. Out of the thirty-two (32) projects, four (4) projects had their status marked as complete and in use yet the related bank balances continued to be active with a balance amount of Kshs.4,970,954 as at 30 June, 2020 in the accounts.

In the circumstances the accuracy, completeness and validity of Committee bank balances totalling to Kshs.24,537,316 as at 30 June, 2020 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 - Nakuru Town West Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.141,040,917 and Kshs.103,637,193 respectively, resulting to an underfunding amounting to Kshs.37,403,724 or 27 % of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.141,040,917 and Kshs.100,210,703 respectively, resulting to an under expenditure amounting to Kshs.40,830,214 or 29% 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. Delay in Project Implementation**

The Project Implementation Status Report for the year under review indicated that thirty-six (36) projects with an allocation totalling to Kshs.77,764,456 were ongoing due to delayed disbursements from the NGCDF- Board while three (3) projects with an allocation totalling to Kshs.7,441,389 were devolved to the County Government and therefore not funded to completion but there was no evidence they were handed over to the County Government.

In the circumstances, I am unable to confirm whether the public will obtain value for money for the above delayed projects with an allocation totalling to Kshs.85,295,845, for the year ended 30 June, 2020.

##### **2. Unsatisfactory Project Implementation**

Physical verification of five (5) projects with an allocation totalling to Kshs.19,000,000 in the month of January, 2021 revealed that they were not satisfactory implemented as detailed in **Appendix I**.

In the circumstances, I am unable to confirm whether the public will obtain value for money for the above unsatisfactory implemented projects with an allocation totalling to Kshs.19,000,000 for the year ended 30 June, 2020.



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

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### **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 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**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant



legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to


those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**20 December, 2021**

## Appendix I: Unsatisfactory Project Implementation

	Payee	Description	Amount (Kshs)	Observation
1	Mwariki Primary School	Construction of toilet block, septic pit, wall construction from bottom and reinforcement of corners and Construction of three (3) classrooms to completion and labelling	4,800,000	-Payments made at various level of completion were not supported with progress report or certificate of work done.
2	Mwariki Primary School	Construction of three (3) classrooms to completion and labelling	3,600,000	-Payments made at various level of completion were not supported with progress report or certificate of work done.
3	Milimani Primary School	Construction of two (2) classrooms to completion and labelling	2,400,000	-Complete but not in use, -Poor workmanship, cracked floors and walls, the ceiling was sagging, the painting was poorly done
4	Kaptembo Police Station	Construction of Sub-county Police Commander (SCPC) Headquarter Office to completion and labeling 17 offices; - Sub-county Police Commander (SCPC) office, Deputy Sub-county Police Commander (DSCPC) office, Traffic base commander office, Criminal investigation department (CID) office and other offices, toilets, septic public toilet and urinal.	10,000,000	-Complete but most of the offices had not been utilized -Awaiting furniture.
5	St. Luke Mwariki Police Post	Completion and finishing works of St Luke Mwariki Police station; - Amory, OCS office, Deputy OCS office, report office, juvenile cells, male and female cells, store and other offices, and construction of septic public toilet to completion.	1,800,000	-Complete but not in use -Awaiting furniture.
		<b>Total</b>	<b>19,000,000</b>	

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY

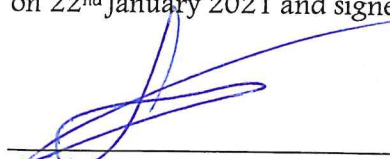
Reports and Financial Statements

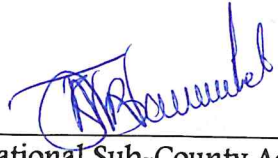
For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	102,000,000	118,420,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	36,000
<b>TOTAL RECEIPTS</b>		<b>102,000,000</b>	<b>118,456,186</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,854,854	2,062,800
Use of goods and services	5	7,321,159	7,693,017
Transfers to Other Government Units	6	27,540,000	48,747,167
Other grants and transfers	7	60,928,530	74,067,328
Acquisition of Assets	8	566,160	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>100,210,703</b>	<b>132,570,312</b>
<b>SURPLUS/DEFICIT</b>		<b>1,789,297</b>	<b>(14,114,126)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nakuru Town West Constituency financial statements were approved on 22<sup>nd</sup> January 2021 and signed by:

  
Fund Account Manager  
Name: Faith Kathambi

  
National Sub-County Accountant  
Name: Beatrice Ndege  
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY

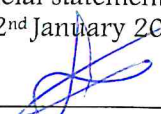
Reports and Financial Statements

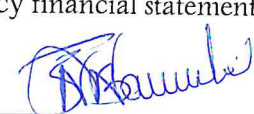
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,462,490	1,673,193
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>3,462,490</b>	<b>1,673,193</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,462,490</b>	<b>1,673,193</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>3,462,490</b>	<b>1,673,193</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	1,673,193	15,787,319
Surplus/Deficit for the year		1,789,297	(14,114,126)
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>3,462,490</b>	<b>1,673,193</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nakuru Town West Constituency financial statements were approved on 22<sup>nd</sup> January 2021 and signed by:

  
Fund Account Manager  
Name: Faith Kathambi

  
National Sub-County Accountant  
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ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NAKURU TOWN WEST CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	102,000,000	118,420,186
Other Receipts	3	-	36,000
		<b>102,000,000</b>	<b>118,456,186</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	3,854,854	2,062,800
Use of goods and services	5	7,321,159	7,693,017
Transfers to Other Government Units	6	27,540,000	48,747,167
Other grants and transfers	7	60,928,530	74,067,328
Other Payments	9	-	-
		<b>99,644,543</b>	<b>132,570,312</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>2,355,457</b>	<b>(14,114,126)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	566,160	-
<b>Net cash flows from Investing Activities</b>		<b>(566,160)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>1,789,297</b>	<b>(14,114,126)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>1,673,193</b>	<b>15,787,319</b>
<b>Cash and cash equivalent at END of the year</b>		<b>3,462,490</b>	<b>1,673,193</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nakuru Town West Constituency financial statements were approved on 22<sup>nd</sup> January 2021 and signed by:



**Fund Account Manager  
Name: Faith Kathambi**



**National Sub-County Accountant  
Name: Beatrice Ndege  
ICPAK Member Number:**



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

**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,403,724	3,637,193	141,040,917	103,637,193	37,403,724	73.5%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts			0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,403,724</b>	<b>3,637,193</b>	<b>141,040,917</b>	<b>103,637,193</b>	<b>37,403,724</b>	<b>73.5%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,150,000	964,839	4,114,839	3,854,854	259,985	93.7%
Use of goods and services	8,249,095	666,944	8,916,039	7,321,159	1,594,880	82.1%
Transfers to Other Government Units	40,600,000	540,000	41,140,000	27,540,000	13,600,000	66.9%
Other grants and transfers	84,438,469	1,465,411	85,903,880	60,928,530	24,975,350	70.9%
Acquisition of Assets	966,160	0	966,160	566,160	400,000	58.6%
Other Payments	0	0	0	-	-	0.0%
<b>TOTAL</b>	<b>137,403,724</b>	<b>3,637,193</b>	<b>141,040,918</b>	<b>100,210,703</b>	<b>40,830,214</b>	<b>71.1%</b>

(i) The budget utilization difference on the receipt from the NG-CDF board was Kshs 37,403,724 which is equivalent to 26.5% this was the amount which had not been received from Ng-Cdf Board as at the closure of the financial year.

(ii) Use of goods and services has a budget utilization difference of Kshs. 1,594,880 representing 17.9%. This is the amount which was meant for the payment of allowances and for the purchase of goods and services. This amount had not been utilized due to the delayed disbursement of funds from NG-CXDF Board.

(iii) Transfer to other government entities has unutilized amount totalling to Kshs. 13,600,000 which is 33.1%. This had not been utilized at the closure of the financial year.



**REPORTS AND FINANCIAL STATEMENTS DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

On the adjustment column under transfer to other government unit is different from what was reported in the financial year 2018/2019. During the financial year 2018/2019 under transfer to other government units it was reported as Kshs 2,000,000 which in the FY2019/20 has been reported as Kshs 540,000. The difference is the amount which was reallocated to bursaries totalling to Kshs 1,460,000 via letter referenced to the NKR T.W/NG-CDF BOARD/003/18/19 dated 24<sup>th</sup> April 2019 and an approval from the NG-CDF board referenced NG-CDF BOARD/NAKURU TOWN WEST /VOL.2/19 dated 1<sup>st</sup> July 2019. This amount is included in the amount recorded under other grants and other transfers as Kshs 1,465,411. The amount which was reported in the financial statement during the FY2018/19 was Kshs. 5,411.

(iv) Other grants and other transfers has a budget utilization difference of 29.1% this also was due to the delayed disbursement of funds from the NG-CDF board.

(v) Acquisition of assets has a difference of Kshs 400,000 which is 41.4% this are funds meant for purchase of office furniture. The amount had not been spent due to the delayed disbursement of funds from NG-CDF board.

The NGCDF-Nakuru Town West Constituency financial statements were approved on 22<sup>nd</sup> January 2021 and signed by:



**Fund Account Manager**  
**Name: Faith Kathambi**



**Sub-County Accountant**  
**Name: Beatrice Ndege**  
**ICPAK Member Number:**

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

**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2019/2020	Kshs	Kshs	Kshs	2019/2020	Kshs	30/06/2020	Kshs		Kshs
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	3,150,000		964,839		4,114,839		3,854,855		259,984	
1.2 Committee allowances	1,456,000		282,759		1,738,759		892,000		846,759	
1.3 Use of goods and services	2,672,063		97,050		2,769,113		2,745,162		23,952	
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	1,500,000		-		1,500,000		1,500,000		-	
2.2 Committee allowances	1,352,000		150,000		1,502,000		780,000		722,000	
2.3 Use of goods and services	1,269,032		137,136		1,406,168		1,403,997		2,171	
<b>3.0 Emergency</b>										
	7,198,241				7,198,241		3,600,000		3,598,241	
<b>3.1 Primary Schools</b>										
<b>3.2 Secondary schools</b>										
<b>3.3 Tertiary institutions</b>										
<b>3.4 Security projects</b>										
<b>4.0 Bursary and Social Security</b>										
4.1 Primary Schools										
4.2 Secondary Schools	31,375,771		1,460,000		32,835,771		29,694,740		3,141,031	
4.3 Tertiary Institutions	3,000,000		5,410		3,005,410		1,833,790		1,171,620	
4.4 Universities										
4.5 Social Security										
<b>5.0 Sports</b>										
5.1	2,747,354.48				2,747,354				2,747,354	
5.3										
<b>6.0 Environment</b>										

REPORTS AND FINANCIAL STATEMENTS DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2020

6.1 Prisons Primary School	1,023,677		1,023,677		1,023,677
6.2 Prisons Primary School	1,023,677		1,023,677		1,023,677
6.3 Milimani Primary School	100,000		100,000		100,000
6.4 Nakuru Hills Special School	100,000		100,000		100,000
6.5 Prisons Primary School	100,000		100,000		100,000
6.6 Kibowen Komen Primary School	100,000		100,000		100,000
6.7 Mogoong Secondary School	100,000		100,000		100,000
6.8 Mogoong Primary Primary School	100,000		100,000		100,000
6.9 Mwariki Secondary School	100,000		100,000		100,000
<b>7.0 Primary Schools Projects</b>					
7.1 Mama Ngina Primary School		270,000		270,000	
7.2 Moi Primary School	1,200,000		1,200,000		
7.3 Moi Primary School	1,500,000		1,500,000		
7.4 Uhuru Primary School	2,400,000		2,400,000		
7.5 Milimani Primary School	2,400,000		2,400,000		2,400,000
7.6 Kibowen Komen Primary School	1,500,000		1,500,000		
7.7 Eileen Ngochoch Primary School	1,500,000		1,500,000		1,500,000
7.8 Mogoong Primary School	1,200,000		1,200,000		1,200,000
7.9 Mogoong Primary School	1,200,000		1,200,000		
7.10 Mogoong Primary School	2,400,000		2,400,000		
7.11 Mwariki Primary School	3,600,000		3,600,000		
7.12 Mwariki Primary School	1,200,000		1,200,000		
7.13 Mwariki Primary School	1,200,000		1,200,000		
7.14 Muslim Primary School	3,600,000		3,600,000		
Muslim Primary School	1,500,000		1,500,000		
Koinange Primary School	2,400,000		2,400,000		
Mama Ngina Primary School	1,800,000		1,800,000		1,800,000
Kelelwet Primary School	1,200,000		1,200,000		1,200,000
Mwariki Primary School	1,000,000		1,000,000		1,000,000



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

<b>8.0 Secondary Schools Projects</b> (List all the Projects)								
Mwariki Secondary School		270,000		270,000				
Mwariki Secondary School	3,600,000			3,600,000				
Kelwet Secondary School	1,200,000			1,200,000				1,200,000
Kenyaatia Secondary School	3,000,000			3,000,000				3,000,000
<b>9.0 Tertiary institutions Projects</b>								
<b>10.0 Security Projects</b>								
10.1 Parkview Chief and Assistant Chief								
10.2 Office.	569,748			569,748				569,748
10.3 Deputy County Commissioner								
(DCC) Office.	500,000			500,000			500,000	
10.4 Kaptembwo Police Station	500,000			500,000				
10.5 Kaptembwo Police Station	10,000,000			10,000,000				
10.6 St Luke Mwariki Police Post	1,800,000			1,800,000				
10.7 Construction of DCC office	11,000,000			11,000,000				11,000,000
<b>11.0 Acquisition of assets</b>								
11.1 Motor Vehicles (including motorcycles)								
11.2 Construction of CDF office								
11.3 Purchase of furniture and equipment	400,000			400,000				400,000
11.4 Purchase of computers	566,160			566,160				
<b>12.0 Others</b>								
12.1 Strategic Plan								
12.2 Innovation Hub								
<b>Roads</b>								
Soyretet barut access road	4,000,000			4,000,000				
Mogoon sec sch scholar academy rd	4,500,000			4,500,000				
Kaplares -Lalwet Rd	4,500,000			4,500,000				
	<b>137,403,724</b>	<b>3,637,194</b>	<b>141,040,918</b>	<b>100,210,703</b>				<b>40,830,215</b>



## **XII. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Nakuru Town West 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 NG-CDF-Nakuru Town West Constituency for all the years presented.

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

The NG-CDF-Nakuru Town West Constituency recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the NG-CDF-Nakuru Town West Constituency.

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

#### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving NG-CDF-Nakuru Town West Constituency.

## SIGNIFICANT ACCOUNTING POLICIES

### External Assistance

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

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

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

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### Other receipts

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

### b) Recognition of payments

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

### Compensation of Employees

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

### Use of Goods and Services

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

### Acquisition of Fixed Assets

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the NG-CDF-Nakuru Town West 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

## SIGNIFICANT ACCOUNTING POLICIES

### 11. Budget

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

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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 2020.

### 14. Errors

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

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

### 15. Related Party Transactions

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Normal Allocation			
B005192	1		9,379,310
B030325	2		10,000,000
B005431	3		15,000,000
B006479	4		6,000,000
A724492	5		11,000,000
B042813	6		12,000,000
B047523	7		55,040,876
B047155	1	2,000,000	
B041162	2	4,000,000	
B047629	3	20,000,000	
B047991	4	6,000,000	
B104053	5	14,000,000	
B104432	6	24,000,000	
BO96768	7	32,000,000	
Conditional Grants			
Receipt from other Constituency			
<b>TOTAL</b>		<b>102,000,000</b>	<b>118,420,186</b>

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	36,000
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>0</b>	<b>36,000</b>

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	1,665,936	1,406,736
Basic wages of casual labour		60,000
<b>Personal allowances paid as part of salary</b>		
House allowance	241,975	155,089
Transport allowance	261,952	186,596
Leave allowance		
Other personnel payments	306,537	237,578
Employer contribution to NSSF	16,800	16,800
Gratuity-contractual employees	1,361,655	-
<b>TOTAL</b>	<b>3,854,854</b>	<b>2,062,800</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU  
TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	620,000	423,600
Electricity	20,000	36,543
Water & sewerage charges	-	20,000
Office rent	600,000	600,000
Communication, supplies and services	233,600	195,900
Domestic travel and subsistence	0	58,000
Printing, advertising and information supplies & services	0	70,540
Rentals of produced assets		
Training expenses	1,500,000	1,011,000
Hospitality supplies and services	86,190	197,660
Other committee expenses	437,600	1,181,000
Committee allowance	1,672,000	2,182,000
Insurance costs	17,807	197,108
Specialised materials and services		
Office and general supplies and services	1,744,247	310,800
Fuel , oil & lubricants	0	138,000
Other operating expenses	20,700	180,000
Bank service commission and charges	21,055	33,766
Security operations	156,000	112,800
Routine maintenance - vehicles and other transport equipment	0	0
Routine maintenance- other assets	191,960	744,300
<b>TOTAL</b>	<b>7,321,159</b>	<b>7,693,017</b>



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	23,670,000	28,097,167
Transfers to Secondary Schools	3,870,000	17,650,000
Transfers to Tertiary Institutions		
Transfers to special Institutions		3,000,000
<b>TOTAL</b>	<b>27,540,000</b>	<b>48,747,167</b>

7. OTHER GRANTS AND OTHER PAYMENTS

7 OTHER GRANTS AND OTHER PAYMENTS			
Description	2019 - 2020	2018 - 2019	
	Kshs	Kshs	
Bursary - Secondary	29,694,740	18,554,017	
Bursary -Tertiary	1,833,790	12,392,335	
Bursary- Special Schools	-	-	
Mocks & CAT	-	-	
Water	-	-	
Food Security	-	-	
Electricity	-	-	
Security	12,800,000	12,677,027	
Roads and Bridges	13,000,000	20,000,000	
Sports	-	2,408,404	
Environment	-	1,727,586	
Cultural Projects	-	-	
Agriculture	-	-	
<b>Emergency Projects</b>	<b>3,600,000</b>	<b>6,307,959</b>	
<b>TOTAL</b>	<b>60,928,530</b>	<b>74,067,328</b>	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU  
TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	566,160	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>566,160</b>	<b>-</b>

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Family Bank-Nakuru Finance Branch, A/C no.018000049795</i>	3,462,490	1,673,193
<b>Total</b>	<b>3,462,490</b>	<b>1,673,193</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 or Institution</i>	dd/mm/yy	0	0	0
<b>Total</b>				<b>0</b>

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	0	0
Name 2	0	0
Name 3	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

13. BALANCES BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	<i>Kshs (1/7/2019)</i>	<i>Kshs (1/7/2018)</i>
Bank accounts	1,673,193	15,787,319
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>1,673,193</b>	<b>15,787,319</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>specify</i> )	0	0	0
	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	0	0
Imprest issued during the year (B)	1,714,600	3,821,700
Imprest surrendered during the Year (C)	1,714,600	3,821,700
Net changes in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU  
TOWN WEST

Reports and Financial Statements  
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	259,985	964,839
Use of goods and services	1,594,880	666,944
Amounts due to other Government entities (see attached list)	13,600,000	540,000
Amounts due to other grants and other transfers (see attached list)	24,975,350	1,465,411
Acquisition of assets	400,000	0
Others ( <i>specify</i> )	0	0
	40,830,215	3,637,194



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU  
TOWN WEST

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	24,537,316	35,090,119
	<b>24,537,316</b>	<b>35,090,119</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**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>					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST CONSTITUENCY**

Reports and Financial Statements  
For the year ended June 30, 2020

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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	B	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
	Sub-Total					
<b>Middle Management</b>						
4.						
5.						
6.						
	Sub-Total					
<b>Unionisable Employees</b>						
7.						
8.						
9.						
	Sub-Total					
<b>Others (specify)</b>						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance FY2018/2019
<b>Compensation of employees</b>		259,985	964,839.00
<b>Use of goods &amp; services</b>		1,594,880	666,944.00
<b>Amounts due to other Government entities</b>			
7.4 Uhuru Primary School		2,400,000	
7.6 Kibowen Komen Primary School		1,500,000	
7.7 Eileen Ngochoch Primary School		1,500,000	
Mama Ngina Primary School		1,800,000	270,000.00
Kelelwet Primary School		1,200,000	
Mwariki Primary School		1,000,000	
Kelelwet Secondary School		1,200,000	
Kenyatta Secondary School		3,000,000	
Mwariki secondary school			270,000.00
<b>Sub-Total</b>		<b>13,600,000</b>	<b>540,000.00</b>
<b>Amounts due to other grants and other transfers</b>			1,465,411.00
Parkview Chief and Assistant Chief Office.		569,748	
Construction of DCC office		11,000,000	
Emergency		3,598,241	
<b>Sports</b>		2,747,354	
<b>Environment</b>			
6.1 Prisons Primary School		1,023,677	
6.2 Prisons Primary School		1,023,677	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

6.3	Milimani Primary School	100,000	
6.4	Nakuru Hills Special School	100,000	
6.5	Prisons Primary School	100,000	
6.6	Kibowen Komen Primary School	100,000	
6.7	Mogoon Secondary School	100,000	
6.8	Mogoon Primary Primary School	100,000	
6.9	Mwariki Secondary School	100,000	
	<b>Bursary</b>		
4.2	Secondary Schools	3,141,031	1,460,000
4.3	Tertiary Institutions	1,171,620	5,410
	<b>Sub-Total</b>	24,975,350	1,465,411
	<b>Acquisition of assets</b>		
	<b>Others (specify)</b>	400,000	-
	<b>Sub-Total</b>	400,000	-
	<b>Grand Total</b>	40,830,215	3,637,194

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

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

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	0			
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	639,501			639,501
ICT Equipment, Software and Other ICT Assets	685,499	566,160		1,251,659
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>1,325,000</b>	<b>566,160</b>		<b>1,891,160</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
NAKURU TOWN WEST CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2020

ANNEX 5 – PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020

	PMC	Bank	Account number	2019 - 2020	2018 - 2019
				Kshs	Kshs
1	Soilo-Mogoon-Kapkures-Barut Road	Family Bank	18000076340		2,100
2	Mogoon Sec.-Scholar Academy-Ainoptich Road	Family Bank	18000076338		260
3	Soilo-Ingobor-Lalwet-Kelelwet Road	Family Bank	18000076027		140
4	Kelelwet- Kigonor Road	Family Bank	18000075077		480
5	Ndarugu River Bridge	Family Bank	18000075452		380
6	Sports	Family Bank	18000056700		540
7	Bursary Tertiary	Family Bank	18000070136		80
8	St. Luke Mwariki Police Post	Family Bank	18000076801	709,760	1,544,000
9	Kaptembwo Police Station	Family Bank	18000076476	2,480,137	968,177
10	Moi Primary School	Family Bank	18000030028	1,015,761	1,341,310
11	Kibowen Komen Primary School	Family Bank	18000064130	486	2,251,406
12	Milimani Primary School	Family Bank	18000056290	1,474,516	-
13	Nakuru West Primary School	Family Bank	18000056279		1,612,869
14	Uhuru High School	Family Bank	18000064619		747,416
15	Mogooon Primary School	Family Bank	18000073993	4,553,714	3,413,736
16	Eileen Ngochoch Primary	Family Bank	18000074108	540	3,430,500
17	Mwariki Primary School	Family Bank	18000063319	7,543,513	373,337
18	Moi Secondary School	Family Bank	18000056944		2,152,130
19	Barut Primary School	Family Bank	18000047651		2,852,530
20	Tumaini House School	Family Bank	18000056663		2,201,225
21	Koinange Primary School	Family Bank	18000056306	2,273,881	1,338,877
22	Prisons Primary School	Family Bank	18000070649		2,360,020
23	Parkview Primary School	Family Bank	18000063625		949,366
24	Kelelwet Secondary School	Family Bank	18000069267		2,349,541
25	Tumaini House School	Family Bank	18000069307		1,999,400
26	Nakuru Hills Special School	Family Bank	18000070745		3,000,000
27	Barut Assistant County Commissioner Office	Family Bank	18000076993		200,000
28	Mwariki Secondary School	Family Bank	18000056661		-
29	Ingobor Primary School	Family Bank	18000074021		-
30	Muslim Primary School	Family Bank	18000056292	3,986,028	
31	Deputy County Commissioner Office- Kapkures	Family Bank	18000079846	498,600	
32	Kapkures Lalwet Access Road	Family Bank	18000079676	380	
				<b>24,537,316</b>	<b>35,090,119</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.1	The statement of summary of Appropriation Recurrent and Development reports Kshs. 1,964,000 on total receipts while the correct computation is Kshs. 2,000,000 resulting to a variance of Kshs. 36,000	The variance is unutilized revenue from sale of tender for Kshs. 36000. The inaccuracies is as a result of the funds brought forward from the previous financial year which in this case is treated as financial statement adjustment in the summary statement of appropriation	FAM	Resolved	
2.4	The statement of receipts and payments reflects transfer from CDF Board of Kshs. 118,420,186 while the statement of appropriation reports Kshs. 134,207,505 resulting to a variance of Kshs. 15,787,325.	The amount resulting to the variance is the opening balance by the beginning of the financial year.	FAM	Resolved	
1.4	Comparative opening balance for 2018/2019 on unutilized funds Kshs. 16,766,632 while the figure in 2017/2018 is nil resulting to variance of Kshs. 16,766,632	This was an error in financial statement and was corrected	FAM	Resolved	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAKURU TOWN WEST**

**CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2	The statement of summary of appropriation recurrent and development has a note on payable gratuity of Kshs. 964,839 which is cash set aside but the financial statement has nil.	The amount was unutilized as at the end of financial year since gratuity is payable at the end of the contract period which was ending 30th June 2020.	FAM	Resolved	