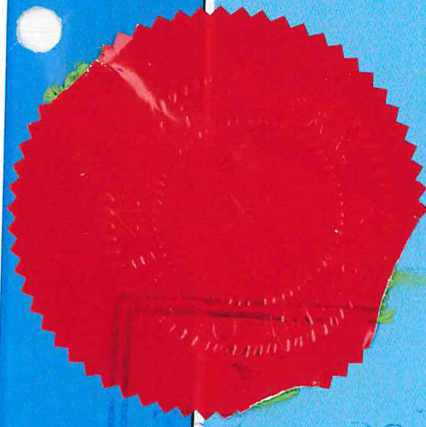


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



NATIONAL ASSEMBLY	
DATE: 10 MAY 2022	DAY: TUESDAY
SIGNED BY: MAJORITY LEADER	
CLERK-AT-THE-TABLE:	

REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
NAROK NORTH CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NAROK
NORTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAROK NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

Core Values

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

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	DAVID M GITHINJI
2.	Sub-County Accountant	JOSEPH MWANGI
3.	Chairman NGCDFC	SAMUEL NAING'ISA
4.	Member NGCDFC	ENE ESHO.

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -NAROK NORTH 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 NAROK NORTH Constituency Headquarters

P.O. Box 664-20500
NG-CDFC Building NAROK NORTH
NAROK, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF NAROK NORTH Constituency Contacts

Telephone: (254) -724925786

E-mail: cdfnaroknorthconstituency@gmail.com

Website: www.ngcdfnaroknorthconstituency.go.ke

(g) NGCDF NAROK NORTH Constituency Bankers

Equity Bank,
Narok Branch,
P O Box 664-20500

Narok.

Account Number; 0360263540325

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

This report and financial statement represents the financial position of NAROK NORTH constituency for the financial year 2018/2019. It lays down the receipts and expenditures of all the funds that NAROK NORTH NG-CDFC received from the NG-CDF BOARD.
I wish to make the following remarks;

a). Year Performance

In the financial year 2018/2019 NAROK NORTH NG-CDF was able to achieve the following comparative performance in various sectors

PAYMENTS	Final Budget	total expenditure	budget utilization difference	% of utilization
Compensation of Employees	4,576,427	2,124,088	2,452,339	46.4%
Use of goods and services	6,719,897	6,810,065	(90,168)	101.3%
Transfers to Other Government Units	85,350,865	82,440,865	2,910,000	96.6%
Other grants and transfers	46,489,998	45,062,907	1,427,091	96.9%
Other payments (Retention)	-	-	-	0.00%
Other Payments (NHIF)	2,000,000	-	2,000,000	0.00%
Constituency Strategic Plan	1,000,000-	993,201	6,799	99.3%
TOTAL	146,137,187	137,431,126	8,706,061	94.0%

b).NG-CDF NAROK NORTH has been able to achieve the following;

1. It has completed 25 primary school projects, 6 secondary school projects, 0 security projects and a Five year constituency strategic plan. Which are in use and has resulted in improved infrastructure in our institutions
2. Funded 1,800 needy students in both secondary and tertiary institutions which has resulted in students' retention in school and improved their academic performance in the FYR2018/2019.

c). Emerging issues related to NG-CDF in NAROK NORTH Constituency are;

1. All learning institutions i.e. secondary and primary schools depend on NG-CDF 100% on development as directed by ministry of education
2. Need to compete with counties to justify the long existence of NG-CDF

d). NG-CDF Implementation challenges in NAROK NORTH Constituency are;

1. Overdependence of the fund by the public on all development related issues. (Here public participation is involved in identification of projects for funding and bursary beneficiaries within the constituency).

2. Funds disbursement from the board is at times untimely leading to unnecessary adjustments. (NG-CDF committee is disbursing funds as soon as funds are received).

1. Many projects allocated funds- leading to projects receiving insufficient funds (NG-CDF is focusing on allocating enough funds to complete the project within 2 years).

Through my leadership, NG-CDFC NAROK NORTH constituency will endeavour to fulfil its mandate in disbursement and monitoring of projects funds as per the guidelines of the NG-CDF ACT 2015



**SAMUEL NAING'ISA
CHAIRMAN NGCDF COMMITTEE**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAROK NORTH CONSTITUENCY**

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

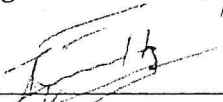
The Accounting Officer in charge of the NGCDF-NAROK NORTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the NGCDF-NAROK NORTH 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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-NAROK NORTH Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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-NAROK NORTH Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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-NAROK NORTH Constituency financial statements were approved and signed by the Accounting Officer on 19/05 2019.


Fund Account Manager
Name: DAVID M GITHINJI


Sub-County Accountant
Name: JOSEPH MWANGI
ICPAK Member Number: 7896

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Narok North Constituency set out on pages 7 to 37, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Narok North Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Examination of the financial statements revealed a variance between the closing balances of financial year 2017/18 and the opening balances for the year under review as summarized in table below;

Financial Statement	2018/19 Financial Statements Balance (Kshs.)	Audited 2017/18 Financial Statements Balance (Kshs.)	Variations (Kshs.)
Statement of Assets and Liabilities			
Fund Balance b/fwd	268,861	2,817,859	(2,548,998)
Statement of Cash-Flow			

Financial Statement	2018/19 Financial Statements Balance (Kshs.)	Audited 2017/18 Financial Statements Balance (Kshs.)	Variiances (Kshs.)
Other Grants and Transfers	23,944,840	26,444,840	(2,500,000)
Cash and Cash Equivalents at the beginning of the year	268,861	2,817,859	(2,548,998)
Cash and Cash Equivalents at the close of the year	23,217,000	25,765,998	(2,548,998)
PMC Account Balances	7,215,961	6,929,284	286,677

Consequently, the accuracy and completeness of the opening balances could not be ascertained.

2. Non-Automation of the Accounting System

National Government Constituencies Development Fund- Narok North Constituency prepares its financial transactions through a manual vote book system which is not updated on a regular basis, instead of the automated vote book or Integrated Financial Management Information System (IFMIS) as authorized by the National Treasury. This is contrary to Section 102 of the Public Financial Management Act Regulations, 2012.

3. Unrepresented Cheques for Bursaries to Secondary Schools

The statement of receipts and payments for the year ended 30 June, 2019 reflects an expenditure of Kshs.45,062,907 against other grants and transfers, which includes an amount of Kshs.28,425,707 for bursaries to secondary schools and tertiary institutions. However, no explanation was given for failure to present cheques amounting to Kshs.4,982,250 for payments.

As a result, the validity of the expenditure of Kshs.28,425,707 could not be confirmed.

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.

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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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

Inadequacies in Project Implementation

i. Olokurto Secondary School

Examination of tender documents revealed that Tender No: NN/GCDF/PRO/2018-2019-024 was awarded to an enterprise for the proposed erection and completion of laboratory block at a contract sum of Kshs.4,200,000. However, the following documents were not availed for audit review:

- a. Acceptance Letter contrary to Section 87 (2) of the Public Procurement and Asset Disposal Act, 2015.
- b. The site inspection report dated 26 June, 2019 revealed that the duration of the contract had elapsed by 40% and an amount totaling to Kshs.3,500,000 had been paid. However, the payment voucher availed reflects that by 27 May, 2019 the total sum had been paid. No explanation was given to this effect.
- c. Agreement form was not filled with the necessary details.
- d. Completion certificate was not provided.

The project was completed by 12 November, 2019 as per the site inspection report from department of public works.

Audit Inspection undertaken on 16 December, 2019 revealed various anomalies as follows:

- i. The project was not labeled to indicate that it was funded by National Government Constituencies Development Fund- Narok North Constituency.
- ii. Roofing timber was not treated.
- iii. Cracks were emerging on the floor.
- iv. Septic tank was not completed.

In the absence of required documents, it has not been possible to establish the performance of the project.

ii. Eneng'etia Primary School

Review of tender documents provided for audit for the construction of 1 classroom to completion Tender No: NN/GCDF/PRO/2018-2019-005 was awarded to the lowest responsive bidder at a contract sum of Kshs.1,000,000. The payment was done vide payment voucher number 55 of 3 April, 2019. However, the following documents were not produced for audit review:

- a) Minutes of meeting dated 12 February, 2019 were both not signed the Fund Accounts Manager and Chairman.
- b) The Letter of Acceptance was not availed.
- c) The Confidential Business Questionnaire and Agreement Form was not filled.
- d) The payment was done to completion yet the certificate of completion was not availed.

The status of the project could not be confirmed since the site inspection report from the department of public works was not availed.

Audit Inspection undertaken on 16 December, 2019 revealed various anomalies as follows:

- i. The roofing timber was not treated
- ii. Roof rafter extension area was not plastered/cemented.

In the absence of required documents, it has not been possible to verify the performance of the project.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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 sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2021



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NAROK NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	122,920,186	95,750,345
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>0</u>	<u>0</u>
TOTAL RECEIPTS		122,920,186	95,750,345
PAYMENTS			
Compensation of employees	4	2,124,088	1,821,257
Use of goods and services	5	6,810,065	6,806,109
Transfers to Other Government Units	6	82,440,865	37,730,000
Other grants and transfers	7	45,062,907	26,444,840
Acquisition of Assets	8	0	0
Other Payments(Strategic Plan)	9	<u>993,201</u>	<u>0</u>
TOTAL PAYMENTS		137,431,126	72,802,206
SURPLUS/(DEFICIT)		<u>(14,510,940)</u>	<u>22,948,139</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK NORTH Constituency financial statements were approved on 19/8/2019 and signed by:



Fund Account Manager
 Name: DAVID M GITHINJI



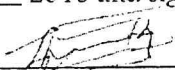
Sub-County Accountant
 Name: JOSEPH MWANGI
 ICPAK Member Number: 7896

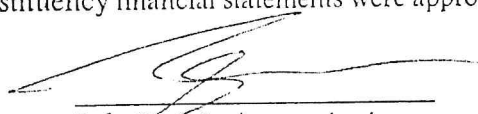
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NAROK NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019**

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,907,105	23,217,000
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		4,907,105	23,217,000
Current Receivables			
Outstanding Imprests	11	3,798,955	0
TOTAL FINANCIAL ASSETS		8,706,060	23,217,000
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	
NET FINANCIAL ASSETS		8,706,060	23,217,000
REPRESENTED BY			
Fund balance b/fwd	13	23,217,000	268,861
Surplus/Deficit for the year		(14,510,940)	22,948,139
Prior year adjustments	14		
NET FINANCIAL POSITION		8,706,060	23,217,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK NORTH Constituency financial statements were approved on 19/8/19 2019 and signed by:


 Fund Account Manager
 Name: DAVID M GITHINJI


 Sub-County Accountant
 Name: JOSEPH MWANGI
 ICPAK Member Number: 7896

NAROK NORTH CONSTITUENCY


Reports and Financial Statements

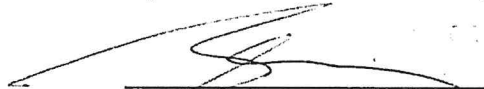
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	122,920,186	95,750,345
Other Receipts	3	0	0
Total receipts		122,920,186	95,750,345
Payments			
Compensation of Employees	4	2,124,088	1,821,257
Use of goods and services	5	6,810,065	6,806,109
Transfers to Other Government Units	6	82,440,865	37,730,000
Other grants and transfers	7	45,062,907	23,944,840
Other Payments(Strategic Plan)	9	993,201	2,500,000
Total payments		(137,431,126)	(72,802,206)
Total Receipts Less Total Payments		(14,510,940)	
Adjusted for:			
Less Outstanding Imprests	11	(3,798,955)	
Add Retention Payable	12A		
Add Gratuity Payable	12B		
Prior Year Adjustments (add/less)	14		
Net Adjustments		(3,798,955)	0
Net cash flow from operating activities		(18,309,895)	22,948,139
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(0)	(0)
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		(18,309,895)	22,948,139
Cash and cash equivalent at BEGINNING of the year	13	23,217,000	268,861
Cash and cash equivalent at END of the year		<u>4,907,105</u>	23,217,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK NORTH Constituency financial statements were approved on 19/8/19 2019 and signed by:


 Fund Account Manager
 Name: DAVID GITHINJI


 Sub-County Accountant
 Name: JOSEPH MWANGI
 ICPAK Member Number: 7896

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	37,096,311	146,137,187	146,137,187	8,706,061	100.0%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	3,853,200	723,227	4,576,427	2,124,088	2,452,339	46.4%
Use of goods and services	5,960,479	759,418	6,719,897	6,810,065	(90,168)	101.3%
Transfers to Other Government Units	60,227,985	25,122,880	85,350,865	82,440,865	2,910,000	96.6%
Other grants and transfers	36,999,212	9,490,786	46,489,998	45,062,907	1,427,091	96.9%
Other Payments(NHIF)	2,000,000	-	2,000,000	-	2,000,000	0.0%
Other Payments(Strategic Plan)	-	1,000,000	1,000,000	993,201	6,799	99.3%
TOTALS	109,040,876	37,096,311	146,137,187	137,431,126	8,706,061	94.0%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. In Compensation of Employees there was budgeted for gratuity which will be paid at the expiry of employees contracts
- ii. Use of goods and services is over utilized due to mix up in the vote book.
- iii. In Other Payments(NHIF), we are in the process of identifying the needy beneficiaries from the constituency.
- iv.

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

For the year ended June 30, 2019

The NGCDF-NAROK NORTH Constituency financial statements were approved on _____ 2019 and signed by:



Fund Account Manager
Name: DAVID GITHINJI



Sub-County Accountant
Name: JOSEPH MWANGI
ICPAK Member Number: 7896

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

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019		Adjustments		Final Budget 2018/2019		Actual on comparable basis 30/06/2019		Budget utilization difference	
	Kshs		Kshs		Kshs		Kshs		Kshs	
1.0 Administration and Recurrent										
1.1 Compensation of employees	3,853,200		723,227		4,576,427		2,124,088		2,452,339	
1.2 Committee allowances	1,680,000		0		1,680,000		1,680,000		0	
1.3 Use of goods and services	1,009,252.52		0		1,009,252.52		1,009,252.52		0	
2.0 Monitoring and evaluation										
2.1 Capacity building	1,200,000		0		1,200,000		1,200,000		0	
2.2 Committee allowances	1,320,000		759,418		2,079,418		2,079,418		0	
2.3 Use of goods and services	751,226		0		751,226		841,394		(90,168)	
3.0 Emergency										
3.1 Primary Schools	5,738,993.45		2,065,168.62		7,804,162.07		7,837,200		(33,037.93)	
3.2 Secondary schools										
3.3 Tertiary institutions										
3.4 Security projects										
4.0 Bursary and Social Security										
4.1 Primary Schools										
4.2 Secondary Schools	8,000,000		(1,156,763)		6,843,237		8,582,743.90		(1,739,507.12)	
4.3 Tertiary Institutions	19,260,219		(1,156,762.79)		18,103,456.21		19,842,963		(1,739,506.79)	
4.4 Universities										
4.5 Social Security	2,000,000		8,159,655.10		10,159,655.10		8,159,655.10		2,000,000	
5.0 Sports										
5.1	2,000,000		2,400,000		4,400,000		4,400,000		0	
5.2										
5.3										

Programme/Sub-programme	Original Budget 2018/2019	Adjustments 2018/2019	Final Budget 2018/2019	Actual on comparable basis 50/06/2019	Budget utilization difference
6.0 Environment					
6.1	2,000,000	2,400,000	4,400,000	4,400,000	0
6.2					
6.3					
7.0 Primary Schools Projects (List all the Projects)					
MURUA PRIMARY SCHOOL		4,500,000	4,500,000	4,500,000	0
NCHURRA ESHUMATA PRIMARY SCHOOL		786,198	786,198	786,198	0
OLOPIRIK PRIMARY SCHOOL		2,500,000	2,500,000	2,000,000	500,000
Emeterai Pri (Entepesi)	2,000,000.00	0	2,000,000	2,000,000	0
Enaibor Ajjik Primary	1,000,000.00	0	1,000,000	1,000,000	0
Enengebia Primary	1,000,000.00	0	1,000,000	1,000,000	0
Ilpolton Primary	3,000,000.00	0	3,000,000	3,000,000	0
Ittareto Pry	1,000,000.00	0	1,000,000	1,000,000	0
Kiluli primary	2,000,000.00	0	2,000,000	2,000,000	0
Korio Primary	1,000,000.00	0	1,000,000	1,000,000	0
Kukwenik pry	100,000.00	0	100,000	100,000	0
Maasai Mara model Pry Sch	4,500,000.00	0	4,500,000	4,500,000	0
Meilanyi Primary	2,000,000.00	0	2,000,000	2,000,000	0
Naitoti Primary	1,000,000.00	0	1,000,000	1,000,000	0
Nchura Yeabori Primary	2,000,000.00	0	2,000,000	2,000,000	0
Ole Sintir Primary	1,200,000.00	0	1,200,000	1,200,000	0
Olelepo Primary	2,000,000.00	0	2,000,000	2,000,000	0
Olelusie Primary	800,000.00	0	800,000	800,000	0
Olokurto Day/Boarding Primary	527,984.40	0	527,984.40	527,984.40	0

Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Olkuseroi primary	1,000,000.00	0	1,000,000	1,000,000	0
Ololoiboti Fry	100,000.00	0	100,000	100,000	0
Olorupa primary	2,000,000.00	0	2,000,000	2,000,000	0
Sonkoro primary	4,500,000.00	0	4,500,000	4,500,000	0
Tenkes Primary	2,000,000.00	0	2,000,000	2,000,000	0
St. Marys girls Boarding School	1,500,000.00	0	1,500,000	1,500,000	0
8.0 Secondary Schools Projects (List all the Projects)					
OLOKURTO SECONDARY SCHOOL		4,500,000	4,500,000	4,500,000	0
Entiyani Sec School	4,200,000.00	0	4,200,000	4,200,000	0
Entoltol Secondary	4,500,000.00	0	4,500,000	4,500,000	0
Kukwenik Day Sec Sch	5,900,000.00	0	5,900,000	5,900,000	0
Nkareta Secondary	7,000,000.00	0	7,000,000	6,990,000	10,000
Ole Tipis Girls Sec	2,400,000.00	0	2,400,000	0	2,400,000
9.0 Tertiary institutions Projects (List all the Projects)					
9.1	0	0	0	0	0
9.2	0	0	0	0	0
9.3	0	0	0	0	0
9.4	0	0	0	0	0
10.0 Security Projects					

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Accrual on comparable basis 30/06/2019	Budget utilization difference
10.1	0	0	0	0	0
10.2	0	0	0	0	0
10.3					
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	0	0	0	0	0
11.2 Construction of CDF office	0	0	0	0	0
11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0				
11.5 Purchase of land	0				
12.0 Others					
12.1 Strategic Plan	0	1,000,000	1,000,000	993,201	6,799
12.2 Innovation Hub	0	4,677,027	REALLOCATED	4,677,027	0
12.2					
TOTAL	109,040,876	37,096,311	146,137,187	137,431,126	8,706,061

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY
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For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was no supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY
Reports and Financial Statements
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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board	1		
AIE NO		11,379,310	5,500,000
AIE NO	2	2,500,000	37,905,172
AIE NO	3	10,000,000	43,405,172.80
AIE NO	4	13,000,000	8,940,000
AIE NO	5	7,000,000	
AIE NO	6	11,000,000	
	7	13,000,000	
	8	55,040,876	
TOTAL		122,920,186	95,750,345

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	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
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019 Kshs	2017-2018 Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	2,124,088	1,804,357
Basic wages of casual labour	0	0
Personal allowances paid as part of salary		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity – paid	XX	0
- accrued	XX	0
Other personnel payments	XXX	16,900
Total	2,124,088	1,821,257

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	1,404,000	2,852,000
Utilities, supplies and services	1,387,385	294,000
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	920,000	400,000
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	0	0
Other operating expenses	0	0
Routine maintenance – vehicles and other transport equipment	3,098,680	3,260,109
Routine maintenance – other assets	0	0
Total	6,810,065	6,806,109

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	43,514,183	37,730,000
Transfers to secondary schools (see attached list)	38,926,682	0
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	82,440,865	37,730,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7,595,485	6,097,250
Bursary – tertiary institutions (see attached list)	20,830,222	11,640,000
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	0	3,750,000
Sports projects (see attached list)	4,400,000	0
Environment projects (see attached list)	4,400,000	0
Emergency projects (see attached list)	7,837,200	2,457,590
Total	45,062,907	23,944,840

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	0

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	993,201	2,500,000
ICT Hub	0	0
	993,201	2,500,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

NAROK NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
EQUITY BANK NAROK-0360263540325-KES	8,706,061	23,217,000
Total	8,706,061	23,217,000
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NAROK NORTH CONSTITUENCY
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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>David M Githinji</i>	dd/mm/yy	370,000	0	370,000
<i>David M Githinji</i>	dd/mm/yy	320,000	0	320,000
<i>David M Githinji</i>	dd/mm/yy	300,000	0	300,000
<i>David M Githinji</i>	dd/mm/yy	700,000	0	700,000
<i>David M Githinji</i>	dd/mm/yy	490,000	0	490,000
<i>David M Githinji</i>	dd/mm/yy	500,000	0	500,000
<i>David M Githinji</i>	dd/mm/yy	950,000	0	950,000
<i>David M Githinji</i>	dd/mm/yy	168,955	0	168,955
<i>Total</i>				<u><u>3,798,955</u></u>

[Include an annex of the list is longer than 1 page.]

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	<u><u>0</u></u>	<u><u>0</u></u>

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	0	0
Name 2	0	0
Name 3	0	0
Add as appropriate		
Total	<u><u>0</u></u>	<u><u>0</u></u>

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	23,217,000	268,861
Cash in hand	0	0
Imprest	0	0
Total	23,217,000	268,861

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timefr ame: (<i>Put a date when you expect the issue to be resolv ed</i>)
4.1	It was observed that Narok North Constituency Development Fund processes its financial transactions through the manual vote book system which is not updated on a regular basis, instead of the automated vote book management or Integrated Financial Management Information Systems authorized by the National Treasury.	It is true that we use manual vote book system and the management has noted your recommendation. However this is NGCDF policy issue. An Integrated Financial Management Information System is underway and soon will be in use.	FAM	Resolved	N/A
4.2	It was noted that although, the fund pays monthly staff salaries no permanent payroll records are maintained instead excel worksheets are used to process the staff compensation.	The management has noted your recommendation and will henceforth use a permanent payroll which will then be filed for every month.	FAM	Resolved	N/A

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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)
4.3	<p>The Narok North National Government Constituency Development Fund transferred made payments in respect of transfers to other government units and other grants and transfers management. However, most of these projects have not been labelled as required by regulations.</p> <p>Further the projects are not supported by project implementation status report showing whether it is completed, ongoing, un-started or stalled and therefore position of implementation could not be confirmed.</p>	<p>There were only few projects that had been labelled at the time of audit. This is because the labelling process had just started due. Take note that all projects constructed using NGCDF funds must be labelled for improvement of our appraisal too.</p>	FAM	RESOLVED	N/A
4.2.1	<p>The summary statement of appropriation does not include foot notes explaining the reasons for budget under-utilization as required by the standards as shown in Appendix v.</p> <p>Risk(s)/Effect(s)/Implications There is a risk that non-disclosure of reasons for budget under-utilization may deny the financial statement users a better understanding of the performance during the year under review.</p>	<p>The budget underutilization was due to late disbursement from the NGCDF Board at the closure of the year.</p>	FAM	RESOLVED	N/A

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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)
4.2.2	Audit examination of the staff compensation records for Narok North Constituency Development Fund established that all members of staff come from the same ethnic community in breach of the National Integration and Cohesion Act which requires that the face of Kenya should be reflected in all appointments. The details are as shown in Appendix I.	It is true that Staff members comes from the same Ethnic group, however advertisement was done publicly within the constituency. There were no other applications from other ethnic groups.	FAM	RESOLVED	N/A
4.3.1	The Narok Constituency Development Fund approved project code list reflects a final budget amount of Kshs.107,398,416 while the actual expenditure was Kshs.72,802,206 leaving a balance of Kshs.34,596,311 unutilized which differs with the recomputed amount of Kshs.25,618,343.82 as shown in Appendix II resulting to a difference of Kshs.8,977,967.18 that has not been reconciled or explained. In addition, no satisfactory reason was given for non-implementation of the said projects.	As mentioned earlier, delay in disbursement from the board had caused delayed implementation. The projects has been so far been implemented in the Financial year 2018/2019. Attached is the list attached. (Annex 1)	FAM	RESOLVED	N/A

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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)
4.3.2	The summary statement of appropriation for recurrent and development expenditure combined reports a final budget of Kshs.107,398,516 which includes a budgetary adjustment of Kshs.20,588,171 that is only supported by a corresponding project list of Kshs.8,840,000 resulting to unapproved budget adjustment of Kshs.11,648,171 due to lack of projects schedule as shown in Appendix III.	The projects Schedules surporting 11,648,171 has been provided (Anex2) Realise that the difference of Ksh 268,861 between Kshs.11,648,171 and Ksh 11,379,310.34 was our closing balance for 2017/2018.	FAM	RESOLVED	N/A
4.4.1	The statement of receipts and payments, assets and liabilities and cash flow reports comparative financial information that are different with the previous year audit certificate amounts resulting to misstatements as shown in Appendix IV.	The financial statement has been restated showing the correct financial positions (Annex 3)	FAM	RESOLVED	N/A

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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)
4.4.2.1 mmmm mmmm ms	<p>The statement of receipts and payments reports transfers to other government units of Kshs.37,730,000 which includes Kshs.4,500,000 transferred to Olemeisi Primary School for the construction a dormitory through payment voucher No. 41 dated 15/5/2018 and cheque No. 1971.</p> <p>Although the contractor had been paid a total sum of Kshs.4,275,000 as at the time of audit, the project is still incomplete and the remaining balance may not fund the project to completion.</p> <p>In addition, no monitoring and evaluation report was made by the constituency committee on the project seen to confirm that works were being monitored and properly supervised.</p>	<p>It is true that at the time of audit the project had stuck due to technical reasons. It has however been started and works are underway.</p>	FAM	RESOLVED	N/A

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019 Kshs	2017-2018 Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	0	0

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	2,452,339	723,227
Use of goods and services	(90,168)	759,418
Amounts due to other Government entities (see attached list)	2,910,000	20,660,180
Amounts due to other grants and other transfers (see attached list)	1,427,091	11,453,486
Acquisition of assets	0	0
Others (<i>specify</i>)	2,006,799	1,000,000
	8,706,061	34,596,311

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	2,962,669.68	7,215,961.00
	2,962,669.68	7,215,961.00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		2,452,339	723,227	
Use of goods & services		(90,168)	3,259,418	
Amounts due to other Government entities		2,910,000	20,660,180	
Sub-Total		(5,272,171)	24,642,825	
Amounts due to other grants and other transfers		1,427,091	11,453,486	
Sub-Total		1,427,091	11,453,486	
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)		2,006,799	1,000,000	
Sub-Total		2,006,799	1,000,000	
Grand Total		8,706,061	37,096,311	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures		0	0	6,133,133
Transport equipment		0	0	4,535,000
Office equipment, furniture and fittings	1,194,360	0	0	3,055,913
ICT Equipment, Software and Other ICT Assets	795,000	0	0	795,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	1,989,360			14,519,046

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
Narok North Sports projects	Equity	0360271580481	325,870.	1,200,000
Narok North Environmental project	Equity	0360271575652	400,392.00	863,852
Emeterai Pri (Entepesi)	Equity	0360278632663	200,465.00	200,465.00
Ipolton Primary	Equity	0360268551836	299,616.50	48,790.00
Kiluli primary	Equity	0360278543391	200.00	
Maasai Mara model Fry Sch	Equity	0360263981787	24,746.30	387,400
Naitoti Primary	Equity	0360271937655	750.00	750.00
Olelusie Primary	Equity	0360277440815	804,780.00	
Oloiboti Pri	Equity	0360277446481	1,520.00	
Olorupa primary	Equity	0360278751041	100,000.00	
Sonkoro primary	Equity	0360266394390	300,873.00	
St. Marys girls Boarding School	Equity	0360290743474	38,638.77	26,856
Kukwenik Day Sec Sch	Equity	0360277446795	380.00	500.
Nkareta Secondary	Equity	0360266108799	23,354.60	23,354.60
ENTIYANI PRIMARY	Equity	0360268937051	3,000.00	3,000.00
ERUSIAI PRIMARY SCHOOL	Equity	0360277197076	2,000.00	2,000.00
SAKUTIEK PRIMARY SCHOOL	Equity	0360277435665	140	140
OLCHORRO PRIMARY SCHOOL	Equity	0360277433493	300.00	300.00
NTIMAMA RIDGE PRIMARY SCHOOL	Equity	0360277325855	705.00	705.00
OLEMEISI PRIMARY	Equity	0360277324129	224,400.00	
KUKWENIK PRIMARY	Equity	0360277446795	380.00	380.00
MEDUNGI PRIMARY	Equity	0360277450733	240.00	
LOLII PRIMARY SCHOOL	Equity	0360277431977	220.00	180,000
LIMANET PRIMARY SCHOOL	Equity	0360277195664	0.00	900,000
OLESINTIR PRIMARY SCHOOL	Equity	0360268839120	99,715.00	75
MASAI MARA UNIVERSITY MODEL PRIMARY SCHOOL	Equity	0360263981787	24,746.30	387,400
nchura eshumata	Equity	0360277197761	43,868.21	900,000
Oleleshwa PRIMARY SCHOOL	Equity	0360266072259	38,386.50	988,966
Ilkarampuni PRIMARY SCHOOL	Equity	0360266397417	2,145	100,420.00
OLOKURTO CHIEFS OFFICE	Equity	0360277312069	230.	1,000,000.00
ENTIYANI CHIEFS OFFICE	Equity	0360277469415	200.00	200.00
OLPUSIMORU CHIEFS OFFICE	Equity	0360277457719	407.50	407.50

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TOTAL			2,962,669.68	7,215,961.00
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