

REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL
REPORT**

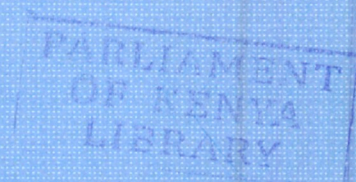
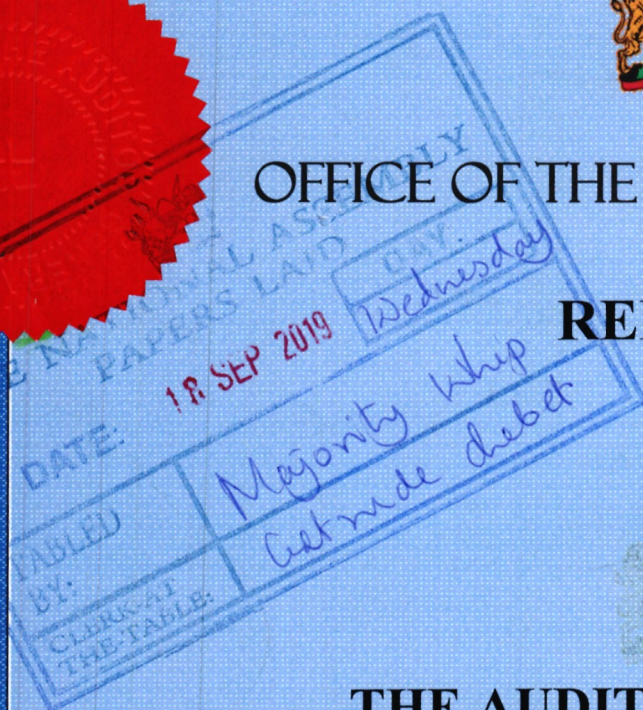
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
BARINGO CENTRAL CONSTITUENCY**

**FOR THE YEAR
ENDED 30 JUNE 2018**





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BARINGO
CENTRAL CONSTITUENCY**

AMENDED REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 BARINGO CENTRAL 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Michael Kones
3.	Sub-County Accountant	Lukas Okech
4.	Chairperson NGCDFC	Jeniffer Yegon
5.	Member NGCDFC	Jackson Cheburet

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF –BARINGO CENTRAL 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 BARINGO CENTRAL Constituency Headquarters

P.O. Box 546
JAMABA Building/House/Plaza
XXX Avenue/Road/Highway
Nairobi, KENYA

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(f) NGCDF BARINGO CENTRAL Constituency Contacts

Telephone: (254) 720130252
E-mail: baringocentral@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF BARINGO CENTRAL Constituency Bankers

1. Kenya Commercial Bank.
Kabarnet Branch

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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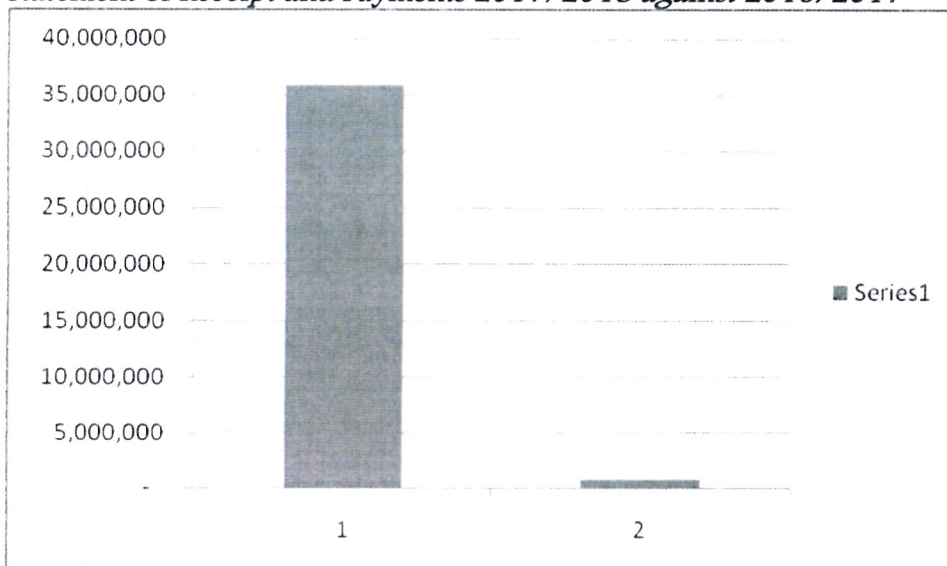
II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Include among others the following:

- Mention in summary the budget performance against actual amounts for current year based on economic classification and programmes,

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Baringo Central

Statement of Receipt and Payments 2017/2018 against 2016/2017

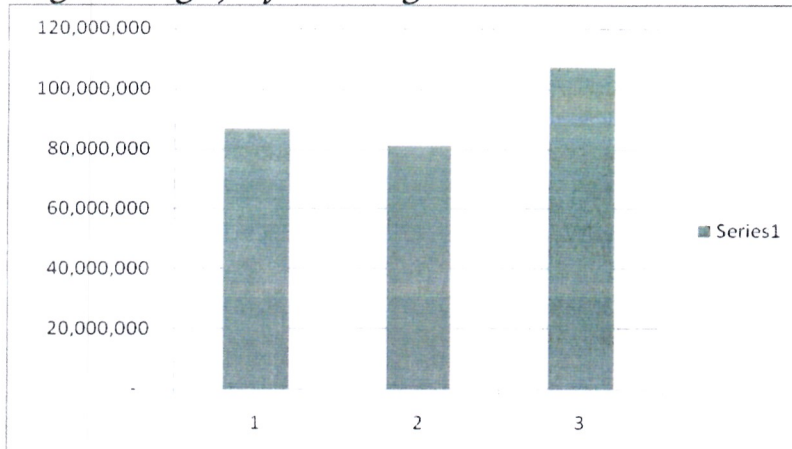


Key

- 1- (High surplus in FY 2017/2018)
 2- (Low Surplus in FY 2016/2017)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY
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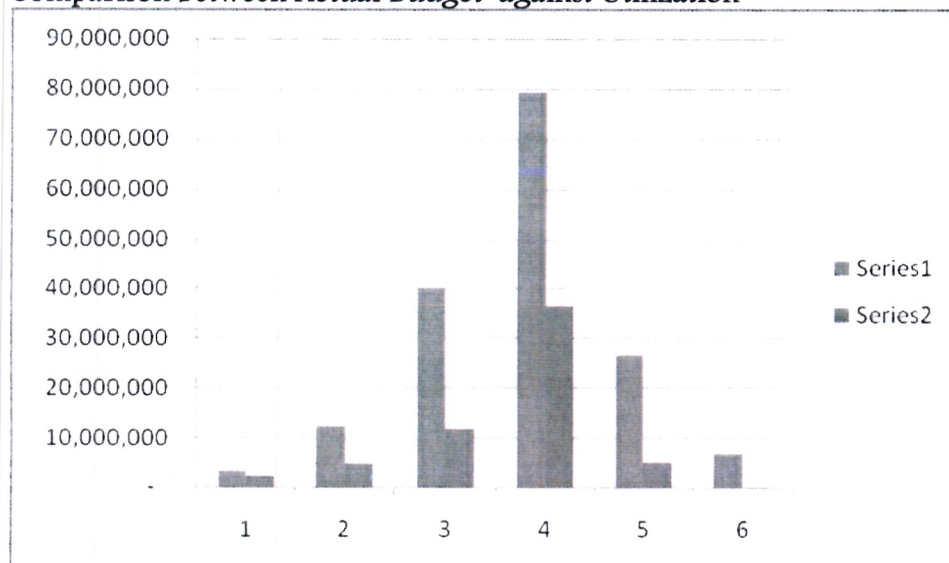
Original budget, adjustment against Actual Utilization of Fund



Key

- 1- Original budget Allocation
- 2- Total adjustment Allocation during the year 2017/2018
- 3- Total Actual comparable basis i.e. The Total Fund allocated during the years of implemented at 70% comparatively before the year of additional fund and undisbursed fund from the board for the previous year

Comparison between Actual Budget against Utilization

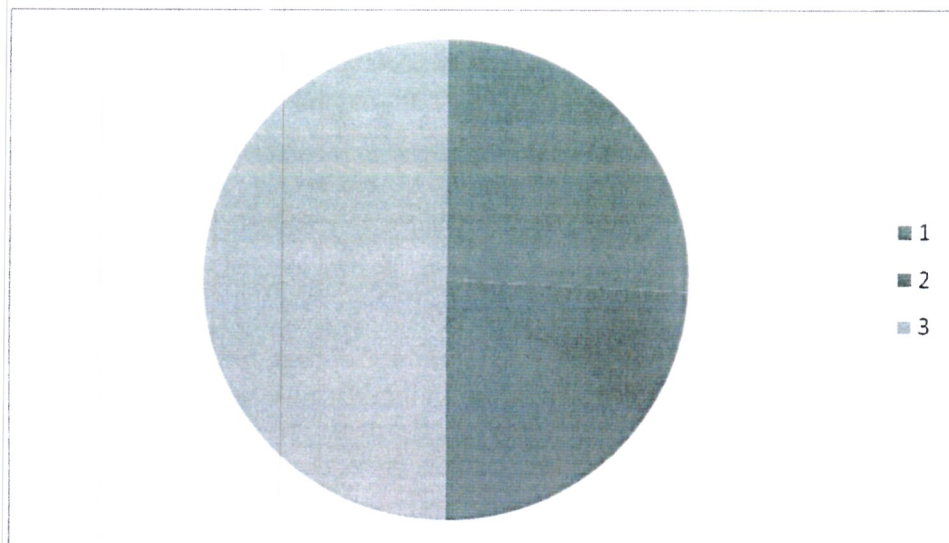


Key:

- 1- Comparison of actual and utilization in compensation of employees
- 2- Comparison of actual and Utilization in use of goods and services
- 3- Comparison of Actual and Utilization in transfers to other government units
- 4- Comparison of Actual and Utilization in other grants and transfers
- 5- Comparison of Actual and Utilization in Acquisition of Assets
- 6- Comparison of Actual and
- 7- Utilization in other payments

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Original budget, adjustment against Final budget



Key

- 1- Original Budget
- 2- Adjustment
- 3- Final budget

DETAIL KEY ACHIEVEMENTS FOR THE ENTITY



NGETMOI PRY SCHOOL- 4 CLASSROOM



OROKWO CHIEFS OFFICE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY
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KIPKAECH SEC SCHOOL-LAB



SOROK PRY SCHOOL- CLASSROOM



CHEPKERO SEC SCHOOL – ADMIN BLOCK

KAPTIMBOR PRY SCHOOL-2 CLASSROOMS

- List emerging issues related to the entity,
 - However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation
- List the implementation challenges and recommended way forward.
 - Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

- The NG-CDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign

CHAIRMAN NG- CDFCOMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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III. STATEMENT OF NG-CDF COMMITTEE 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.

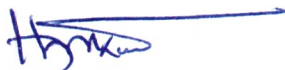
The Accounting Officer in charge of the NGCDF-BARINGO CENTRAL Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-BARINGO CENTRAL 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 *Baringo Central NG-CDF* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BARINGO CENTRAL Constituency further confirms the completeness of the accounting records maintained for the *Fund*, 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-BARINGO CENTRAL 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-BARINGO CENTRAL Constituency financial statements were approved and signed by the Accounting Officer on 09/04/ 2019.



Fund Account Manager

Name: MICHAEL KONDE



Sub-County Accountant

Name: ANTHONY MACHARIA

ICPAK Member Number: 15786

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BARINGO CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Baringo Central Constituency set out on pages 9 to 41, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Baringo Central Constituency as at 30 June, 2018, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Misstatement of Cash and Cash Equivalents

The statement of assets and liabilities as at 30 June 2018 reflects cash and cash equivalents of Kshs.47,130,256.60 compared to Kshs.11,202,050.05 as at 30 June 2017. However, the cashbook balance was not adjusted for bank charges of Kshs.331,404 and unrepresented cheques figure was erroneously stated at Kshs.7,804,039 instead of Kshs.7,809,137.35 and stale cheques worth Kshs.452,100.35 were yet to be reversed in the cashbook. There was omission in the cashbook of direct cash deposits of Kshs.14,000 made in June 2017. Under the circumstances the accuracy of the reported cash and bank balance could not be confirmed.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
– Baringo Central Constituency for the year ended 30 June 2018*

2. Allocation of Bursary

The statement of receipts and payments for the year ended 30 June 2018 reported other grants and transfers of Kshs.35,840,289 compared to Kshs.68,735,113 in 2016/2017, representing a decrease of Kshs.32,894,824.

Included in this figure, is Kshs.34,390,289 bursary expenditure which was at variance by Kshs.8,580,589 with supporting schedules figure of Kshs.25,809,700. Further, bursary budget was Kshs.33,760,458.42 that included Kshs.8,580,589 balance brought forward implying unexplained over expenditure of Kshs.629,780.58. The constituency does not have a bursary policy and there was no evidence of unbiased vetting through properly constituted bursary committee. The accuracy and propriety of the expenditure could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Baringo Central Constituency in accordance with ISSAI 30 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. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budget Analysis and Performance

The National Government Constituencies Development Fund (NG-CDF) Board approved 2017/2018 budget receipts of Kshs.98,189,655.16 as per code list. However, the summary statement of appropriation reported Kshs.168,062,959 and actual receipts on comparable basis of Kshs.95,953,593. Expenditures budget was shown at Kshs.168,062,959 with corresponding actual of Kshs.60,025,387 as detailed below;

Item	2017/2018 Budget Kshs	2017/2018 Actual Kshs	Variance Kshs	Absorption Rate %
Receipts				
Transfer from NG-CDF	168,062,959	95,953,593	72,109,366	57%
Total	168,062,959	95,953,593	72,109,366	57%
Expenditure				
Compensation of Employees	3,249,492	2,133,544	1,115,948	66%
Use of goods and services	12,371,171	5,274,120	7,097,051	43%
Transfers to Other Government Units	39,900,000	11,800,000	28,100,000	30%

Item	2017/2018 Budget Kshs	2017/2018 Actual Kshs	Variance Kshs	Absorption Rate %
Other grants and transfers	79,959,343	35,840,289	44,119,054	45%
Acquisition of Assets	25,905,927	4,977,434	201,928,493	19%
Other Payments	6,677,027	0	6,677,027	0%
Total Expenditure	168,062,959	60,025,387	108,037,572	36%

The budget underutilization of Kshs.108,037,573 implies that the constituents did not receive the envisaged services.

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(s) 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. Procurement of Offices

The CDF advertised only in one daily newspaper the Proposed Erection and Completion of Baringo Central Constituency Development Fund offices tender number BC/CDF/-16-17 and did not constitute tender opening committee. The Contract was awarded to M/s Belion Hardware and Building Contractors at a cost of Kshs.24,779,572 with a completion date of 10 May 2018, however verification revealed that works were behind schedule by forty-two (42) weeks. The constituency was in breach of the Public Procurement and Asset Disposal Act 2015 and delay completion continuously deny the residence the envisaged services.

2. Transfer to Other Government Entities

Transfer to other government entities was reported at Kshs.11,800,000 compared to Kshs.85,687,931 in 2016/ 2017 a decrease by Kshs.73,887,931. Leibatai Primary School was allocated Kshs.800,000 for construction of one class room which had not begun occasioned by unresolved complaints from Board of Management (BOM) Members. Kesetan Primary School was paid Kshs.800,000 from emergency budget for completion of one classroom which was verified to have poor workmanship. Besides breaching the National Government Constituencies Development Fund Regulations, 2016, the accountability of these funds could not be confirmed.

3. Prior Year Incomplete Projects

As reported in 2016/2017 certified financial statements, Kitaktak water project and Kaplop Community water whose actual expenditure was Kshs.4,600,000 remained incomplete. The management has not explained measures being taken to ensure that they are completed and put into effective use. Under the circumstances, the cost incurred is likely to go into waste and residents continue to be denied benefits associated with their completion.

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

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Internal Control Weaknesses

The Constituency has not embraced use of information technology and there are no measures in place to detect and prevent fraud. Risk assessment is not performed and the management is not in a position to identify individual risks, significance / likelihood of identified risks and the risky areas and therefore the relevant controls have also not been identified and put in place.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Constituency or to cease operations, or have no realistic alternative but to do so.

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 Constituency's 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 going concern 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 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

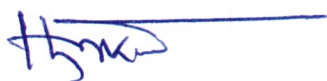
7 August 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	95,953,593	166,537,837
Proceeds from Sale of Assets	2		-
Other Receipts	3		-
TOTAL RECEIPTS		95,953,593	166,537,837
PAYMENTS			
Compensation of employees	4	2,133,544	1,617,024
Use of goods and services	5	5,274,120	8,450,751.99
Transfers to Other Government Units	6	11,800,000	85,687,931
Other grants and transfers	7	35,840,289	68,735,113
Acquisition of Assets	8	4,977,434	1,285,775.00
Other Payments	9		-
TOTAL PAYMENTS		60,025,387	165,776,595
SURPLUS/DEFICIT		35,928,207	761,241

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BARINGO CENTRAL Constituency financial statements were approved on 09/04/19 2019 and signed by:



Fund Account Manager
Name: MICHAEL KONE





Sub-County Accountant
Name: ANTHONY MACHARIA
ICPAK Member Number: 15786

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	47,130,256.60	11,202,050.05
Cash Balances (cash at hand)	10B		-
Total cash and cash equivalent		47,130,256.60	11,202,050.05
Current receivable -Outstanding Imprests		-	769,530.00
NET FINANCIAL ASSETS		47,130,256.60	11,971,580.05
FINANCIAL LIABILITIES			
Account Payables-Retention	12		
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	11,971,580.05	11,210,338.84
Surplus/Deficit for the year		35,928,206.55	761,241.21
Prior year adjustments	14	(769,530.00)	-
NET FINANCIAL POSITION		47,130,256.60	11,971,580.05

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BARINGO CENTRAL Constituency financial statements were approved on 09/04/2019 and signed by:

Fund Account Manager
Name: MICHAEL KONGE



Sub-County Accountant
Name: ANTONY MAOPIA
ICPAK Member Number: 15786

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017-2018	2016- 2017
		Kshs	Kshs
Transfers from CDF Board	1	95,953,593	166,537,837.60
Other Receipts	3		-
Payments for operating expenses			
Compensation of Employees	4	2,133,544	1,617,024.40
Use of goods and services	5	5,274,120	8,450,751.99
Transfers to Other Government Units	6	11,800,000	85,687,931
Other grants and transfers	7	35,840,289	68,735,113
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year			769,530
Net cash flow from operating activities		40,905,640	1,277,486.21
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	4,977,434	1,285,775
Net cash flows from Investing Activities		4,977,434	1,285,775
NET INCREASE IN CASH AND CASH EQUIVALENT		35,928,207	(8,288.79)
Cash and cash equivalent at BEGINNING of the year	15	11,202,050.05	11,210,339.84
Cash and cash equivalent at END of the year	16	47,130,257	11,202,050.05

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BARINGO CENTRAL Constituency financial statements were approved on 09/04/2019 and signed by:

Fund Account Manager

Name: NICHOLAS KONGA



Sub-County Accountant

Name: ANTONY MACHARIA
ICPAK Member Number: 15786

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	KSHS	KSHS	KSHS	KSHS	KSHS	
Transfers from CDF Board	96,189,655.00	69,873,304	168,062,959	95,953,593	60,137,786	64%
Proceeds from Sale of Assets						
Other Receipts						
Total	96,189,655.00	69,873,304	168,062,959	95,953,593.10	60,907,316	64%
PAYMENTS						
Compensation of Employees	2,055,516	1,193,976	3,249,492	2,133,544	1,115,948	66%
Use of goods and services	6,711,725	5,659,446	12,371,171	5,274,120	7,097,051	43%
Transfers to Other Government Units	34,200,000	5,700,000	39,900,000	11,800,000	28,100,000	30%
Other grants and transfers	36,545,387	43,413,956	79,959,343	35,840,289	44,119,054	45%
Acquisition of Assets	12,000,000	13,905,927	25,905,927	4,977,434	20,928,493	19%
Other Payments	6,677,027		6,677,027	-	6,677,027	0%
TOTALS	98,189,655	69,873,304	168,062,959	60,025,387	108,037,573	36%
SURPLUS/DEFICIT				35,928,207		

(a) EXPLANATION ON ALL ITEMS BELOW 90% UTILIZATION

- i) *On receipt, the total receipt from NG-CDF board is 64% which is due to additional Fund which was planned in May 2018 for proposal submission of kshs 11,379,310.34 and delay in receipt of funds from NG-CDF Board.*

- ii) *On the Compensation of employees 62% was utilized due to additional funds from the previous year which was unutilised and anticipation of employing 5 new staffs and also the delay to receive full allocation for the year 2017/2018 from the NG-CDF Board.*
- iii) *Use of goods and services, 38% was utilized due to delay in receipt of funds from NG-CDF Board.*
- iv) *Transfers to other Government units, 30% were utilized due to delay in receipt of Funds for NG-CDF and approval of reallocation and resubmission.*
- v) *Other grants and transfers, 45% was utilized due to delay in receipt of Funds from NG-CDF Board due to non –compliance to 10m threshold precipitated by delay in reallocation of projects and PMC not submitting their returns on time.*
- vi) *Acquisition of Assets, 19% was utilized due to delay in receipt of Funds for NG-CDF Board and delay in the implementation (construction of NG-CDF offices) which is ongoing.*

The NGCDF-BARINGO CENTRAL Constituency financial statements were approved on 09/04/2019 and signed by:



Fund Account Manager
Name: MICHAEL KONGE



Sub-County Accountant
Name: ANTONY MACHARIA
ICPAK Member Number: 15786



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GILGIL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

VIII. 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-BARINGO CENTRAL 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.

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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 2018, 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) –
BARINGO CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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 2018.

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) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE BOARD

Description		2017 - 2018	2016 - 2017
		KSHS	Kshs
Normal Allocation	AIE NO. A835760	5,500,000.00	
	AIE NO. A839743	16,853,448.00	
	AIE NO. A892862	20,679,869.00	
	AIE NO. A896788	38,848,276.10	
	AIE NO. A892990	14,072,000.00	
	AIE NO. A825826		48,011,094.00
	AIE NO. A829501		4,094,827.60
	AIE NO. A839722		20,000,000.00
	AIE NO. A855141		42,965,958.00
	AIE NO. A855664		51,465,957.00
Conditional grants	AIE NO...		-
	AIE NO...		-
Receipt from other Constituency			-
TOTAL		95,953,593.10	166,537,836.60

2. PROCEEDS FROM SALE OF ASSETS

Description		2017-2018 Kshs	2016-2017 Kshs
Receipts from the Sale of Buildings			
Receipts from the Sale of Vehicles and Transport Equipment			
Receipts from the Sale Plant Machinery and Equipment			
Receipts from the Sale of office and general equipment			
	Total		-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description			2016-2017	
			Kshs	
Interest Received			-	
Rents			-	
Sale of tender documents			-	
Other Receipts Not Classified Elsewhere (specify)			-	
Total			-	

4. COMPENSATION OF EMPLOYEES

Description		2017-2018	2016-2017
		KSHS	Kshs
Basic wages of contractual employees		2,124,743.90	1,309,824.40
Basic wages of casual labour			
Personal allowances paid as part of salary			
House allowance			
Transport allowance			
Leave allowance			
Other personnel payments			
Employer contribution to NSSF		8,800.00	57,960.00
Gratuity- contractual employees			249,240.00
Total		2,133,543.90	1,617,024.40

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description		2017-2018	2016-2017
		KSHS	Kshs
Utilities, supplies and services		10,589.00	
Electricity			
Water and sewerage charges			
Office rent			
Communication, supplies and services		182,290.00	16,447.30
Domestic travel and subsistence		343,500.00	157,000.00
Printing, advertising and information supplies and services		98,500.00	
Rentals of produced assets			
Training expenses		50,480.00	2,440,950.00
Hospitality supplies and services		140,264.00	106,614.70
Other Committee Expenses		1,204,650.00	246,624.30
Committee Allowance		1,487,000.00	2,923,319.00
Insurance costs			
Specialized materials and services		297,228.00	
Office and general supplies and services		226,301.00	-
Fuel ,oil and lubricants		177,513.00	610,585.00
Other operating expenses		450,360.00	674,951.69
Bank service commission and charges		19,395.00	
Routine maintenance – vehicles and other transport equipment		560,550.00	1,274,260.00
Routine maintenance – other assets		25,500.00	
Total		5,274,120.00	8,450,751.99

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
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For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		KSHS	Kshs
Transfers to primary schools		11,800,000.00	60,087,931.00
Transfers to secondary schools			23,800,000.00
Transfers to Tertiary institutions			100,000.00
Transfers to Health institutions			1,700,000.00
TOTAL		11,800,000.00	85,687,931.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description		2017-2018	2016 - 2017
		KSHS	KSHS
Bursary -Secondary		26,392,289.00	33,481,700.00
Bursary -Tertiary		7,998,000.00	
Bursary-Special schools			
Mocks and CAT			340,100.00
water			5,300,000.00
Agriculture (food security)			
Electricity projects			
Security		550,000.00	12,000,000.00
Roads			1,792,000.00
Sports			10,588,000.00
Environment			1,833,313.00
Emergency Projects (specify)		900,000.00	3,400,000.00
Total		35,840,289.00	68,735,113.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2017-2018	2016-2017
		KSHS	KSHS
Purchase of Buildings			
Construction of Buildings		4,977,433.60	1,285,775.00
Refurbishment of Buildings			
Purchase of Vehicles			
Purchase of Bicycles and Motorcycles			
Overhaul of Vehicles			
Purchase of Office furniture and fittings			
Purchase of computers ,printers and other IT equipments			
Purchase of photocopier			
Purchase of other office equipments			
Purchase of soft ware			
Acquisition of Land			
Total		4,977,433.60	1,285,775.00

9. OTHER PAYMENTS

		2017-2018	2016-2017
Strategic plan			-
ICT Hub			-
specify			-
TOTAL			-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. and currency	Account Number	2017-2018	2016-2017
		KSHS	KSHS
KCB Kabarnet Branch A/C NO: 1103775839(Kshs.)	1103775839	47,130,256.62	11,202,050.05
Total		47,130,256.62	11,202,050.05
10B: CASH IN HAND)			
		2017-2018	2016-2017
		Kshs	Kshs
Location 1			-
Location 2			-
Location 3			-
Other receipts (specify)			-
Total			-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

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>
Balance b/f 2016/2017				769,530.00
<i>Name of Officer or Institution</i>				
Total				769,530.00

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1		
Supplier 2		
Supplier 3		
Total		

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	11,202,050.05	11,210,338.84
Cash in hand		
Imprest	769,530	
Total	11,971,580.05	11,210,338.84

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BARINGO CENTRAL CONSTITUENCY**
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts		
Cash in hand		
Imprest (wrong adjustment now corrected)	(769,530.00)	769,530.00
Total	(769,530.00)	769,530.00

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017-2018	2016-2017
	Kshs	Kshs
Compensation of employees	1,115,947.62	
Use of Goods and services	7,627,000.95	
Amounts due to other Government entities (see attached list)	38,700,000.00	-
Amounts due to other grants and other transfers (see attached list)	9,381,448.20	-
Acquisition Of assets	20,928,493.24	
Others (<i>strategic plan and ICT Hub</i>)	6,677,027.20	-
	84,429,917.21	-

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

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	4,658,501.85	25,345.60
	4,658,501.85	25,345.60

NATIONAL GOVERNMENT ENTITY - (BARINGO CENTRAL CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
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						

NATIONAL GOVERNMENT ENTITY - (BARINGO CENTRAL CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
Senior Management		a	b	c	d=a-c		
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							

NATIONAL GOVERNMENT ENTITY - (BARINGO CENTRAL CONSTITUENCY)
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding balance 2017-2018	Outstanding Balance 2016-2017	Comments
Compensation of Employees		1,115,947.62		
Use of goods and Services		7,627,000.95		
Amounts due to other Government entities				
Kipkaech primary school	purchase of land	300,000		delayed of fund by the CDF board
kabasis primary school	construction of dormitory	2,000,000		delayed of fund by the CDF board
Kaptumo Primary School	completion of admin block	800,000		delayed of fund by the CDF board
kasore primary school	construction of 4 classroom	3,200,000		delayed of fund by the CDF board
Salawa Primary School	completion of dining hall	1,000,000		delayed of fund by the CDF board
kapkokwon primary school	construction of admin block	1,500,000		delayed of fund by the CDF board
tereben primary school	completion of admin block	1,000,000		delayed of fund by the CDF board
Kapchemon primary school	construction of 2 classroom	1,600,000		delayed of fund by the CDF board
Kipkutuny Primary School	completion of dormitory	1,500,000		delayed of fund by the CDF board
Sironoi Primary School	completion of 2 classroom	500,000		delayed of fund by the CDF board
Mogorwa Primary School	completion of admin block	1,000,000		delayed of fund by the CDF board

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Ochii Primary School	construction of toilet	600,000		delayed of fund by the CDF board
Sorok Primary School	completion of toilets	600,000		delayed of fund by the CDF board
Kapropita primary school	Construction of 1 classroom	800,000		delayed of fund by the CDF board
kamgoin primary school	Construction of 1 classroom	800,000		delayed of fund by the CDF board
kesetan primary school	completion of 1 classroom	200,000		delayed of fund by the CDF board
sigowo primary school	completion of administration block	1,000,000		delayed of fund by the CDF board
Tilelon primary school	completion of admin block	200,000		delayed of fund by the CDF board
Saimet Primary School	completion of 2 classroom	800,000		delayed of fund by the CDF board
Tartar Primary School	completion of 2 classroom	700,000		delayed of fund by the CDF board
Lelgut Primary school	completion of classroom	300,000		delayed of fund by the CDF board
Tabarin primary school	construction of toilets	300,000		delayed of fund by the CDF board
Kiboi primary school	completion of admin block	800,000		delayed of fund by the CDF board
Mogorwa Primary School	Construction of Boys Dormitory	2,000,000		delayed of fund by the CDF board
Bokorin primary school	construction of 2 classroom	1,600,000		delayed of fund by the CDF board
Chesango primary school	construction of 2 classroom	1,600,000		delayed of fund by the CDF board
Kapchemuso primary school	completion of classroom	200,000		delayed of fund by the CDF board
kaplel primary school	completion of a library	400,000		delayed of fund by the CDF board

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Kapcherebet primary school	completion of 3 classrooms	600,000		delayed of fund by the CDF board
kapsogo primary school	construction of classroom	1,000,000		delayed of fund by the CDF board
kapkut primary school	construction of classroom	1,000,000		delayed of fund by the CDF board
seguton primary school	Completion of classroom	500,000		delayed of fund by the CDF board
kaprogonya primary school	construction of classroom	1,000,000		delayed of fund by the CDF board
kisonei secondary school	construction of classroom	1,000,000		delayed of fund by the CDF board
Timboiywo day secondary school	completion of dinning hall	1,500,000		delayed of fund by the CDF board
Kaptiriony Day secondary school	completion of laboratory	800,000		delayed of fund by the CDF board
Tenges secondary school	construction of1 classroom	800,000		delayed of fund by the CDF board
Kisok Mixed Day Secondary School	Completion of admin block	800,000.00		delayed of fund by the CDF board
Kaptorokwo mixed day secondary school	completion of classroom	300,000.00		delayed of fund by the CDF board
Kapkut Secondary School	completion of laboratory	500,000.00		delayed of fund by the CDF board
kipsoit day secondary school	completion of clasroom and construction of kitchen	600,000.00		delayed of fund by the CDF board
Riwo day secondary school	completion of laboratory	1,000,000.00		delayed of fund by the CDF board
Sub-Total		47,442,948.57		-
Amounts due to other grants and other transfers				-

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Ewalel chiefs office	completion of offices	800,000.00		delayed of fund by the CDF board
Kabasis chiefs office	completion of offices and onstruction of toilets	1,000,000		delayed of fund by the CDF board
Kimoso assistant chiefs office	construction of toilets	700,000		delayed of fund by the CDF board
Kiboino Chiefs office	construction of toilets	800,000		delayed of fund by the CDF board
Sacho mosop chiefs office	purchase of office furniture	300,000		delayed of fund by the CDF board
Saimet chiefs office	completion of offices and construction of toilets	800,000		delayed of fund by the CDF board
Eitui assistant chiefs office	completion of offices	1,000,000		delayed of fund by the CDF board
Kisonei chiefs office	completion and equipping	300,000		delayed of fund by the CDF board
Kaprogonya chiefs office	completion and purchase of furniture	600,000		delayed of fund by the CDF board
Sponsorship of motobike training shade	construction of shade	1,000,000.00		delayed of fund by the CDF board
Emergency	Funding of Emergencies in the Constituency	2,081,448.20		delayed of fund by the CDF board
Sub-Total		9,381,448.20		-
Acquisition of Assets				
CDF Office	Construction of CDF Office	20,928,493.24		delayed of fund by the CDF board
Sub Total		20,928,493.24		
Others (specify)				
strategic plan	Funding Constituency strategic plan	2,000,000.00		delayed of fund by the CDF board

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Constituency innovation Hub	installation of constituency Hub	4,677,027.20		delayed of fund by the CDF board
Sub-Total		6,677,027.20		
Grand Total		84,429,917.21		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures		4,977,433.60		4,977,433.60
Transport equipment				
Office equipment, furniture and fittings	496,163.00			496,163.00
ICT Equipment, Software and Other ICT Assets	485,200.00			485,200.00
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	981,363.00	4,977,433.60		5,958,796 .60

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kewamoi primary school	KCB	1132322588	800,005.00	892.35
Kaplop primary school	KCB	1134658486	106,112.00	758.35
Tabarin primary school	KCB	1135866236	873,125.00	1,575.70
Lelgut primary school	KCB	1210411970	185,534.85	1,320.45
Kesetan primary school	KCB	1137080388	453,690.00	980.35
Kapkelelwa primary school	KCB	1130773892	171,580.00	5,375.80
Kimagok primary school	KCB	1204908168	599,080.00	1,870.25
Kaptimbor primary school	KCB	1154767930	416,054.50	3,215.10
Kiplabal primary school	KCB	1203363095	179,309.50	1,325.90
Kipkutuny primary school	KCB	1114373435	130,253.00	1,965.30
Kipsoit primary school	KCB	1136776494	436,673.00	2,422.85
Pemwai primary school	KCB	1203841094	230,395.00	857.55
Sironoi primary school	KCB	1109562268	76,690.00	2,785.65
Total			4,658,501.85	25,345.60

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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.

The matters which were raised are:

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)
Audit report 2016/2017	<u>1. Proposed Construction of Multi-purpose Hall for AIC Visa Oshwal Primary School.</u> In financial year 2016/2017 the CDF paid Kshs.4,300,000 towards construction of multipurpose hall at AIC Visa Oshwal Primary School. This increased the total payments towards this project to 5,500,000. The project was started in the financial year 2014/2015 at a contract sum of Kshs.14,766,551.80. Despite this expenditure, the management did not provide certificates issued by technical personnel as evidence that the building was inspected and certified meet the required standards at different stages of completion. A site visit revealed that only part of the substructure and the superstructure had been constructed. The foundation has been partially done with some sections without floor slab. Some sections of the walls have been raised but none has reached the lintel level. Further, on materials were on site, the contractor was not on site and no work was going. Further, the CDF did not budget any funds towards this project in financial year	It was allocated 5m for the first phase and is complete awaiting commissioning,	Michael Kones – Fund Manager	Resolved	Awaiting commissioning.

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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)
	2017/2018. The funds already incurred on the project are likely to go into waste if additional funding is not provided and construction resumes. Payments for work not done or not properly are likely to be made if technical personnel are not involved in implementation.				
Audit report 2016/2017	2. Bursary Expenditure During the year under review Baringo Central CDF budgeted to spend Kshs.28,031,034.50 on bursary but the financial statements reported bursary expenditure of Kshs.33,821,800 leading to a variance of Kshs.5,790,765.50 that was not authorized or approved by the board. It was noted that the individual student's applications were incomplete and lacked relevant supporting documents. The policy adopted to identify the needy and deserving cases was not stated or provided for audit. However, the Chiefs and their assistants were tasked to identify, vet and award bursaries, a process that was likely to be subjective. There were no official acknowledgement letters from respective schools to ascertain that their students received bursary. Bursary may not have been awarded to the needy and deserving students of the constituency.	The criteria used to adopt when identifying needy student has been set and control system to ensure all acknowledgement are returned has been also set	Michael Kones- Fund Manager	Resolved	implemented



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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)
Audit report 2016/2017	3.CompletedKaplop Water Project not in use In financial year 2016/2017 the CDF paid Kshs.800,000 for the construction of 100m3 tank at Kaplop community water project. Audit verification revealed that pipes were disconnected from the borehole that supplies water to the tank due to a dispute with a local resident who claims the land on which the borehole is drilled belongs to him. The relevant land ownership documents were not provided for audit. Consequently, the tank has not been put into use and intended benefits of accessing water by the constituents living around Kaplop community water project are not being realized. The cost incurred on this project is likely to go into waste.	It was completed but due to heavy rain pipes lines were damaged and being a devolved project the county was to intervene.	Michael Kones – Fund Manager	Not resolved	County will Intervene by June 2019

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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)
Audit report 2016/2017	4. Kitaktak Water Project. The CDF undertook the construction of Kitaktak water project which involved drilling of borehole, construction of pump house, construction of reservation water tank from where residents would be connected and laying of pipes to the reservoir tank. Payments made towards this projects amounted to Kshs.3,800,000 with Kshs.1,100,000 being paid in financial year 2016/2017. The payment in financial year 2016/2017 was laying of 1km water distribution line to the constituents living around the water project. Physical verification revealed that indeed the piping was done to the homesteads. It was noted that the entire project was not functional and no single homestead was drawing water from this project.	The project was complete and operational, the problem is the mortar which was pumping to the water tanks, county was in the process of replacing with new mortar.	Michael Kones- Fund Manager	Not Resolved	June 2019



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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)
Audit report 2016/2017	5.Stalled Project (Kiboino Chiefs Office) During the financial year under review, Baringo Central CDF made payments amounting Kshs.1,300,000 towards Kiboino chiefs office construction. The project was however still incomplete since flooring, plastering, window panes ,wiring, cementing and painting were not yet done. It was noted that the project may have stalled since there was no evidence that the construction was going on. The delay in completion of the project denies residents the much needed security services.	It is complete , it was allocated 800,000.00 in the F/Y 2017/2018 for completion. The project is complete and is awaiting commissioning.	Michael Kones – Fund manager	Resolved	Awaiting commissioning
Audit report 2016/2017	6.Kapkiyai Athletic Camp The CDF awarded contract tender NO:CDF/BCC/04/2014-2015 for the proposed construction of hostels, dining hall/kitchen and offices at Kapkiyai(Ngetmoi) athletics' camp site in Baringo Central Constituency to M/S Kipnykwei Building Contractors at contract price of Kshs.16,819,814.40.The contract was signed on 18/11/2014 with a completion period of 150 days. The CDF has so far made payments of Kshs.16,778,201 towards the project. Physical verification	The project was complete awaiting commissioning	Michael Kones- Fund Manger	Resolved	Awaiting commissioning

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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)
	of the project revealed that separate structures of the boys hostel, girls hostel and a gymnasium were being constructed. The original bill of quantities indicated that these structure were joined together with gymnasium being constructed at the middle of the two hostels. The inside doors were not fitted, window panes were not fitted, the ceiling was not done. floor plastering not done, electrical and plumbing works not done and also painting was not done. It was also noted that the contractor was not on site and it appears that the project has been abandoned. The boundaries of the land on which the camp is being built are not clearly demarcated and fencing has not been done. Under circumstances, the intended benefits of the project have not been realized.				

