

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY	
DATE: 10 MAY 2022	DAY: TUESDAY
TABLED BY: MAJORITY LEADER	
CLEARANCE BY: [Signature]	

REPORT

OF

THE AUDITOR-GENERAL

ON

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

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

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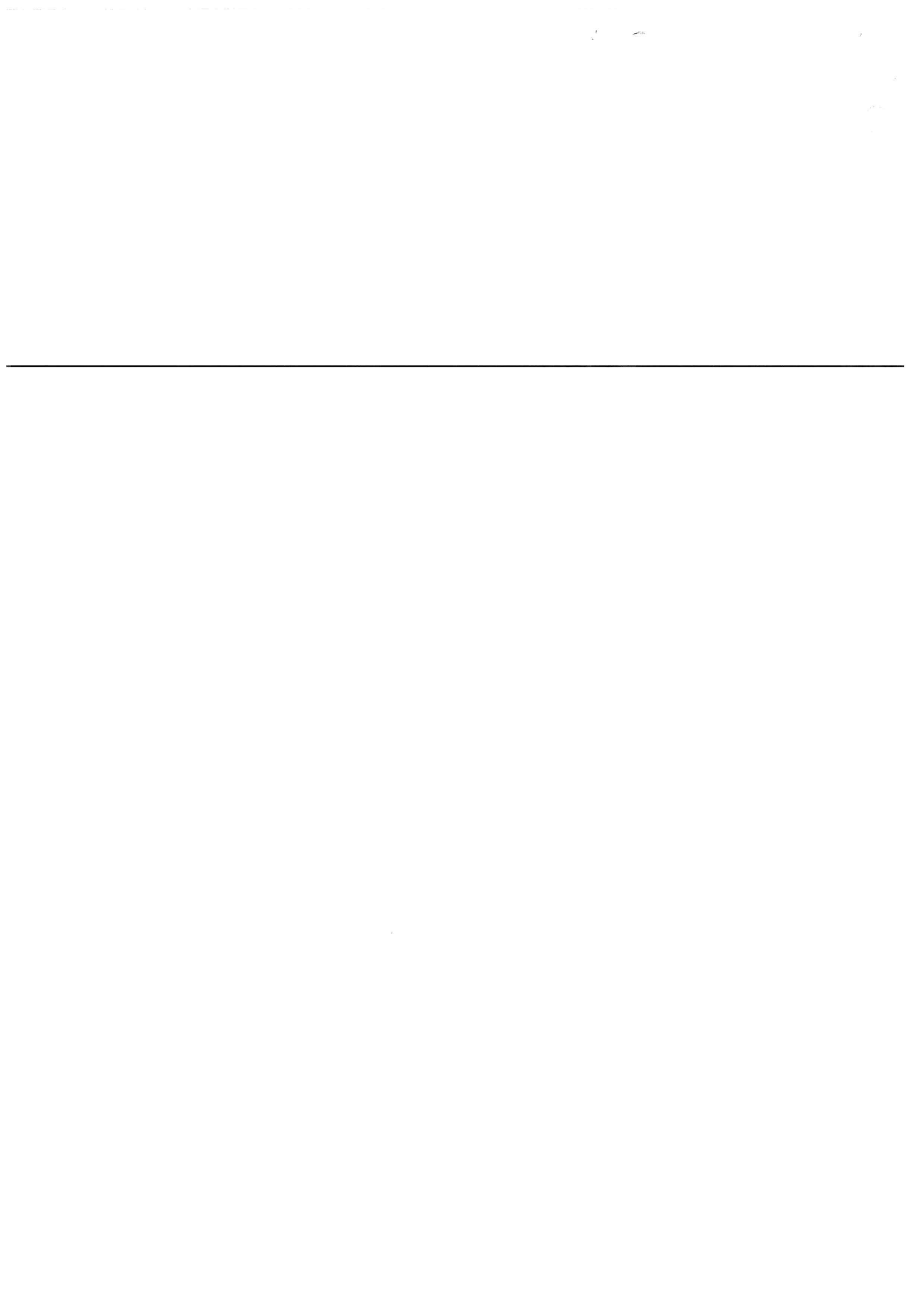


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NAROK WEST
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

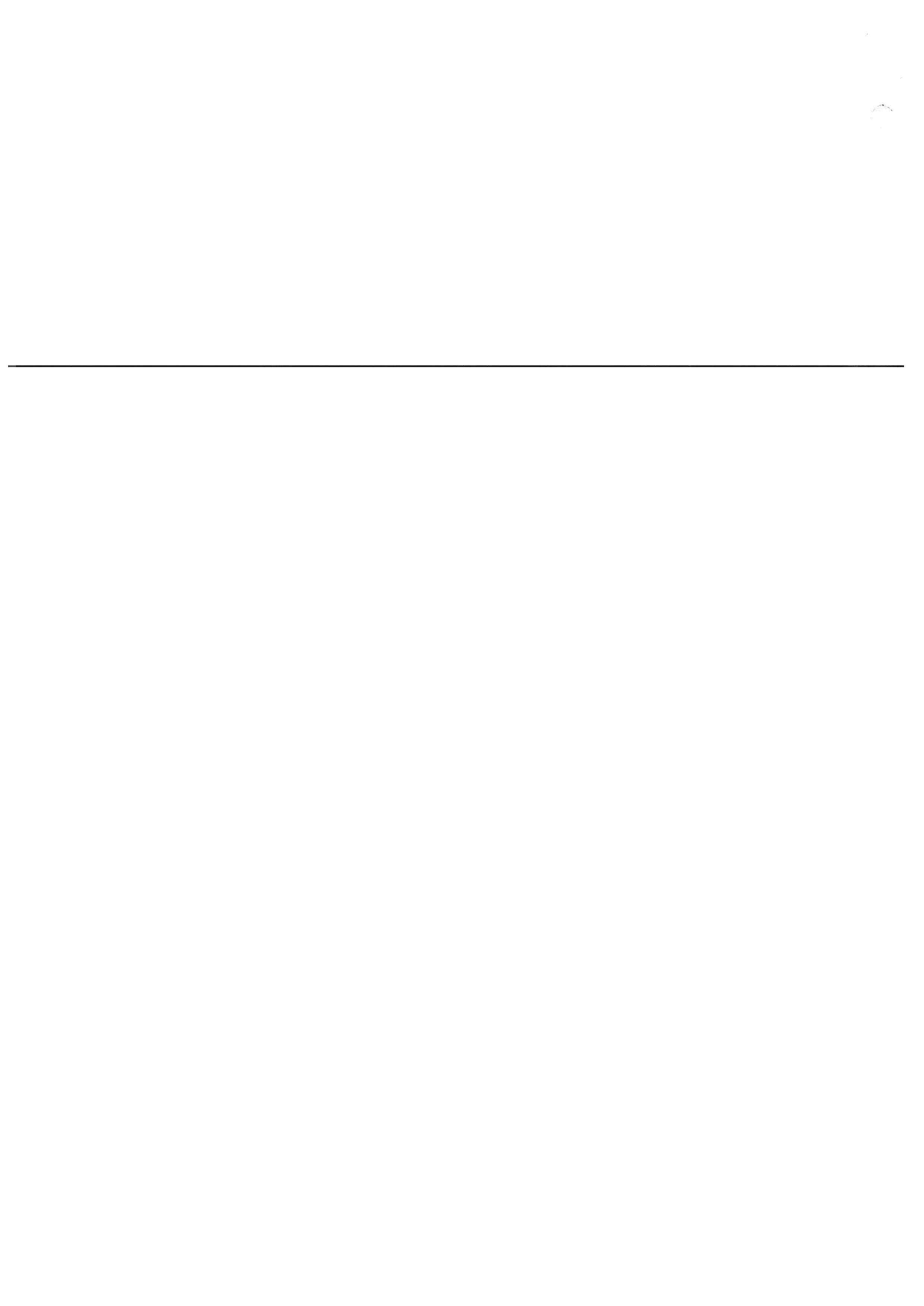
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 WEST CONSTITUENCY

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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 NAROK 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 30th June 2019 and who had direct fiduciary responsibility were:

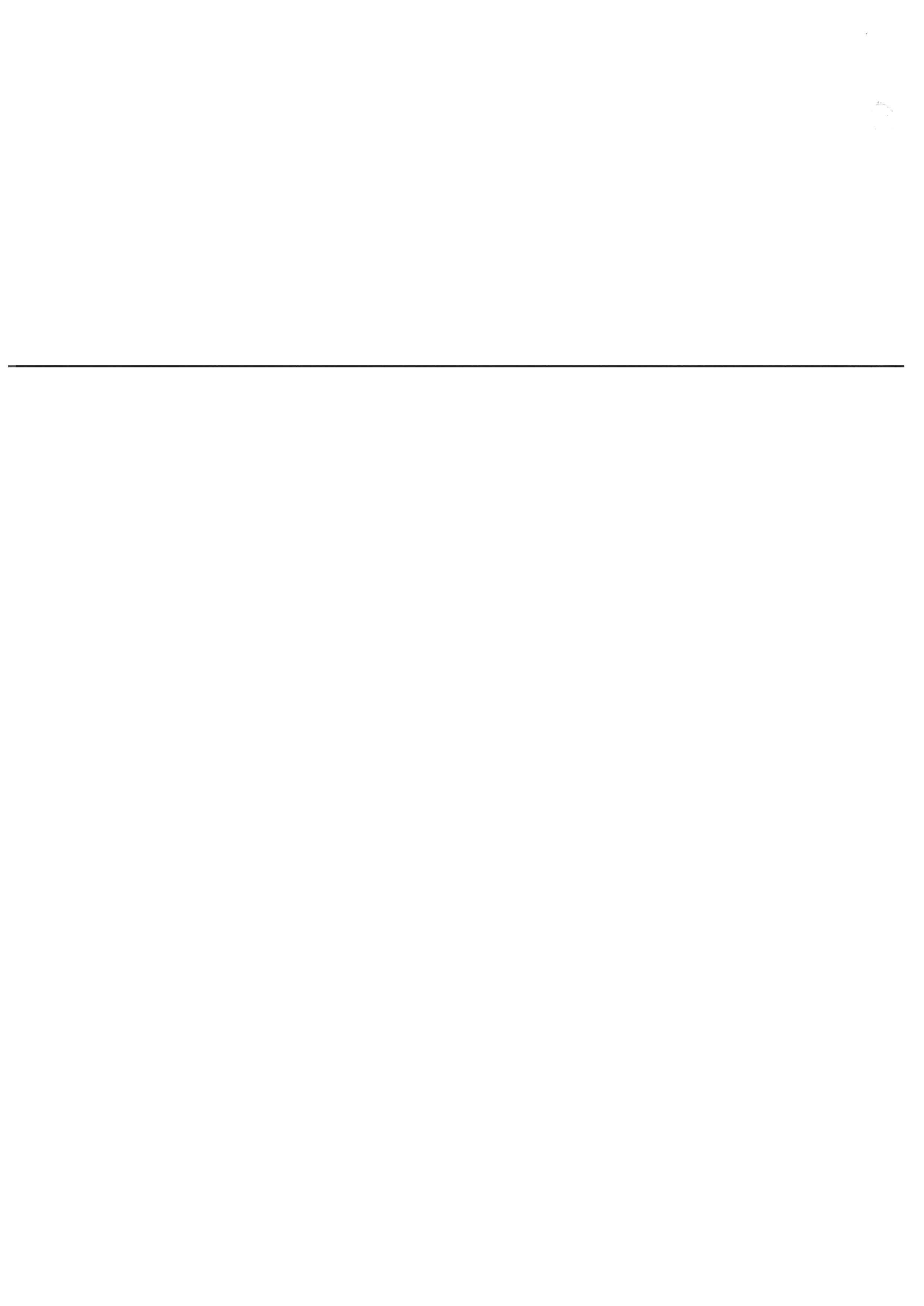
No.	Designation	Name
1.	A.I.E holder	ROBINSON KAMAKEY
2.	Sub-County Accountant	JOSEPH NJUGI
3.	Chairman NGCDFC	JAIRUS KIPEES
4.	Member NGCDFC	MRS DIANA MINIS

(d) Fiduciary Oversight Arrangements

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

P.O. Box 124-20503
Ololulunga CDF Office
Ololulunga, Kenya



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF NAROK WEST Constituency Contacts

Telephone: (254)-0726318857

E-mail: cdfnarokwestconstituency@gmail.com

Website: www.ngcdfnarokwestconstituency.go.ke

(g) NGCDF NAROK WEST Constituency Bankers

- I. Equity Bank
Narok Branch
P O Box 1023-20500
Narok.
A/C No.0360262484301

(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 WEST 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 West constituency for the financial year 2018/2019. It lays down the receipts and expenditures of all the funds that Narok West 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 West 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	6,373,848	2,451,443	3,922,405	38.5%
Use of goods and services	7,457,696	8,847,270	(1,389,574)	118.6%
Transfers to Other Government Units	96,454,613	58,204,613	38,250,000	60.3%
Other grants and transfers	60,450,297	44,952,468	15,497,829	74.4%
Other payments (Retention)	600,000	233,400	366,600	38.9%
constituency Innovation Hub	25,000	-	25,000	0.0%
TOTAL	171,361,454	114,689,194	56,672,259	66.9%

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

1. It has 6 ongoing primary school projects, 3 ongoing secondary school projects and 1 tertiary institution project which will result in improved infrastructure in our institutions.
2. Funded 1,218 needy students in both secondary and tertiary institutions which has resulted in students' retention in school and improved their academic performance in the FY 2018/2019.

c). Emerging issues related to NG-CDF in NAROK WEST 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 WEST 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 disburses funds as soon as it receives).

3. 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 West constituency will endeavour to fulfil its mandate in disbursement and monitoring of projects funds as per the guidelines of the NG-CDF ACT 2015



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAROK WEST CONSTITUENCY
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JAIRUS KIPEES

Sign 

CHAIRMAN NGCDF COMMITTEE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NAROK WEST 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.

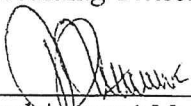
The Accounting Officer in charge of the NGCDF-NAROK WEST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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.

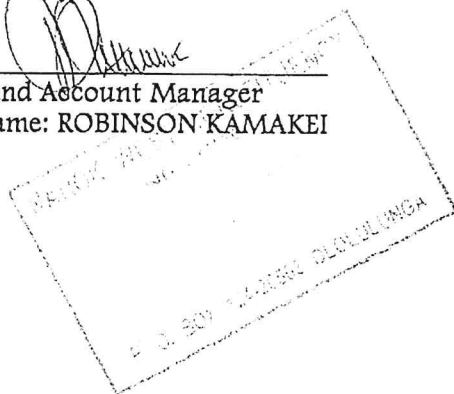
The Accounting Officer in charge of the NGCDF-NAROK WEST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *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 WEST 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.

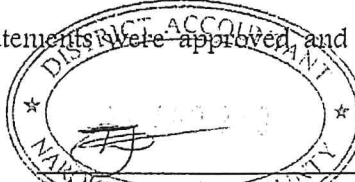
The Accounting Officer in charge of the NGCDF-NAROK WEST Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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.

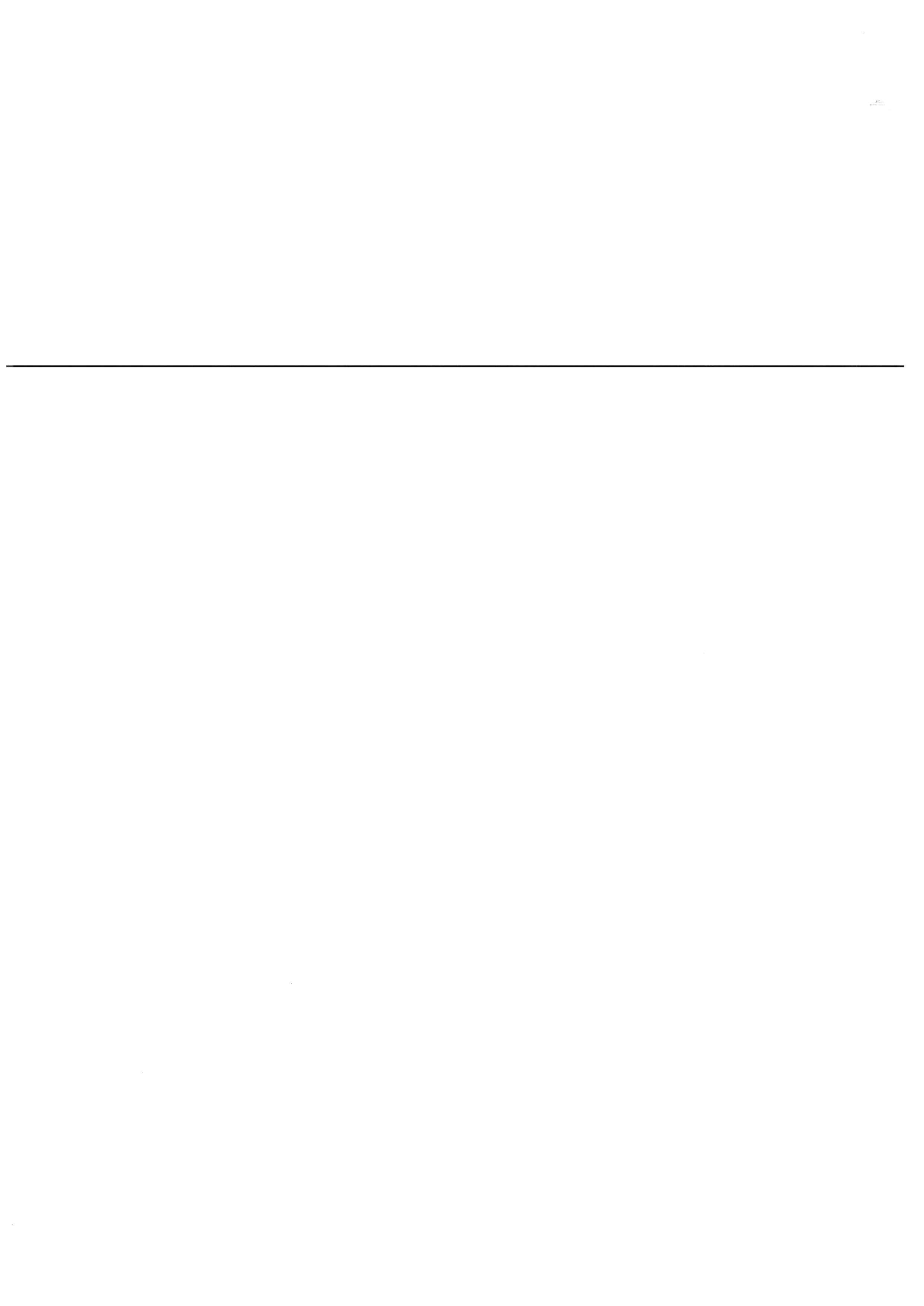
Approval of the financial statements

The NGCDF-NAROK WEST Constituency financial statements were approved and signed by the Accounting Officer on 19/09/2019.


Fund Account Manager
Name: ROBINSON KAMAKEI

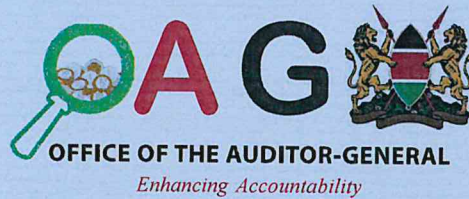



Sub-County Accountant
Name: JOSEPH NJUGI
ICPAK Member Number:



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST 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 West Constituency set out on pages 7 to 44, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flow and 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 matters described in the basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Narok West 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 the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Errors in presentation of financial statements

The comparative balances reflected in the financial statements for the year ended 30 June, 2019 differed with the audited 2017/2018 balance as shown in the table below:

Item	Audited Amount (Kshs.)	Financial Statements Amount (Kshs.)	Variance (Kshs.)
Cash and Cash Equivalents	50,941,268	50,941,954	(686)
Transfers from NGCDF Board	113,420,186	164,361,454	(50,941,268)

Item	Audited Amount (Kshs.)	Financial Statements Amount (Kshs.)	Variance (Kshs.)
Other Grants and Other Payments	27,341,252	23,866,252	3,475,000
Other Payments	-	3,475,000	(3,475,000)
Bank Accounts Balance B/F	48,622,315	26,828,636	21,793,679
Unutilized Funds	62,820,578	62,320,578	500,000
PMC Account Balances	1,643,420	-	1,643,420

In addition, Notes 13 and 14 of the financial statements had balances brought forward of Kshs.2,318,954 which were not supported by a list of imprest holders and an imprest register. Further, Kshs.350,506 prior year adjustment was not supported with journal entries.

Consequently, the accuracy of the balances reflected in the financial statements could not be confirmed.

2. Unconfirmed Assets and Liabilities Balances

The summary of fixed assets register at Annex 4 reflects a historical assets cost balance of Kshs.19,711,810 as at 30 June, 2019. However, asset additions during the year amounting to Kshs.233,400 were not reflected in the summary.

In addition, handing over report from the previous National Government Constituencies Development Fund Committee in 2017 was not provided.

Consequently, the accuracy and completeness of the fixed assets balances and the existence of the assets could not be confirmed.

3. Outstanding Imprest

Note 11 to the financial statement reflects an outstanding imprest of Kshs.373,000 advanced to a former Fund Accounts Manager on 30 June, 2017. However, no evidence of recovery was provided for audit.

Although the current Management had written to the National Government Constituencies Development Fund Board on the issue, no action had been taken and the recoverability of the debt remained doubtful.

4. Long Outstanding Unpresented Cheques

The statement of assets and liabilities reflects a bank balance of Kshs.49,649,866 which excludes payments amounting to Kshs.1,843,741 recorded in cash book but not in the bank statement. However, bank statements to confirm the dates when the cheques were subsequently cleared were not provided for audit.

Consequently, the accuracy, existence and completeness of the reported cash and cash equivalents balance 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 – Narok 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 of Kshs.171,361,454 and Kshs.164,361,454 respectively resulting to an under-funding of Kshs.7,000,000 or 4% of the budget. Similarly, the Fund spent Kshs.114,689,194 against an approved budget of Kshs.171,361,454 resulting to an under-expenditure of Kshs.56,672,259 or 33% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Projects Implementation

1.1 Poor Maintenance of Project Files

Examination of contract records revealed that the Management did not maintain individual project files, regularly updated and organized contrary to Regulation 15(1)(b) of National

Government Constituencies Development Fund Regulations, 2016 which requires the Project Committee to maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented.

In addition, none of the projects had sign posts or labels as required under Regulation 11(1)(cc) of National Government Constituencies Development Fund Regulations, 2016.

1.2 Incomplete Construction of a Laboratory

Records maintained at the Constituency Office reflected that Kshs.2,500,000 was paid for construction of a laboratory at Olmirani Girls' Secondary School.

~~However, acceptance letter, the contract agreement, completion certificate and site inspection reports were not provided for audit.~~

Further, audit inspection undertaken on 16 December, 2019 revealed that flooring and wall plastering was not done and laboratory tables and other furniture and equipment including fume chamber were not in place. Also, there was no ceiling and electricity and water connection had not been done for the building that was being used as a classroom.

Consequently, value for money on the construction of the laboratory could not be confirmed.

1.3 Anomalies in Completion of One Classroom and Four Toilets

Examination of records maintained at the Constituency Office reflected that Kshs.1,300,000 was paid for completion of one (1) classroom and four (4) toilets at Siana Girls Secondary School.

However, the acceptance letter, the contract agreement, completion certificate and the site inspection reports were not provided for audit.

Further, audit inspection undertaken on 17 December, 2019 revealed that the fissure board used was substandard and was already warping. The contractor used 5x1 timber instead of 8x1 fissure board. The floor was poorly done and already cracking and the inside wall had deep cracks. Further, window grills were made using substandard metal and were not lockable from inside and the verandah had huge chirping and broken edges. Also, the toilets had poor quality doors without good finishing and sharp nails protruding dangerously. The toilets door frames were made from a mixture of timber and offcuts.

Consequently, value for money on the construction of the classroom and toilets and whether the Project deliverables were achieved could not be confirmed.

1.4 Stalled Dormitory at Nkeneji Primary School

Kshs.1,500,000 was paid for completion of a dormitory at Nkeneji Primary School.

However, the acceptance letter, contract agreement, completion certificate and site inspection reports were not provided for audit.

Further, audit inspection undertaken on 17 December, 2019 revealed that the dormitory was incomplete, the contractor was not on site and the construction had stalled at foundation slab level.

Consequently, the value for money on the construction of the dormitory could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing and 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 cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


12 January, 2022

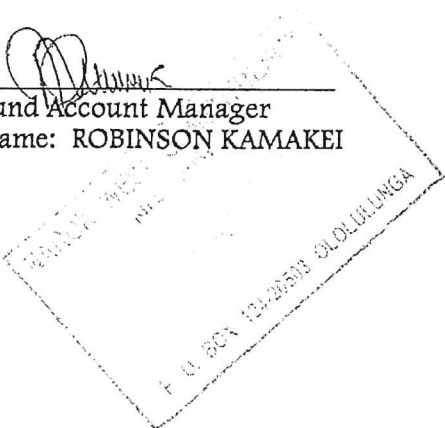
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Reports and Financial Statements
For the year ended June 30, 2019

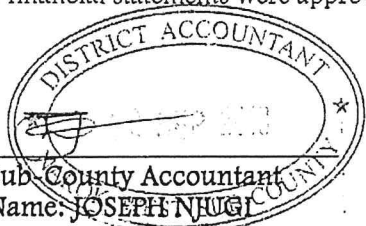
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	113,420,186	94,660,345
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>0</u>	<u>0</u>
TOTAL RECEIPTS		113,420,186	94,660,345
PAYMENTS			
Compensation of employees	4	2,451,443	534,773
Use of goods and services	5	8,847,270	3,390,417
Transfers to Other Government Units	6	58,204,613	12,500,000
Other grants and transfers	7	44,952,468	27,341,252
Acquisition of Assets	8	233,400	0
Other Payments	9	-	<u>0</u>
TOTAL PAYMENTS		114,689,194	43,766,442
SURPLUS/(DEFICIT)		<u>(1,269,008)</u>	<u>50,893,903</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK WEST Constituency financial statements were approved on 16/09/2019 2019 and signed by:


Fund Account Manager
Name: ROBINSON KAMAKEI




Sub-County Accountant
Name: JOSEPH NBUGI
ICPAK Member Number:



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

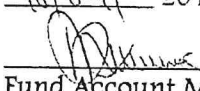
Reports and Financial Statements

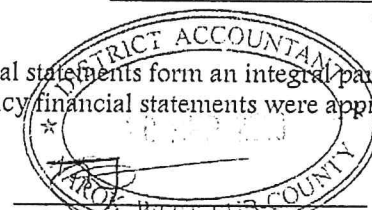
For the year ended June 30, 2019

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	49,649,866	48,622,314.20
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		49,649,866	48,622,314.20
Current Receivables			
Outstanding Imprests	11	373,000	2,318,954
TOTAL FINANCIAL ASSETS		50,022,866	50,941,954
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	
NET FINANCIAL ASSETS		50,022,866	50,941,954
REPRESENTED BY			
Fund balance b/fwd	13	50,941,268	47,365
Surplus/Defict for the year		(1,269,008)	50,893,903
Prior year adjustments	14	350,606	
NET FINANCIAL POSITION		50,022,866	50,941,268

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK WEST Constituency financial statements were approved on 10/06/2019 2019 and signed by:


Fund Account Manager
Name: ROBINSON KAMAKEI



Sub-County Accountant
Name: JOSEPH NJUGI
ICPAK Member Number:

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK WEST CONSTITUENCY

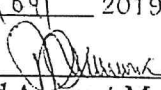
Reports and Financial Statements

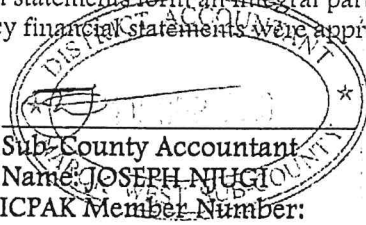
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	113,420,186	94,660,345
Other Receipts	3	0	0
Total receipts		113,420,186	94,660,345
Payments			
Compensation of Employees	4	2,451,443	534,773
Use of goods and services	5	8,847,270	3,390,417
Transfers to Other Government Units	6	58,204,613	12,500,000
Other grants and transfers	7	44,952,468	27,341,252
Other Payments	9	0	0
Total payments		114,455,794	(43,766,442)
Total Receipts Less Total Payments		(1,035,608)	50,893,903
Adjusted for:			
Outstanding imprest	11	(373,000)	(2,318,954)
Retention Payable	12A	0	0
Gratuity Payable	12B	0	0
Prior year adjustments	14	350,606	0
Net Adjustments		(22,394)	
Net cash flow from operating activities		(1,058,002)	50,893,903
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(233,400)	(0)
Net cash flows from Investing Activities		(233,400)	0
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,291,402)	50,893,903
Cash and cash equivalent at BEGINNING of the year	13	50,941,268	47,365
Cash and cash equivalent at END of the year		<u>49,649,866</u>	<u>50,941,268</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK WEST Constituency financial statements were approved on 10/09/2019 and signed by:


 Fund Account Manager
 Name: ROBINSON KAMAKEI


 Sub-County Accountant
 Name: JOSEPH NJUGI
 ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAROK WEST CONSTITUENCY
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	62,320,578	171,361,454	164,361,454	7,000,000	95.9%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
	109,040,876	62,320,578	171,361,454	164,361,454	7,000,000	95.9%
Compensation of Employees	5,500,000	873,848	6,373,848	2,451,443	3,922,405	38.5%
Use of goods and services	4,113,679	3,344,017	7,457,696	8,847,270	(1,389,574)	118.6%
Transfers to Other Government Units	54,550,000	41,904,613	96,454,613	58,204,613	38,250,000	60.3%
Other grants and transfers	44,677,197	15,773,100	60,450,297	44,952,468	15,497,829	74.4%
Acquisition of Assets	200,000	400,000	600,000	233,400	366,600	38.9%
Other Payments		25,000	25,000	-	25,000	0.0%
TOTALS	109,040,876	62,320,578	171,361,454	114,689,194	56,672,259	66.9%

(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%)]

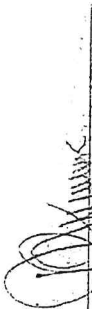
- i. Compensation of Employees is underutilized due to non payment of staff gratuity as at the reporting date.
- ii. Transfers to other government units are underutilized due to delay in disbursement of funds by NG-CDF Board.
- iii. Other grants and transfers is underutilized due to late approval of the roads project, fewer emergency occurrences in the constituency during the year and delay in disbursement of funds by NG-CDF Board.
- iv. Acquisition of Assets is underutilized due to delay in disbursement of funds by the NGCDF Board
- v. Use of goods and Services is over utilized due to.....



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAROK WEST CONSTITUENCY
Reports and Financial Statements
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(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.

The NGCDF-NAROK WEST Constituency financial statements were approved on 16/06/2019 2019 and signed by:


Fund Account Manager
Name: ROBINSON KAMAKEI
K. O. BOX 124-20503 OLOLULINGA



Sub-County Accountant
Name: JOSEPH NJUGI
ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAROK WEST CONSTITUENCY
 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 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	5,500,000	873,848	6,373,848	2,451,443	3,922,405
1.2 Committee allowances	842,453	524,000	1,366,453	1,366,453	0
1.3 Use of goods and services	671,226	2,286,421.04	2,957,647.04	4,347,221.04	(1,389,574)
1.4 Acquisition of assets					
2.0 Monitoring and evaluation					
2.1 Capacity building	1,800,000	533,595.50	2,333,595.50	2,333,595.50	0
2.2 Committee allowances	800,000	0	800,000	800,000	0
2.3 Use of goods and services					
3.0 Emergency					
3.1 Primary Schools	5,738,994	4,390,887	10,129,881	6,360,262	3,769,618
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	15,000,000	646,007.27	15,646,007.27	15,394,000	252,007.27
4.3 Tertiary Institutions	10,307,686	1,400,000	11,707,686	11,313,000	394,686
4.4 Universities					
4.5 Social Security	2,000,000	0	2,000,000	0	2,000,000
5.0 Sports					
5.1	1,130,517.52	1,736,206.90	2,866,724.42	2,736,206	130,518.42
5.2					
5.3					



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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
5.4					
6.0 Environment					
6.1	1,000,000	0	1,000,000	1,000,000	0
6.2					
6.3					
7.0 Primary Schools Projects					
Leshuta Primary School	7,000,000				
Sekenani primary school	7,000,000	0	7,000,000	0	7,000,000
Kishemoruaak primary school	3,000,000	0	7,000,000	0	7,000,000
Enkorika primary school	950,000	0	3,000,000	2,000,000	1,000,000
Ositeti primary school	950,000	0	950,000	0	950,000
Osarara primary school	950,000	0	950,000	950,000	0
Olmusereji primary school	1,000,000	0	950,000	950,000	0
Keneti primary school	950,000	400,000	1,400,000	1,400,000	0
Mbitin primary school	950,000	0	950,000	0	950,000
Ole Moncho primary school	950,000	0	950,000	0	950,000
Enoosoitok primary school	950,000	0	950,000	0	950,000
Motonyi primary school	3,000,000	0	950,000	0	950,000
Illmotiok primary school	1,000,000	0	3,000,000	1,000,000	2,000,000
Kaporet primary school	950,000	0	1,000,000	0	1,000,000
Naikara boarding primary school	1,300,000	0	950,000	950,000	0
		0	1,300,000	1,300,000	0



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAROK WEST CONSTITUENCY
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
Nkineji primary school	1,000,000	0	1,000,000	0	1,000,000
Empopongi primary school	1,000,000	0	1,000,000	0	1,000,000
Olkinyei primary school	2,500,000	0	2,500,000	2,500,000	0
Mararianta primary school	2,500,000	0	2,500,000	0	2,500,000
Kutete primary school	2,500,000	0	2,500,000	2,500,000	0
Lemek Boarding Primary School	REALLOCATION	3,500,000	3,500,000	3,500,000	0
Nkorinkori Boarding Primary School	REALLOCATION	588,514	588,514	588,514	0
Embiti primary school	950,000	0	950,000	0	950,000
Ilpoori primary school	1,000,000	0	1,000,000	0	1,000,000
Nkoilale primary school	1,500,000	0	1,500,000	1,000,000	500,000
Emarti Primary School	950,000	0	950,000	0	950,000
Olomoniira Primary School	1,000,000	0	1,000,000	0	1,000,000
Nkineji Primary School		1,000,000	1,000,000	1,000,000	0
Osarara Primary School		300,000	300,000	300,000	0
Nkurumbet Primary School		950,000	950,000	950,000	0
Nkutoto Primary School		950,000	950,000	950,000	0
Chemagel Primary School		950,000	950,000	950,000	0
Esinoni Primary School		950,000	950,000	950,000	0



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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
NkoriNkori Primary School		3,000,000	3,000,000	3,000,000	0
Imedeketa/oleNabaala Primary School		950,000	950,000	950,000	0
Ololomei Primary School		950,000	950,000	950,000	0
Enkerende Primary School		950,000	950,000	950,000	0
Enkeju Enkoirien Primary School		950,000	950,000	950,000	0
Oloingabori Primary School		950,000	950,000	950,000	0
Salabwek Primary School		600,000	RE-ALLOCATED TO BURSARY	RE-ALLOCATED TO BURSARY	0
Losho Primary School		950,000	950,000	950,000	0
Saaten Primary School		950,000	950,000	950,000	0
Ilmonchin Primary School		950,000	950,000	950,000	0
Olkurroto Primary School		950,000	950,000	950,000	0
Ilturisho Primary School		950,000	950,000	950,000	0
Oldisare Primary School		1,600,000	1,600,000	1,600,000	0
Enturoto Primary School		950,000	950,000	950,000	0
Enarutarakwa Primary School		950,000	950,000	950,000	0
Ole Tuyu Primary School		950,000	950,000	950,000	0
Nkineji Primary School		1,500,000	1,500,000	1,500,000	0
Lekanka Primary School		1,127,586.21	1,127,586.21	1,127,586.21	0
Moi Naikarra Primary School		4,000,000	4,000,000	4,000,000	0
8.0 Secondary Schools Projects					
Olkinyeci secondary school	950,000	0	950,000	950,000	0
Chenwokter secondary school	2,500,000	0	2,500,000	1,000,000	1,500,000



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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Oloomiraani girls sec school	2,500,000	0	2,500,000	0	2,500,000
Ngiito secondary school	800,000	0	800,000	800,000	0
Siana girls secondary school	2,000,000	0	2,000,000	0	2,000,000
Olderekesi Secondary School	REALLOCATION	588,514	588,514	588,514	0
Siana Girls Secondary School		1,200,000	1,200,000	1,200,000	0
Emorijoi Secondary School		950,000	950,000	950,000	0
PIMBINET MIXED SEC SCHOOL		950,000	950,000	950,000	0
Maasai Mara High School		950,000	950,000	950,000	0
Ngiito Secondary School		3,500,000	3,500,000	3,500,000	0
9.0 Tertiary institutions Projects					
9.2					
9.3					
9.4					
10.0 Security Projects					
Lemek AP Offices	1,700,000	0	1,700,000	0	1,700,000
Enlerai chiefs office	500,000	1,200,000	1,700,000	1,200,000	500,000
Mulot ACC office	300,000	0	300,000	0	300,000
Health Projects					
Ilbaan dispensary		800,000	RE-ALLOCATED TO BURSARY	RE-ALLOCATED TO BURSARY	0



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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Olmuseriji dispensary		400,000	RE-ALLOCATED TO OLMUSEREJI primary school	RE-ALLOCATED TO OLMUSEREJI primary school	0
11.0 Acquisition of assets					
11.1 Motor Vehicles					
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment	200,000	400,000	600,000	233,400	366,600
11.4 Purchase of computers					
12.0 Others					
12.1 Strategic Plan	0	25,000	25,000	0	25,000
12.2 Innovation Hub	0				
12.2 TIVET	0				
12.3 Roads	7,000,000	7,000,000	14,000,000	6,949,000	7,051,000
	109,040,876	62,320,578	171,361,454	114,689,194	56,672,259

(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)



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 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 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 WEST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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



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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 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.



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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		
AIE NO	11,379,310	5,500,000
AIE NO B 030109	10,000,000	37,905,172
AIE NO	15,000,000	43,405,173
AIE NO B 006485	6,000,000	7,850,000
AIE NO B 042817	12,000,000	
AIE NO A724497	11,000,000	
AIE NO B 047397	48,040,876	
TOTAL	113,420,186	94,660,345

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	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



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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	2,451,443	534,773
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	0	0
Other personnel payments	0	0
Total	2,451,443	534,773



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5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	1,293,000	1,776,000
Utilities, supplies and services	4,178,200	581,609
Communication, supplies and services	10,000	0
Domestic travel and subsistence	396,400	0
Printing, advertising and information supplies & services	75,252	0
Rentals of produced assets	0	0
Training expenses	2,104,194	0
Hospitality supplies and services	308,175	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	75,250	100,000
Other operating expenses	38,611.07	0
Routine maintenance – vehicles and other transport equipment	368,188	932,809
Routine maintenance – other assets	0	0
Total	<u>8,847,270.07</u>	<u>3,390,417</u>



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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	Xx	xx
Transfers to primary schools (see attached list)	47,316,100	4,950,000
Transfers to secondary schools (see attached list)	10,888,514	7,550,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	58,204,613	12,500,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,313,000	3,690,000
Bursary – tertiary institutions (see attached list)	15,394,000	17,693,000
Bursary – special schools (see attached list)	0	0
Roads (see attached list)	6,949,000	0
Security projects (see attached list)	1,200,000	0
Sports projects (see attached list)	1,000,000	0
Environment projects (see attached list)	2,736,206	1,736,207
Emergency projects (see attached list)	6,360,262	745,045
Total	44,952,468	23,866,252



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8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	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	233,400	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	233,400	0

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	0	3,475,000
ICT Hub	0	0
TIVET	0	0
	0	3,475,000



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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank Narok, Account No.</i>	49,649,866	48,622,314.20
Total	49,649,866	48,622,314.20
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total	0	0
<i>[Provide cash count certificates for each]</i>		



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11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
RASHID IREGI	30/06/2017	373,000	0	373,000
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Total				373,000

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

12A. RETENTION

	2018 - 2019 Kshs	2017-2018 Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019 Kshs	2017-2018 Kshs
Name 1	0	172,914
Name 2	0	0
Name 3	0	0
Add as appropriate		
Total	0	172,914

[Provide short appropriate explanations as necessary]



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13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	48,622,314.20	26,828,636
Cash in hand	0	0
Imprest	2,318,954	0
Total	50,941,268	26,828,636

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	350,606	0
Total	350,606	0



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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<u>0</u>	<u>0</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NG-CDFC STAFF	542,085.84	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	<u>542,085.84</u>	<u>0</u>

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	3,922,405	873,848
Use of goods and services	(1,389,574)	3,344,017
Amounts due to other Government entities (see attached list)	38,250,000	37,227,586
Amounts due to other grants and other transfers (see attached list)	15,497,829	15,773,100
Acquisition of assets	366,600	400,000
Others (<i>specify</i>) (Strategic Plan)	25,000	4,702,027
	<u>56,672,260</u>	<u>62,320,578</u>



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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	Xxx	xxx
NKURUMBET PRIMARY SCH	450	
NKUTOTO OIROWUA PRIMARY SCHOOL	88,900	
CHEMAGEL PRIMARY SCHOOL	1,000	
NKORINKORIMPRIMARY SCHOOL	2,513.6	
OLOLOMEI PRIMARY SCHOOL	500	
ENKEREDE PRIMARY SCHOOL	0	
ENKEJU ENKOIRIEN PRIMARY SCHOOL	0	
OLOONGABORI PRIMARY SCHOOL	0	
.LOSHO PRIMARY SCHOOL	1,000	
SAATEN PRIMARY SCHOOL	0	
ILMONCHIN PRIMARY SCHOOL	0	
OLKURROTO PRIMARY SCHOOL	538	
ILTURISHO PRIMARY SCHOOL	0	
OLDISARE PRIMARY SCHOOL	1,000	
ENTUROTO PRIMARY SCHOOL	1,000	
OLE TUYA PRIMARY SCHOOL	1,000	
NAIKARRA BOARDING PRIMARY SCHOOL	3590	
ENARUTARAKWA PRIMARY SCHOOL	500	
NKINEJI PRIMARY SCHOOL	1,000,000	
ESINONI PRIMARY SCHOOL	0	
LEKANKA PRIMARY SCHOOL	816	
OLMUSEREJI PRIMARY SCHOOL	500	
OLE NABAALA PRIMARY SCHOOL	260	
KISHEMORUAK PRIMARY SCHOOL	3200	
NKOILALE PRIMARY SCHOOL	1,000,000	
MO'ONY PRIMARY SCHOOL	2800	
KUTETE PRIMARY SCHOOL	940	
KAPRORET PRIMARY SCHOOL	664,940	
OSARARA PRIMARY SCHOOL	950,000	
OSITETI PRIMARY SCHOOL	474,940	
OLKINYIE PRIMARY SCHOOL	40	
LEMEK BOARDING PRIMARY SCHOOL	1,900,000	
MAASAI MARA SECONDARY SCHOOL	0	
PIMBINIET SECONDARY SCHOOL	0	
EMORIJOI PRIMARY SCHOOL	335	



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NGIITO SECONDARY SCHOOL	0	
CHEMWOKTER PRIMARY SCHOOL	940,000	
OLDERKESI SECONDARY SCHOOL	2,393.60	
SIANA GIRLS SEC SCHOOL	1,201,000	
ENELERAI CHIEFS OFFICE	480,000	
	8,724,156.20	1,643,419.9



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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 Contract d	Amount Paid To-Date C	Outstanding Balance 2019	Comments
		A	B	C	d=a-c	
NG-CDFC STAFF						
1. GIDEON TONGOYO		71,881.56			71,881.56	
2. GIDEON KAROLO		71,881.56			71,881.56	
3. DANIEL SAANGONYO		46,537.20			46,537.20	
4. PARMET TOMPOI		42,296.40			42,296.40	
5. TOKORE LEFORE		42,296.40			42,296.40	
6. STELLA NASIERU		62,094.24			62,094.24	
7. NAUROI KOROS		38,613.60			38,613.60	
8. FRANCIS KIPETU		62,094.24			62,094.24	
9. DOMINIC SIMPAI		42,296.40			42,296.40	
10. ISHMAEL SAMOE		62,094.24			62,094.24	
	Sub-Total	542,085.84			542,085.84	
Middle Management						
11.						
12.						
13.						
	Sub-Total					
Unionisable Employees						
14.						
15.						
16.						
	Sub-Total					
Others (specify)						
17.						
18.						
19.						



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
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		3,922,405	873,848	
Use of goods & services		(1,389,574)	3,344,017	
Amounts due to other Government entities				
LESHUTA PRIMARY SCHOOL		38,250,000	37,227,586	
SEKENANI PRIMARY SCHOOL		7,000,000		
KISHEMORUAK PRIMARY SCHOOL		7,000,000		
ENKORIKA PRIMARY SCHOOL		1,000,000		
KENETI PRIMARY SCHOOL		950,000		
OLE MONCHO PRIMARY SCHOOL		950,000		
ENOOSOTOK PRIMARY SCHOOL		950,000		
MBITIN PRIMARY SCHOOL		950,000		
MOTONY PRIMARY SCHOOL		2,000,000		
ILMOTOK PRIMARY SCHOOL		1,000,000		
NKINEJI PRIMARY SCHOOL		1,000,000		
EMPOFONGI PRIMARY SCHOOL		1,000,000		
MARARIANTA PRIMARY SCHOOL		2500,000		
EMBITI PRIMARY SCHOOL		950,000		
ILFOORI PRIMARY SCHOOL		1,000,000		
NKOILE PRIMARY SCHOOL		500,000		
EMARTI PRIMARY SCHOOL		950,000		
OLOMONIRA PRIMARY SCHOOL		1,000,000		
CHEMWOKTER SECONDARY SCHOOL		1,500,000		
OLOOMIRANI GIRLS SEC SCHOOL		2,500,000		
SIANA GIRLS SEC SCHOOL		2,000,000		
LEMEEK AP OFFICES		1,700,000		
ENELEKAI CHIEFS OFFICE		500,000		
MULOT ACC OFFICE		300,000		
SUB-TOTAL		38,250,000		
Amounts due to other grants and other		40,782,831	41,445,451	



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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
transfers			15,773,100	
EMERGENCY		3,769,618		
SPORTS		130,518,42		
BURSARY		3,769,618		
ROADS		7,051,000		
SUB-TOTALS		15,497,829		
	Sub-Total	15,497,829	15,773,100	
	Sub-Total	15,497,829	15,773,100	
Acquisition of assets		366,600	400,000	
Others (<i>specify</i>)				
ICT HOURS		0	4,677,027	
Strategic Plan		25,000	25,000	
	Sub-Total	391,600	5,102,027	
	Grand Total	56,672,260	62,320,578	



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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	13,000,000			13,000,000
Transport equipment	6,225,000			6,225,000
Office equipment, furniture and fittings	321,810			321,810
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment	165,000			165,000
Heritage and cultural assets				
Intangible assets				
Total	19,711,810			19,711,810



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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
			8,724,156	1,643,420
Total			8,724,156	1,643,420



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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.

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)
4.1.1	<p>Failure to Use Integrated Financial Management Information System (IFMIS)</p> <p>Criteria</p> <p>Section 102 (1) of the Public Financial Management Act Regulations 2015 provides that financial records may be maintained in manual or electronic form.</p> <p>Observation</p> <p>It was observed that although the Narok West Constituency Development Fund uses the manual vote book system record financial transactions, it is not updated on a timely basis or maintained in a systematic manner to allow for easy access to financial data.</p> <p>Risk(s)/Effect(s)/Implications</p> <p>There is a risk that financial information for decision making may not be readily available as result of use of manual processes to record financial transactions thereby negatively affecting the quality of decisions made.</p>	<p>Management has noted the audit observations however the processing of transactions outside IFMIS is a policy issue that the management will still have to seek direction from the relevant concerned parties I.e NG-CDF Board and Treasury</p> <p>Sub county treasuries too as the agents of National Treasury have been using manual vote book to process financial transactions as part of its accounting/financial policy directive. As agents, they don't make policies. Adoption of IFMIS as a Financial Management tool will thus require policy direction from the relevant authorities.</p>	Fund Account Manager.	Not Resolved



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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)
	<p align="center">Recommendation</p> <p>It is recommended that the Accounting Officer should consider the use of Intergrated Financial Management Information System (IFMIS) processing financial transactions to make financial information readily available and improve on quality of management decisions.</p>			
4.2.1	<p>Non- Disclosure of Budget and Actual Amount Differences</p> <p>Criteria</p> <p>The International Public Sector Accounting Standards Cash Basis under paragraph 1.7.8 (c) requires that a disclosure note explaining the difference between budget and actual expenditure amounts be included in the financial statements.</p> <p>Observation</p> <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 I.</p>	<p>The management has noted the audit observation however the budget under-utilization was due to the delay of disbursement of funds from the NG-CDF board within the financial year. We appreciate your advices and express our commitment to implement them as part of our plans to produce quality reports to our stakeholders.</p>	FUND ACCOUNT MANAGER	Resolved



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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)
	<p>Risk(s)/Effect(s)/Implications</p> <p>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>Recommendation</p> <p>It is recommended that foot notes explaining the reasons for budget under-utilization be included in the summary statement of appropriation for better understanding of CDF performance in the year and to fully comply with the standards.</p>			
4.3.1	<p>Non Implementation of Approved Projects –Kshs 47,199,213.27</p> <p>Criteria</p> <p>Section 6(2) of the National Government Constituency Development Fund Act, 2015, provides that funds allocated for a particular project, may only be re-allocated for any other purpose during the financial year with the approval of the Board or returned to the fund account if a project is cancelled or</p>	<p>The non-implementation of approved projects worth kshs 47,199,213.27 was due to the delay of disbursement of funds from the NG-CDF board. This amount relates to the already approved budget of financial year 2017/2018 and since they were already approved and pertaining to the ongoing projects, it does not need a second approval</p>	FUND ACCOUNT MANAGER	Resolved



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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)
	<p>discontinued.</p> <p>Further, section 45 (1) of the Public Financial Management Act 2012, states that an appropriation that has not been spent at the end of the financial year for which it was appropriated shall lapse immediately at the end of that financial year.</p> <p>Observation</p> <p>The Narok West Constituency Development Fund approved project code list reflects a final budget amount of Kshs 91,889,655.18 while the actual expenditure was Kshs 44,690,441.91 leaving a balance of Kshs 47,199,213.27 unutilized as shown in Appendix II. However, no satisfactory reason was given for not implementing the said projects.</p> <p>Risk(s)/Effect(s)/Implications</p> <p>There is a risk that the residents of Narok West Constituency were denied the provision of services and better schools infrastructure as a result of failure by the Accounting Officer to disburse funds to the respective Project Management Committee Bank Accounts for project implementation.</p>			



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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)
	<p>Recommendation</p> <p>It is recommended that the funds be re-voted to the specified projects in order to safeguard them against reallocations and their implementation fast tracked in order to achieve their desired development objectives.</p>			
4.3.2	<p>Unauthorized Expenditure - Ksh 9,663,992.73</p> <p>Criteria</p> <p>Section 53(8) of the Public Procurement and Disposal Act 2015, provides that an Accounting Officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates.</p> <p>Observation</p> <p>The statement of receipts and payments reports total payments of Kshs 63,602,262</p>	<p>Narok West NGCDF bursary committee comprises of all the CDFC members, the Sub-County Commissioner and the DEO. All the members determine the criteria of bursary disbursement. However, identification of the needy students is done at the grassroots level in the individual wards by the committees with the assistance of the assistant chiefs in public Barraza as seen in the minutes attached. Total orphans, partial orphans, disabled and destitute students are publicly identified in the ward meetings and given preference. Similarly, the committee undertakes the process of compilation of the list of bursary beneficiaries and approval of the same.</p>	<p>FUND ACCOUNT MANAGER</p>	



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	<p>which includes transfers to tertiary institutions which had a budgetary allocation of Kshs 8,029,007.27 but whose actual expenditures amounted Kshs 17,693,000 resulting to unauthorized expenditure of Kshs 9,663,992.73 as a result of failure to obtain approvals from the Accounting Officer as shown in Appendix III</p> <p>Risk(s)/Effect(s)/Implications</p> <p>There is a risk that expenditures of Kshs 9,663,992.73 were incurred in excess of the allowed budgetary limits as a result of poor maintenance of the Vote Book records.</p>			



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	<p>Recommendation</p> <p>It is recommended that the Vote Book records be properly maintained and updated on a regular basis to minimize the occurrence of such instances in future.</p>									
4.3.3	<p>Unapproved Budget Adjustments – Kshs 8,397,364.66</p> <p>Criteria</p> <p>Section 26 (1) of the Constituency Development Fund provides that constituencies with unspent funds at the end of the financial year shall submit new proposals to the Board for approval in accordance with section 31 of the Act.</p> <p>Observation</p> <p>The summary statement of appropriation for recurrent and development expenditure reports a final budget amount of Kshs 106,587,020 which includes a budgetary adjustment of Kshs 19,776,675 that is supported by a corresponding project list of Kshs 11,379,310.34 resulting to</p>	<p>The fund balance of kshs 8,397,364.66 relates to the fund balances brought forward from the financial year 2016/2017 due to the delay of disbursement of funds from the NG-CDF board. This amount relates to the already approved budget of financial year 2016/2017 and since they were already approved and pertaining to the ongoing projects, it does not need a second approval. The amounts are tied to the projects shown below and the attached code list</p> <table border="1"> <thead> <tr> <th>Project title</th> <th>F/Y APPROVED</th> <th>AMOUNT APPROVED</th> </tr> </thead> <tbody> <tr> <td>Sand-River-Sekenani Sec Sch</td> <td>2016-2017</td> <td>7,000,000</td> </tr> </tbody> </table>	Project title	F/Y APPROVED	AMOUNT APPROVED	Sand-River-Sekenani Sec Sch	2016-2017	7,000,000		
Project title	F/Y APPROVED	AMOUNT APPROVED								
Sand-River-Sekenani Sec Sch	2016-2017	7,000,000								



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	<p>unapproved budget adjustment of Kshs 8,397,364.66 that is not attached to any specific projects.</p> <p>Risk(s)/Effect(s)/Implications</p> <p>There is a risk that Kshs 8,397,364.66 is not tied to any specific projects and may be easily misappropriated.</p> <p>Unaccounted for Motor Vehicle Fuel- Kshs. 100,000</p> <p>Criteria</p> <p>The Public Financial Management Act 2012 under section 79(2) requires an Accounting Officer should ensure that the resources within his or her area of responsibility are used in a way which is lawful and authorized and is effective, efficient, economical and transparent.</p> <p>Observation</p> <p>The statement of receipts and payments reports goods and services expenditure of 3,390,417 which includes motor vehicle fuel of Kshs. 100,000 which is not supported by work ticket, detail order, fuel register or supplier</p>	<table border="1"> <tr> <td>Road</td> <td></td> <td></td> </tr> <tr> <td>MOI NAIKARRA SEC SCHOOL CLASSROOM</td> <td>2016-2017</td> <td>850,000</td> </tr> <tr> <td>AUDIT FEES RE-SUBMITTED</td> <td>2015-2016</td> <td>500,000</td> </tr> <tr> <td>CASHBOOK CLOSING BALANCES F/Y 16/17</td> <td>2016-2017</td> <td>47,364.66</td> </tr> <tr> <td>TOTALS</td> <td></td> <td>8,397,364.66</td> </tr> </table> <p>Management has noted the audit observation; however, the documents were misfiled but are readily available for audit examination. In addition, the expenses relate to motor vehicle running costs which are supported by work tickets and fuel consumption reports.</p>	Road			MOI NAIKARRA SEC SCHOOL CLASSROOM	2016-2017	850,000	AUDIT FEES RE-SUBMITTED	2015-2016	500,000	CASHBOOK CLOSING BALANCES F/Y 16/17	2016-2017	47,364.66	TOTALS		8,397,364.66		
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	<p>statement and therefore it was not possible to ascertain the propriety of the expense</p> <p>Risk(s)/Effect(s)/Implications</p> <p>There is risk that the motor vehicle may use may be abused due to lack of records showing its movement and purpose for which the journey was authorized.</p> <p>Recommendation</p> <p>It is recommended that all the motor vehicle movements should be authorized by the fund manager and recorded in the work ticket in order to safeguard it from misuse or making unauthorized journey.</p>			

