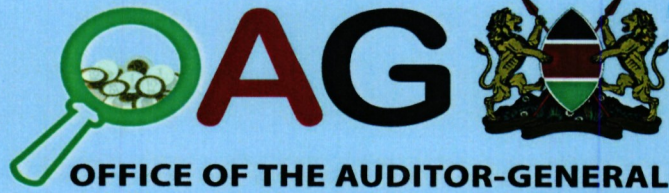


REPUBLIC OF KENYA



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# REPORT

OF

THE NATIONAL ASSEMBLY

THE AUDITOR-GENERAL

ON

MAR 2022		DAY
		WED. (PM)
TABBED BY:	L.O.M.	
CLERK AT THE TABLE:	I.H.ZOFU	

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BARINGO NORTH CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2020



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –**  
**BARINGO NORTH CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BARINGO NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development in the constituency

**Mission**

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

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**BARINGO NORTH CONSTITUENCY**

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

**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 North Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

**(c) Fiduciary Management**

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

<b>No</b>	<b>Designation</b>	<b>Name</b>
1.	A.I.E holder	<b>David Okoma</b>
2.	Sub-County Accountant	<b>Kipkirui Sigei</b>
3.	Chairman NGCDFC	<b>Stanley K.C Amdany</b>
4.	Member NGCDFC	<b>Kennedy Chabon</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) NG-CDF Baringo North Constituency Headquarters**

P.O. Box 63,  
Kabartonjo

**(f) NGCDF Baringo North Constituency Contacts**

Telephone: (254) 722 402 480

E-mail: [cdfbaringonorth@ngcdf.go.ke](mailto:cdfbaringonorth@ngcdf.go.ke)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF Baringo North Constituency Bankers**

Kenya Commercial Bank

Kabarnet Branch

A/C NO. 1103776142

**(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

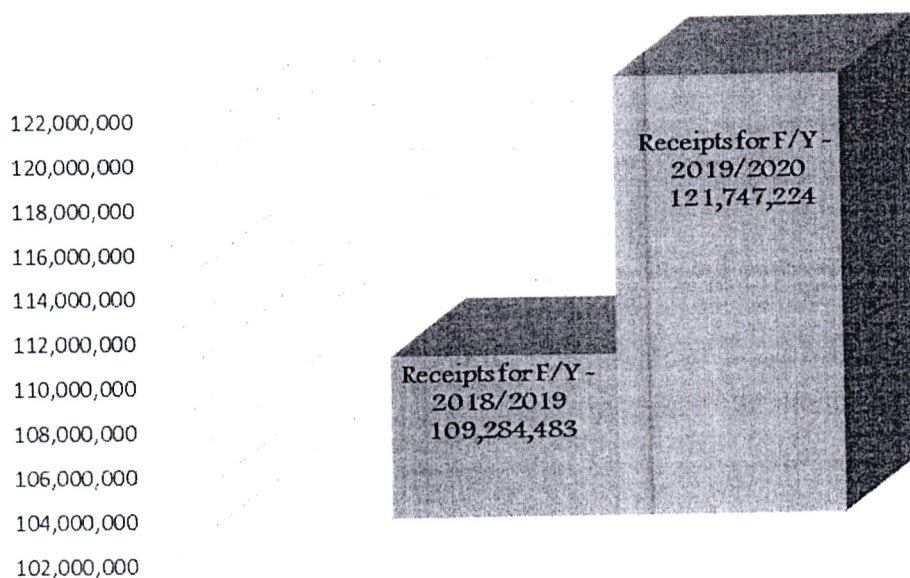
Nairobi, Kenya

**II. FOREWORD BY THE CHAIRMAN NGCDF COMMITTEE**

In the financial year 2019-2020 the constituency received Ksh121,740,876 from the National Government Constituencies Development Fund Board and sale of tender worth Kshs 6,348 totalling to ksh121,747,224. Of the total receipts during the financial year, the constituency was able to utilize kshs 103,891,839 which translates to 85% absorption rate.

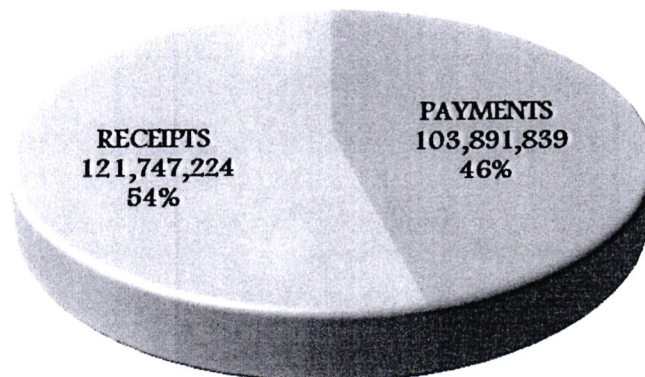
**Below:** Summary of the total receipts from NG CDF board for financial year 2019/2020 compared to financial year 2018/2019

Receipts for F/Y 2019/20 Compared to Receipts for F/Y 2018/2019



**Below:** Summary of the total receipts compared to total payments for the financial year 2019/2020

**RECEIPTS AND PAYMENTS FOR F/Y 2019/2020**



**KEY ACHIEVEMENTS DURING THE FINANCIAL YEAR 2019/2020**

In the financial year the NG-CDFC disbursed Kshs. 26,886,223 as bursary to needy students in secondary schools and tertiary institutions which benefited 1,455 students in Secondary schools, 501 beneficiaries in tertiary institutions and 778 students in universities. This is an improvement of 256 beneficiaries in total as compared to 2018/2019 where only 2,478 benefited. The NG-CDFC managed to construct 105 classrooms, completed 5 dormitories, 8 administration blocks and 12 ablution blocks.

To improve schools' mobility and the community around, NG-CDFC was able to purchase 2 fully equipped covid 19 compliant school buses for Kipcherere and Arap Moi Rimo secondary schools which are now awaiting handing over to the respective institutions.

Environmental sustainability being one of the key responsibilities of Baringo North NG-CDFC, the constituency managed to complete 200 cubic meter capacity water tanks at Kabartonjo to harvest rooftop rain water which is now full and in use. The harvested water is indented to serve NGCDFC office, Sub county offices within the DCCs compound and immediate neighbours with clean water all year round.

Further to improve services to constituents of Baringo north, NG-CDFC was able to complete substantially, its office in Kabartonjo which accommodates all sub county national government offices, Member of Parliament office, Member of County Assembly office, some commissions and the Kenya police service.

**Pictorials**



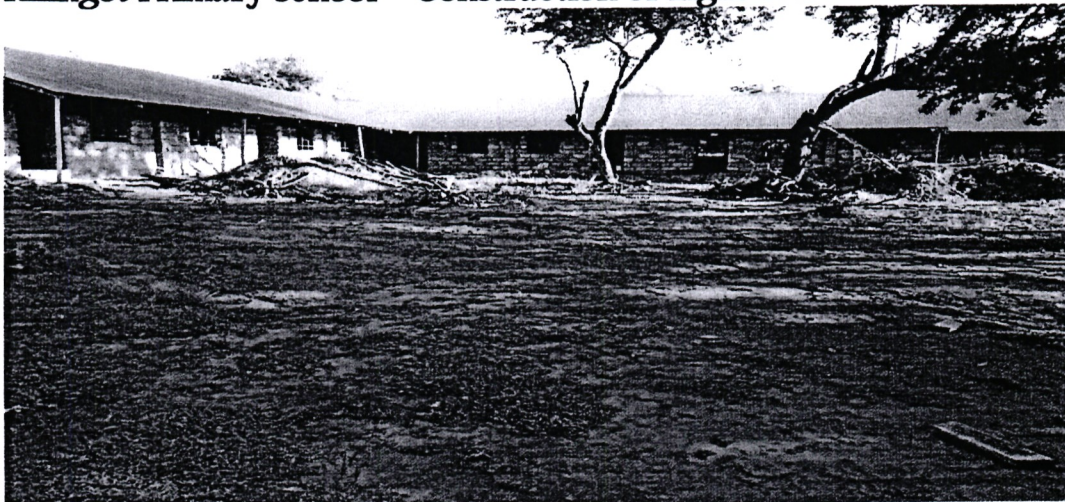
**Arap Moi – Bartabwa Secondary School Bus**



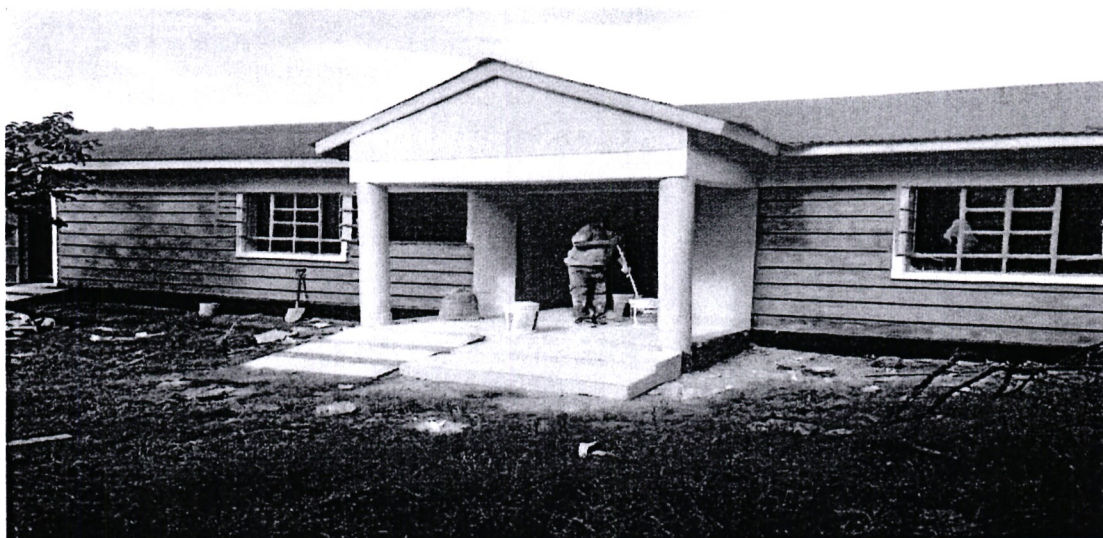
**Kipcherere Secondary School Bus**



**Kilingot Primary School – Construction of Eight Classrooms**



**Katibel Primary School – Construction of Six Classrooms**



**Kinyach Primary School – Completion of Administration Block**

**IMPLEMENTATION CHALLENGES**

Despite of the above impressive performance the NG-CDFC noted the following challenges: -

- Increased emergency cases due to heavy rains which mostly resulted into collapse of pit latrines especially in the low land schools, wind blowing of roofs and dereliction of feeder roads due to heavy rains. The constituency had to spent part of its emergency allocation to mitigate some of the issues above which fall under national government.
- Insecurity in some parts of the constituency. The constituency partnered with sub county security agents to restore normalcy.
- Inadequate technical officers especially in the area of building and construction which also leads to slow processing of documentation hence delayed implementation of projects. We have engaged a clerk of works who is helping in bridging the gap.

In the financial year 2019/2020 the NG-CDFC scaled up constructing security administrative structures like Kapturo AP camp, Muchukwo AP Camp, Yatia Chiefs office and Barwessa Dos office in the affected areas hence improving security.

Also the county and national government have funded some roads hence improving accessibility to project sites.

Sign



**CHAIRMAN NG-CDF COMMITTEE**

**III. STATEMENT OF PERFORMANCE AGAINST NGCDF-Baringo North CONSTITUENCY'S  
PREDETRMINED OBJECTIVES**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer shall prepare financial statements of NGCDF-Baringo North in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board which includes a statement of the NGCDF-Baringo North performance against predetermined objectives.

The key development objectives of NGCDF-Baringo North Constituency's strategic plan are to: -

1. Undertake development planning and strategic budgeting in order to support economic growth, increased wealth creation and employment generation by supporting education, security, environmental and sports activities
2. Ensure sound financial management by ensuring prudent allocation of public funds to project management committees under this program
3. Enhance accountability to increase efficiency and effectiveness in resource utilization;
4. Enhance public participation in identification of projects at the ward levels
5. Enhancing and supporting Local capacity in development and implementation of projects
6. Increasing access for greater financial inclusiveness and considering the marginalized categories in development agenda

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

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

**Reports and Financial Statements**

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

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

NG-CDF – Baringo North Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

**1. Sustainability strategy and profile -**

The NG-CDF Baringo North Constituency Committee is committed to work within the existing policy guidelines that helped in focusing on the service delivery and betterment of performance with the involvement of all our stakeholders in development. This is in line with our vision, mission and core values as provided for in our strategic plan.

**Our Vision:**

Equitable socio-economic development across Baringo North

**Our Mission:**

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

**Core values**

- Professionalism
- Integrity
- Team work

To realize effective sustainability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring.

**2. Environmental performance**

**Environment Policy and Action Plan**

Protection of the environment in which we live and operate is part of NG-CDF Baringo North Constituency Initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

**Our Environmental Policy in this policy statement**

NG-CDF Baringo North Constituency commits to:

- 1) Comply with all relevant environmental legislation, regulations and approved codes of practice
- 2) Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water
- 3) Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- 4) Managing and disposing of all wastage in a responsible manner
- 5) Providing training for our NG-CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- 6) Regularly communicating our environmental performance to our employees and other significant stakeholders
- 7) Developing our management processes to ensure that environmental factors are considered during planning and implementation

**BARINGO NORTH CONSTITUENCY**

**Reports and Financial Statements**

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

8) Monitoring and continuously improving our environmental performance Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

**Our Environmental Action Plan**

NG-CDF Baringo North Constituency has identified four areas in which we as an office have direct or indirect environmental impact and where we can implement initiatives to manage and reduce these impacts. These four areas together with our approach and targets for each are shown below:

**(a) Capacity Building**

- Promote environmental awareness by sensitizing the NG-CDF Baringo North Constituency staff and PMCs on good conservation practices
- To encourage through regular communication to NG-CDF Baringo North Constituency, staff and other stakeholder's changes in individual behaviour to reduce usage

**(b) Conservation of Energy and Resources**

- To maximize use of available technologies to remove the need to use paper
- To encourage our clients to engage with us using electronic means where possible
- To maximize on rain water harvesting
- To make energy efficiency a key factor in the selection of any new energy device being purchased
- To invest in available energy saving technologies and devices within our existing premises

**(c) Environmental Protection and Conservation**

- To promote use of volt guards to control power surges
- To encourage tree planting in the constituency to improve the forest cover
- To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires

**(d) Pollution Control and Waste Management**

- To ensure that all paper waste is recycled
- To ensure segregation of waste
- To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

**3. Employee Welfare**

**TERMS AND CONDITIONS OF SERVICE**

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

**Categories of Employment in NG-CDF**

Baringo North Constituency offers only two categories of employment which are: -

- 1) Contract Employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.
- 2) Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure the Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BARINGO NORTH CONSTITUENCY**  
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**Interviews**

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

**Orientation and Induction of employees**

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

**Promotions**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made after NG-CDFC resolution

**Health, Safety and Well Being**

This provides guidelines on the health, safety and well-being of the office staff

**Guidelines to General Safety**

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

**Emergency Preparedness**

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire & floods and prepare and outline procedures to be followed in such events.

The Fund Account Manager ensures that officers who are employed in any process involving exposure to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

**Reporting of an Accident**

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

**Guidance and Counselling**

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

**Health Care Services**

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

**4. Market place practices-**

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and establish equitable distribution of development in line with the NG-CDFC Act, 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government Development Agenda at the constituency level.

**(a) Responsible competition practice.**

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

Responsible Supply chain and supplier relations Payments to suppliers are done promptly upon presentation of requisite supporting documents

**(b) Responsible marketing and advertisement**

Outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

**(c) Product stewardship**

In order to safeguard consumer rights and interests, the NG-CDF Baringo North Constituency came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

**5. Community Engagements**

Public Participation in Project Identification and Implementation and Monitoring The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

**Covid-19 Mitigation Measures**

Taking into consideration the current Corona Virus pandemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- The office has purchased hand washing container to be placed at the constituency office
- The office facilitated purchase of thermo gun
- Disseminating information regarding Corona Virus protection measures

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
BARINGO NORTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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

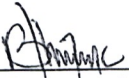
The Accounting Officer in charge of the NGCDF-Baringo North Constituency accepts responsibility for the NGCDF-Baringo North financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-Baringo North financial statements give a true and fair view of the state of NGCDF-Baringo North transactions during the financial year ended June 30, 2020, and of the NGCDF-Baringo North financial position as at that date. The Accounting Officer charge of the NGCDF-Baringo North Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Baringo North, which have been relied upon in the preparation of the NGCDF-Baringo North financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Baringo North Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF-Baringo North 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 North Constituency financial statements were amended and signed by the Accounting Officer on 18/3/ 2021.

  
\_\_\_\_\_  
**Fund Account Manager**  
David M Okoma

  
\_\_\_\_\_  
**Sub-County Accountant**  
Kipkirui Sigei  
ICPAK Member Number: 11884

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***

***BARINGO NORTH CONSTITUENCY***

**Reports and Financial Statements**

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

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**VI. REPORT OF THE INDEPENDENT AUDITOR ON THE *NGCDF- Baringo North*  
*CONSTITUENCY***

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BARINGO NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Adverse Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Baringo North Constituency set out on pages 17 to 48, which comprise the statement of assets and liabilities as at 30 June, 2020, and statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis of Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of the National Government Constituencies Fund - Baringo North Constituency as at 30 June, 2020, 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### Basis for Adverse Opinion

##### 1.0 Inaccuracies in the Financial Statements

The financial statements prepared and presented for audit had the following inaccuracies;

- 1.1 The statement of assets and liabilities reflects fund balance brought forward of negative Kshs.3,417,990 while Note 13 reflects Kshs.362,138 resulting to unexplained nor reconciled variance of Kshs.3,780,128;
- 1.2 The statement of appropriation - recurrent and development combined reflects budget utilization difference for transfers from the CDF board at Kshs.69,367 instead of Kshs.69,729,862;
- 1.3 The statement of appropriation - recurrent and development combined reflects total receipts under budget utilization difference of Kshs.69,367,724 while cross

casting revealed Kshs.69,729,862 resulting to unexplained nor reconciled variance of Kshs.362,138;

Consequently, the accuracy and completeness of the above balances included in these financial statements for the year ended 30 June, 2020 as prepared and presented could not be confirmed.

## **2.0 Unsupported Prior Year Adjustment**

Disclosed under Note 14 to the financial statements, the statement of assets and liabilities and statement of cash flows reflects prior year adjustment amount of Kshs.8,000. This amount is described as relating to reversed cheques. However, the presentation is not in line with IPSAS cash Par 1.5.1 which requires all prior year adjustments to be effected by restating comparative information unless its impracticable to do so.

Consequently, the accuracy and completeness of prior year adjustment of Kshs.8,000 for the year ended 30 June, 2020 could not be confirmed.

## **3.0 Use of Goods and Services**

The statement of receipts and payments and Note 5 to the financial Statements reflects use of goods amount of Kshs.7,561,475; (2019 - Kshs.9,559,234). Examination of records provided for audit review revealed the following unsatisfactory matters were observed;

### **3.1 Unsupported Domestic Travel and Subsistence**

The use of goods and services balance includes Kshs.432,800 incurred on domestic travel and subsistence but the schedule provided for audit did not indicate the details of the officers or members of staff who travelled, the nature of activities undertaken, the number of days, the rates paid and category of expenditure.

### **3.2 Unsupported Training Expenses**

The use of goods and services balance includes training expenses of Kshs.1,308,820, however, the schedule provided did not contain details of the specific Project Management Committees (PMCs) members that were trained, the number of participants and the rates paid were not disclosed.

### **3.3 Irregular Payment of Committee Allowance**

The use of goods and services balance also includes Kshs.1,942,400 incurred on committee allowance. However, the schedule presented for audit did not indicate the actual dates of meetings and included payments amounting to Kshs.761,500 to non-committee members. Further review revealed, payments amounting to Kshs.454,900 were paid in respect to more than one meeting held in a day.

### **3.4 Unsupported Other Committee Expenses**

Included in the use of goods and services balance is other committee expenses of Kshs.2,388,700. The schedule indicates the dates of verifications but does not give details of the projects visited and the categories of expenditure as either travelling, subsistence allowance, or general expenses. Further, payments amounting to Kshs.530,000 are narrated as paid on various dates instead of specific dates.

Under the circumstances, the accuracy and completeness of other committee expenses of Kshs.2,388,700 for the year ended 30 June, 2020 could not be confirmed.

### **3.5 Unsupported Office and General Supplies and Services**

Use of goods and services includes office and general supplies and services expenditure of Kshs.504,000 procured through imprest advanced to the Fund Manager instead of the provider of the services. Further, the imprests issued for facilitation of office operation was expensed upon issuance instead of after surrender. This is contrary to Regulation 93(5) of the Public Finance Management (National Governments) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

Under the circumstances, the accuracy and completeness of the use of goods amount of Kshs.7,561,475 for the year ended 30 June, 2020 could not be confirmed.

### **4.0 Irregular Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfer payments of Kshs.32,590,373;(2019-Kshs.38,142,770) as disclosed under Note 7 to the financial statements. Included in the amount are bursary to secondary school of Kshs.17,923,796 and tertiary institutions of Kshs.8,962,427. However, bursary payments totaling Kshs.114,000 was paid to eight (8) students from the same institutions who shared registration numbers. Further, bursary payment schedules provided indicate ten (10) beneficiaries received multiple bursaries totaling to Kshs.388,545.

Consequently, the accuracy and completeness of bursary to secondary school of Kshs.17,923,796 and tertiary institutions of Kshs.8,962,427 for the year ended 30 June, 2020 could not be confirmed.

### **5.0 Inaccuracy of Cash and Cash Equivalent**

The statement of assets and liabilities reflects bank balances of Kshs.19,811,861; (2019-Kshs.362,138) as disclosed under Note 10A to the financial statements. Included in this balance are un-presented cheques amounting to Kshs.3,389,367 out of which Kshs.144,161 were stale cheques and not reversed in the cashbook. No explanation was provided for failure to write back the stale cheques. In addition, as previously reported in 2018/2019, withdrawals amounting to Kshs.1,748,100 during the 2017/2018 financial year lacked supporting documentation.

Consequently, the accuracy and completeness of bank balance of Kshs.19,811,861 as at 30 June, 2020 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Fund - Baringo North 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 adverse 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**

### **1.0 Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget Kshs.191,477,086 and actual receipts on comparable basis of Kshs.121,747,224 resulting to an under-funding of Kshs.69,729,862 or 36% of the budget. Similarly, the Fund expended Kshs.103,891,839 against an approved budget of Kshs.191,477,086 resulting to an under-expenditure of Kshs.87,585,247 or 46% of the budget.

The underfunding and under performance affected the planned activities and projects which may have impacted negatively on delivery of goods and services to the constituents of Baringo North Constituency.

### **2.0 Project Implementation**

#### **2.1 Project Implementation Status**

The project status report provided for audit included seventy-one (71) projects with funds allocation of Kshs.179,140,438 that were at various stages of implementation. However, only four (4) projects worth Kshs.18,800,000 were complete, eleven (11) projects worth Kshs.33,600,600 were ongoing while eight (8) projects with a budget allocation of 36,054,231 were not started, out of which one project had not received funding as at 30 June, 2020 .

Further, The project implementation status report revealed forty-eight (48) projects with cumulative funding allocation of Kshs.90,686,207 were rolled over from previous years and have been ongoing for periods exceeding three (3) years but were not prioritized. This is contrary to Section 11(1) j of National Government Constituency Fund Regulations, 2016 which states that - Constituency Committee shall ensure projects receive adequate funding and are completed within three (3) years.

Delayed implementation of projects greatly affects delivery of services to the constituents.

#### **2.2 Projects Verification**

Eleven (11) projects with funding allocation of Kshs.37,745,728 were sampled for inspection in the month of February 2021, the projects were at various stages of completion as detailed in **Appendix 1**.

No satisfactory explanation has been rendered for delays in completing the projects. Consequently, it was not possible to confirm if and when the constituents will get value for money on the incomplete projects.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Advance Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report based on the audit procedures performed, I confirm public resources have not been applied lawfully and in an effective way.

## Basis for Conclusion

### 1.0 Errors in Presentation of Financial Statements

The financial statements prepared and presented for audit did not include a Note to the financial statements on other important disclosure which include pending accounts payable, pending staff payables, unutilized funds and project management committee bank account balances in addition to the annexes attached to the financial statements.

Consequently, the annual report as prepared and presented does not comply with the templates prescribed by the Public Sector Accounting Standards Board.

### 2.0 Irregular Variation for Office Construction Contract

The statement of receipts and payments reflects acquisition of assets amount of Kshs.13,579,257 (2019 – Kshs.33,094,153) as disclosed under Note 8 to the financial statements. Included in this balance is Kshs.4,000,000 paid to a contractor towards the completion of the CDF office building whose tendering had been done earlier at a contract sum of Kshs.37,801,268. This payment increased the cumulative payment for project to Kshs.41,801,268 which is above the contract price of Kshs.37,801,268. This is contrary to the Public Procurement and Asset Disposal Act, 2015 section 139 which states that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if - (a) the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity. No approval for variation of the contract was provided for audit review.

Project verification in February 2021 revealed that the project is incomplete despite lapse of the revised completion date of 30 April, 2020 with external paintings, mechanical works, ramp, drainage and paving slabs works still pending.

Further, as reported previously, and contrary to the provisions of section 96 (2) of the Public Procurement and Asset Disposal Act 2015, the tender had only been advertised in one daily newspaper instead of at least two daily newspapers of nationwide circulation.

Under the circumstances, the Fund was in breach of the Law.

### **3.0 Irregular Procurement of Construction of Works**

Disclosed under Note 8 to the financial statements, the statement of receipts and payments reflects acquisition of assets amount of Kshs.13,579,257 (2019 – Kshs.33,094,153). Included in the balance is Kshs.13,147,266 for construction of buildings out of which Kshs.4,839,161 was a payment for external civil works of NG-CDF building whose contract sum is Kshs.7,400,000. A review of the contract documents for this project revealed that the duration of contract was not specified and that it was procured through a request for quotations method despite being above the maximum threshold allowed for use of request for quotations of Kshs.5,000,000.

This is contrary to the Public Procurement and Asset Disposal Act, 2015 section 105 which gives guidance on when an entity may use a request for quotations..

Physical verification in February 2021 revealed laying of cabro works, drainage and walkways were pending.

Under the circumstances, the Fund was in breach of the Law.

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

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND OVERALL GOVERNANCE**

##### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance sections of my report based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

##### **Basis for Conclusion**

##### **Risk Management Policy**

The Fund does not have a risk management policy in place contrary to the provisions of Section 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops (a) risk management strategies, which include fraud prevention mechanism; and (b) a system of risk management and internal control that builds robust business operations.

Consequently, it has not been possible to confirm whether the measures in place are adequate to proactively identify risks and ensure that they are appropriately mitigated before they crystalize.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

14 February, 2022

## APPENDIX I

No	Project Beneficiary and Details	Allocation (Kshs)	Observations
1.	Mormorio Primary School - Construction of 5NO classrooms to completion	4,282,670	Project received funding on 20 November, 2019. Physical verification revealed that 4 classrooms were complete and in use but not branded. One (1) classroom was incomplete pending plastering windows, doors and painting 15 months after the disbursement.
2.	Kinyach Primary School - Plastering, fixing of windows, doors, ceiling board and painting of administration block	1,263,058	This was funding is for the completion of the previous partly funded project. The project is complete and in use but not branded/labelled contrary to National Government Constituencies Development Regulations, 2016 Section 11 (1)(CC) which requires the constituency committee to ensure all projects are labelled.
3.	Kureschun Primary school - Construction of 4NO classrooms to completion	3,200,000	Project received funding on 11 May, 2020. Physical verification revealed that two (2) classrooms were complete and in use but not branded. The remaining two (2) classroom were at finishing stage pending windows, doors, plastering and painting nine (9) months after disbursement. No construction work was on going and there were no materials on site.
4.	Rosondonin Primary School - Construction of 5NO classrooms to completion	4,000,000	The project received funding on 21 may, 2020. Physical verification revealed that no construction work was ongoing and the project is at roofing stage nine (9) month after disbursement.
5.	Kapkomon Primary School - Construction of 5NO classrooms to completion	4,000,000	The project received funding on 21 May, 2020. Physical verification revealed that no construction work on going and four (4) classrooms were at finishing stage while one (1) classroom is roofing stage nine (9) months after disbursement.
6.	Maramar Primary School - Construction of 5NO classrooms to completion	4,000,000	The project received funding on 21 May, 2020. Physical verification revealed that no construction work on going and the project is at lintel stage nine (9) month after disbursement.
7.	Katibel Secondary School - Part plastering, fixing of windows, doors, ceiling board and painting of administration block	800,000	The funding was for completion of previously partly funded project. The project received funding on 24 September, 2019 and it remained incomplete seventeen (17) months after disbursement.
8.	Loruk Police post - Fixing of ceiling board,	1,1000,000	Painting works was poorly done. Most of the houses had not been occupied and some had

No	Project Beneficiary and Details	Allocation (Kshs)	Observations
	window glasses and painting of 11No police residential units.		broken windows and door panes making the houses inhabitable.
9.	Kampi Ya Samaki Secondary School - Completion of laboratory, administration block and 2 No classrooms	700,000	The school had been submerged by raising water levels in Lake Baringo. However, at the time of project verification in February 2021, the funds had not been utilized.
10.	Akoroyan Primary School - Plastering, wiring, fixing of windows, doors, ceiling board and painting of administration block	500,000	The funding was for completion of previously partly funded project with a contact sum of Kshs.1,400,000. The building had stalled with pending works in plumbing, plastering, windows, doors and painting. There were no materials on site.
11.	Embu-Rutto primary school - Construction of 6NO classrooms to completion	4,000,000	The supplier had declined to supply construction materials and therefore the project being labour based construction work had stopped. The project had stalled and only three (3) classrooms had been roofed with pending works in plastering, fixing windows, doors and painting. The other three (3) classes were at lintel level.
<b>Total</b>		<b>37,745,728</b>	


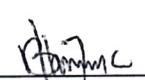
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****BARINGO NORTH CONSTITUENCY****Reports and Financial Statements**

For the year ended June 30, 2020

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

DESCRIPTION	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	121,740,876	109,284,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	<u>6,348</u>	<u>4,921,610</u>
		-	
<b>TOTAL RECEIPTS</b>		<b>121,747,224</b>	<b>114,206,093</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,215,006	1,559,969
Use of goods and services	5	7,561,475	9,559,234
Transfers to Other Government Units	6	47,945,728	65,192,524
Other grants and transfers	7	32,590,373	38,142,770
Acquisition of Assets	8	13,579,257	33,094,153
Other Payments	9	=	3,498,412
<b>TOTAL PAYMENTS</b>		<b>103,891,839</b>	<b>151,047,062</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>17,855,385</u></b>	<b><u>(36,840,968)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Baringo North Constituency financial statements were amended on 18/3/2021 and signed by:


  
Fund Account Manager  
David M Okoma  
National Sub-County Accountant  
Kipkirui Sigei  
ICPAK Member Number:11884

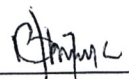
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BARINGO NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

DESCRIPTION	Note	2019-2020 Kshs	2018-2019 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	19,811,861	362,138
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>19,811,861</b>	<b>362,138</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>19,811,861</b>	<b>362,138</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	5,094,854	3,780,127
Deposits (Gratuity)	12B	271,612	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>5,366,466</b>	<b>3,780,127</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>14,445,395</u></b>	<b><u>(3,417,989)</u></b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd.</b>	13	(3,417,990)	32,393,555
Surplus/Deficit for the year		17,855,385	(36,840,967)
Prior year adjustments	14	8,000	1,029,423
<b>NET FINANCIAL POSITION</b>		<b><u>14,445,395</u></b>	<b><u>(3,417,990)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Baringo North Constituency financial statements were amended on 18/3/2021 and signed by:

  
**Fund Account Manager**  
**David M Okoma**

  
**National Sub-County Accountant**  
**Kipkirui Sigei**  
**ICPAK Member Number:11884**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**BARINGO NORTH CONSTITUENCY**

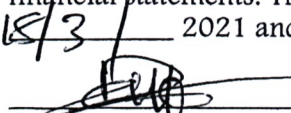
**Reports and Financial Statements**

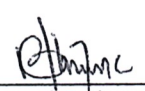
**For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW**

DESCRIPTION		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	121,740,876	109,284,483
Other Receipts	3	<u>6,348</u>	<u>4,921,610</u>
<b>Total receipts</b>		<b>121,747,224</b>	<b>114,206,093</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,215,006	1,559,969
Use of goods and services	5	7,561,475	9,559,234
Transfers to Other Government Units	6	47,945,728	65,192,524
Other grants and transfers	7	32,590,373	38,142,770
Other Payments	9	-	3,498,412
<b>Total payments</b>		<b>90,312,582</b>	<b>117,952,908</b>
<b>Total Receipts Less Total Payments</b>		<b>31,434,642</b>	<b>(3,746,815)</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15		-
Increase/(Decrease) in Accounts Payable: (deposits/retention)	12A	1,314,727	3,780,127
Gratuity	12B	271,612	-
Prior year adjustments	14	8,000	1,029,423
			-
<b>Net cash flow from operating activities</b>		<b>1,594,339</b>	<b>4,809,550</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(13,579,257)	(33,094,153)
<b>Net cash flows from Investing Activities</b>		<b>(13,579,257)</b>	<b>(33,094,153)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>19,449,723</b>	<b>(32,031,418)</b>
Cash and cash equivalent at BEGINNING of the year	13	362,138	32,393,555
Cash and cash equivalent at END of the year		<u>19,811,861</u>	<u>362,138</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Baringo North Constituency financial statements were amended on 18/3/2021 and signed by:

  
Fund Account Manager  
David M. Okoma

  
National Sub-County Accountant  
Kipkirui Sigei  
ICPAK Member Number:11884


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

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	137,367,724	54,103,014	191,470,738	121,740,876	69,367,	63.6%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts		6,348	6,348	6,348		
<b>TOTAL</b>	<b>137,367,724</b>	<b>54,109,362</b>	<b>191,477,086</b>	<b>121,747,224</b>	<b>69,367,724</b>	<b>63.6%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,926,450	1,006,902	4,933,352	2,215,006	2,718,346	44.9%
Use of goods and services	7,788,802	1,270,615	9,059,417	7,561,475	1,497,942	83.5%
Transfers to Other Government Units	73,900,000	16,249,728	90,149,728	47,945,728	42,204,000	53.2%
Other grants and transfers	37,198,241	12,205,726	49,403,967	32,590,373	16,813,594	66.0%
Acquisition of Assets	-	23,202,455	23,202,455	13,579,257	9,623,198	58.5%
Strategic Plan		1,588	1,588	-	1,588	0.0%
Other Receipts(AIA)		172,348	172,348	-	172,348	0.0%
unapproved budget	14,554,231	-	14,554,231	-	14,554,231	0.0%
<b>TOTAL</b>	<b>137,367,724</b>	<b>54,109,362</b>	<b>191,477,086</b>	<b>103,891,839</b>	<b>87,585,247</b>	<b>54.3%</b>

- i. On receipts, the total receipts from the NG-CDF Board is at 63.6% this is due to delay in disbursement of funds by NG-CDF Board
- ii. Compensation of Employees is at 44.9% because the NGCDFC had anticipated to hire more employees when preparing the budget but due certain technicalities this could not materials.
- iii. Use of goods and services is at 83.5% due to delay in disbursement of funds by NG-CDF Board
- iv. Transfers to Other Government Units is at 53.2% due to delay in disbursement of funds by NG-CDF Board
- v. Other grants and transfers is at 66% because funds had not been released from NG-CDF Board on time.
- vi. Acquisition of Assets 58.5% were funds meant for construction of NG-CDF Office which delayed because of technical challenges
- vii. Other Receipts, Payments and A.I.A) is at 0.0% because funds were not budgeted
- viii. The NGCDF-Baringo North Constituency financial statements were amended on 18/3/2021 and signed by

  
Fund Account Manager  
Name: David Okoma

  
Sub-County Accountant  
Name: Kipkirui Sigei  
ICPAK Member Number: 11884

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BARINGO NORTH CONSTITUENCY**  
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**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/ Sub - Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,926,450	1,006,902	4,933,352	2,215,006	2,718,346
1.2 Committee allowances	1,500,000	205,759	1,705,759	1,331,982	373,777
1.3 Use of goods and services	2,383,718	464,709	2,848,427	2,629,926	218,501
1.4 Acquisition of assets	-	-	-	-	-
2.0 Monitoring and evaluation					
2.1 Capacity building	2,004,884	750	2,005,634	1,308,820	696,814
2.2 Committee allowances	1,500,000	158,073	1,658,073	1,652,423	5,650
2.3 Use of goods and services	400,200	441,324	841,524	638,324	203,200
3.0 Emergency	7,198,241	2,379,947	9,578,188	2,260,000	7,318,188
3.1 Primary Schools	-	-	-	-	-
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	16,700,000	-	16,700,000	16,700,000	-
4.3 Tertiary Institutions	7,000,000	626,462	7,626,462	6,529,248	1,097,214
4.4 Universities	6,300,000	4,054,490	10,354,490	3,656,975	6,697,515
4.5 Mocks & CATS	-	-	-	-	-
5.0 Sports	-	3,044,828	3,044,828	1,844,150	1,200,678
6.0 Environment	-	-	-	-	-
7.0 Primary Schools Projects					
Kapluk Primary School	-	400,000	400,000	400,000	-
Mormorio Primary School	-	2,986,670	2,986,670	2,982,670	4,000
Bartabwa Primary School	-	200,000	200,000	-	200,000
Chapin Primary School	-	500,000	500,000	-	500,000

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<b>Programme/ Sub - Programme</b>	<b>Original Budget 2019/2020</b>	<b>Adjustments</b>	<b>Final Budget 2019/2020</b>	<b>Actual on comparable basis 30/06/2020</b>	<b>Budget utilization difference</b>
Biretwonin Primary School	-	3,200,000	3,200,000	3,200,000	-
Akoroyan Pry. School	-	500,000	500,000	500,000	-
Rormoch Pry. School	-	200,000	200,000	200,000	-
Kiptolelyo Pry. School	-	400,000	400,000	400,000	-
Mormorio Primary School	-	1,300,000	1,300,000	1,300,000	-
Barwesa Primary school	-	1,500,000	1,500,000	-	1,500,000
Moi kabartonjo day & boarding	-	500,000	500,000	-	500,000
Bossei Primary School	-	-	-	400,000	(400,000)
Kaptiony Primary School	-	800,000	800,000	800,000	-
Kinyach Primary School	-	1,263,058	1,263,058	1,263,058	-
Maramar Primary School	4,000,000	-	4,000,000	4,000,000	-
Rosondonin Primary School	4,000,000	-	4,000,000	4,000,000	-
Reboko Primary School	4,000,000	-	4,000,000	-	4,000,000
Kasiber Primary School	1,800,000	-	1,800,000	-	1,800,000
Bartum Primary school	3,200,000	-	3,200,000	-	3,200,000
Tibingar Primary School	2,400,000	-	2,400,000	-	2,400,000
Kagir Primary School	2,400,000	-	2,400,000	2,400,000	-
Burburet Primary School	2,400,000	-	2,400,000	-	2,400,000
Barinter Primary School	3,200,000	-	3,200,000	-	3,200,000
Kapngetyo Primary School	4,000,000	-	4,000,000	-	4,000,000
Kapkarani Primary School	4,000,000	-	4,000,000	-	4,000,000
Kureschun Primary School	3,200,000	-	3,200,000	3,200,000	-
Kaptorot Primary School	2,500,000	-	2,500,000	-	2,500,000
Ossen Primary School	2,400,000	-	2,400,000	2,400,000	-
Kapkomon Primary School	4,000,000	-	4,000,000	4,000,000	-
Nuregoi Primary School	2,400,000	-	2,400,000	-	2,400,000
Sogom Primary School	4,000,000	-	4,000,000	-	4,000,000
8.0 Secondary Schools Projects	-	-	-	-	-
Kimugul Sec. School	-	500,000	500,000	500,000	-
Poi Sec. School	-	-	500,000	500,000	-

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

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Programme/ Sub - Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
Katibel Sec. School		500,000			
Kampi Ya Samaki Secondary School	-	800,000	800,000	800,000	-
Kipcherere secondary school	-	700,000	700,000	700,000	-
Moi day secondary Kabartonjo	7,000,000	-	7,000,000	7,000,000	-
Arap Moi Secondary school	3,000,000	-	3,000,000	-	3,000,000
Bartolimo Boys High school	7,000,000	-	7,000,000	7,000,000	-
9.0 Tertiary institutions Projects	3,000,000	-	3,000,000	-	3,000,000
Katorin Resource Centre		-			-
Keturwo Community Library		-			-
10.0 Security Projects		-			-
Loruk Police Post	-	1,100,000	1,100,000	1,100,000	-
Yatia Chief's Office	-	500,000	500,000	500,000	-
Barwessa D.O's Office	-	500,000	500,000	-	500,000
11.0 Acquisition of assets					-
11.1 Motor Vehicles	-	-	-	-	-
11.2 Construction of CDF office	-	21,202,455	21,202,455	13,147,266	8,055,189
11.3 Purchase of furniture and equipment	-	2,000,000	2,000,000	431,991	1,568,009
11.4 Purchase of computers	-	-	-	-	-
12.0 Others					-
12.1 Strategic Plan	-	1,588	1,588	-	1,588
12.2 Innovation Hub	-	-	-	-	-
12.3 PMC Savings	-	-	-	-	-
12.4 Sale of Motorcycle	-	85,000	85,000	-	85,000
12.5 Sale of Tender	-	83,000	83,000	-	83,000
12.6 interest received	-	4,347	4,347	-	4,347
Un approved projects-acquisition of asset	14,554,231		14,554,231		14,554,231
<b>GRAND TOTAL</b>	<b>137,567,724</b>	<b>54,109,362</b>	<b>191,477,086</b>	<b>103,891,839</b>	<b>87,585,247</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**XII. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting NGCDF-Baringo North**

The financial statements are for the NGCDF-Baringo North Constituency. The financial statements encompass the reporting NGCDF-Baringo North 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 NGCDF-Baringo North for all the years presented.

**a) Recognition of Receipts**

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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

**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 NGCDF-Baringo North 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

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

**b) Recognition of payments**

The NGCDF-Baringo North 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 NGCDF-Baringo North and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind contributions**

In-kind contributions are donations that are made to the NGCDF-Baringo North 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 NGCDF-Baringo North 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**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 NGCDF-Baringo North at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

**14. Errors**

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

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) –  
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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

DESCRIPTION		2019-2020	2018-2019
		Kshs	Kshs
<b>NG-CDF Board</b>			
AIE NO. B030021	1		54,784,483
AIE NO. B030165	2		10,000,000
AIE NO. B030351	3		10,000,000
AIE NO. B006291	4		6,000,000
AIE NO. A699022	5		11,000,000
AIE NO. B042712	6		12,000,000
AIE NO. B042982	7		5,500,000
AIE NO. B047167	1	53,740,876	
AIE NO. B047365	2	4,000,000	
AIE NO. B041439	3	20,000,000	
AIE NO. B047857	4	6,000,000	
AIE NO. B049228	5	15,000,000	
AIE NO. B104240	6	15,000,000	
AIE NO. B104240	7	8,000,000	
<b>TOTAL</b>		<b>121,740,876</b>	<b>109,284,483</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEPTS**

DESCRIPTION	2019-2020	DESCRIPTION	2018-2019
	Kshs		Kshs
Interest Received	4,348	Sale of Tender Document	62,000
Rents	-	Sale of Tender Document	14,000
Receipts from Sale of tender documents	2,000	Biretwonin Dispensary	650,975
		Biretwonin pan dam	6,140
		Kabaraina Nursery School	360
		Kagir police station	693
		Kampi ya samaki water	224,320
		Kipcherere Dispensary	74,120
		Kipcherere water project	6,912
		Koroto dispensary	143,545
		Rondinin Dispensary	29,040
		Rondinin Cattle Dip	1,315
		Sutiechun Dispensary	409,585
		Tibingar water project	1,288
		Aiyebo B/Hole water project	830,342
		Bartolimo Dispensary	454,375
		Emining water pan	147,761
		Kapteberewo Environmental project	660
		Kasisit Water project	131,109
		Kibiriyokwonin Dispensary	105,170
		Kipsaraman water project	4,691
		Poi Dispensary	7,545
		Rebeko Dispensary	6,080
		Tirimionin/ Emboruto water	429
		Kaptum dispensary	505
		Moi Kabartonjo Borehole	12,995
		Mooi Youth Polytechnic	29,613
		Rojombo water project	428,392

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DESCRIPTION	2019-2020	DESCRIPTION	2018-2019
	Kshs		Kshs
		Seremwo Dispensary	1,622
		Sigerger Water Project	119,700
		Sumeiyon Dispensary	50,815
		Tiloi Dispensary	485
		Atiar Dispensary	1,178
		Bartabwa Health Centre	50,934
		Bartabwa Youth Polytechnic	4,125
		Bebosok Dispensary	23,642
		Kinyach Water Pan	46,094
		Koiserat water project	54,990
		Tunoiwo Dispensary	2,838
		Ayatya Dispensary	1,020
		Barwessa Chief's Office	31,925
		Barwessa H/Centre	7,670
		Chumet water project	583,190
		Kapluk dispensary	8,196
		Katibel Dispensary	2,322
		Keturwo Health Centre	27,461
		Kibuliak water project	41,835
		Maregut dispensary	16,309
		Ogong Water Project	61,305
<b>TOTAL</b>	<b>6,348</b>	<b>TOTAL</b>	<b>4,921,610</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**4. COMPENSATION OF EMPLOYEES**

DESCRIPTION	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,302,744	1,429,116
Personal allowances paid as part of salary	0	-
Pension and other social security contributions (Gratuity)	866,902	79,013
Employer Contributions Compulsory national social security schemes	45,360	51,840
<b>TOTAL</b>	<b>2,215,006</b>	<b>1,559,969</b>

**5. USE OF GOODS AND SERVICES**

DESCRIPTION	2019-2020	2018-2019
	Kshs.	Kshs.
Committee Expenses	-	-
Office Rent	225,000	300,000
Utilities, supplies and services	-	-
Communication, supplies and services	50,581	292,466
Domestic travel and subsistence	432,800	474,600
Printing, advertising and information supplies & services	74,900	159,607
Rentals of produced assets	-	-
Training expenses	1,308,820	2,564,566
Hospitality supplies and services	-	77,800
Other Committee Expenses	2,388,700	3,266,500
Committee Allowance	1,942,400	1,477,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	504,000	406,000
Fuel, Oil and Lubricants	492,096	250,000
Other operating expenses	5,719	11,623
Routine maintenance – vehicles and other transport equipment	136,459	262,272
Routine maintenance – other assets	-	16,800
	-	-
<b>TOTAL</b>	<b>7,561,475</b>	<b>9,559,234</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>DESCRIPTION</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities	-	-
Transfers to Primary Schools (see attached list)	31,445,728	54,992,524
Transfers to Secondary Schools (see attached list)	16,500,000	8,700,000
Transfers to Tertiary Institutions (see attached list)	-	1,500,000
Transfers to Health Institutions (see attached list)	-	-
<b>TOTAL</b>	<b>47,945,728</b>	<b>65,192,524</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

<b>DESCRIPTION</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – Secondary Schools (see attached list)	17,923,796	18,188,463
Bursary – Tertiary Institutions (see attached list)	8,962,427	12,654,307
Bursary – Special Schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security Projects (see attached list)	1,600,000	2,900,000
Sports Projects (see attached list)	1,844,150	-
Environment Projects (see attached list)	-	-
Emergency Projects (see attached list)	2,260,000	4,400,000
	-	-
<b>TOTAL</b>	<b>32,590,373</b>	<b>38,142,770</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. ACQUISITION OF ASSETS**

DESCRIPTION	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	13,147,266	25,424,896
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	5,200,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	431,991	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	1,300,000
ICT Hub	-	1,169,257
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
<b>TOTAL</b>	<b>13,579,257</b>	<b>33,094,153</b>

**9. OTHER PAYMENTS**

DESCRIPTION	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,498,412
	-	-
<b>TOTAL</b>	<b>-</b>	<b>3,498,412</b>

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

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Name of Bank: K.C.B – Kabarnet Branch Account No.: 1103776142</i>	19,811,861	362,138
<b>TOTAL</b>	<b>19,811,861</b>	<b>362,138</b>
<b>10. B: CASH IN HAND</b>		
Location: 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**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>
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>TOTAL</b>				<b>-</b>

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**12.A. RETENTION**

DESCRIPTION	2019 - 2020	2018-2019
	Kshs	Kshs
Balances brought forward	3,780,127	1,237,637
Bellion Hardware & Building contractors	-	358,586
Bellion Hardware & Building contractors	-	584,692
Bellion Hardware & Building contractors	-	382,598
Bellion Hardware & Building contractors	-	756,911
Bellion Hardware & Building contractors	400,000	459,703
S & G Contractors Ltd	377,042	
Kibartu & Supplies	537,685	
<b>TOTAL</b>	<b>5,094,854</b>	<b>3,780,127</b>

**12.B GRATUITY DEPOSITS**

DESCRIPTION	2019 - 2020	2018-2019
	Kshs	Kshs
Name: 1. Evans Kakoko	110,432	-
Name: 2. Vincent Kulei	40,944	-
Name: 3. Dorcas Kangor	78,252	-
Name: 4. Sheila Chesang	41,984	-
<b>TOTAL</b>	<b>271,612</b>	<b>-</b>

**13. BALANCES BROUGHT FORWARD**

DESCRIPTION	2019-2020	2018-2019
	Kshs. (1/07/2019)	Kshs. (1/07/2018)
Bank accounts	362,138	32,393,555
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>362,138</b>	<b>32,393,555</b>

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**12.A. RETENTION**

DESCRIPTION	2019 - 2020	2018-2019
	Kshs	Kshs
Balances brought forward	3,780,127	1,237,637
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Bellion Hardware & Building contractors	-	756,911
Bellion Hardware & Building contractors	400,000	459,703
S & G Contractors Ltd	377,042	
Kibartu & Supplies	537,685	
<b>TOTAL</b>	<b>5,094,854</b>	<b>3,780,127</b>

**12.B GRATUITY DEPOSITS**

DESCRIPTION	2019 - 2020	2018-2019
	Kshs	Kshs
Name: 1. Evans Kakoko	110,432	-
Name: 2. Vincent Kulei	40,944	-
Name: 3. Dorcas Kangor	78,252	-
Name: 4. Sheila Chesang	41,984	-
<b>TOTAL</b>	<b>271,612</b>	<b>-</b>

**13. BALANCES BROUGHT FORWARD**

DESCRIPTION	2019-2020	2018-2019
	Kshs. (1/07/2019)	Kshs. (1/07/2018)
Bank accounts	362,138	32,393,555
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>362,138</b>	<b>32,393,555</b>

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**14. PRIOR YEAR ADJUSTMENTS**

DESCRIPTION	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Reversed Cheques	1,029,423		8,000
Others (Savings from PMC's)	-	-	-
	<b>1,029,423</b>	-	<b>8,000</b>

**Prior year Adjustment for F/Y – 2019/20**

DESCRIPTION	2019-2020
Reversed Cheques	Kshs.
St. Benedicts Aror Secondary School	8,000

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

DESCRIPTION	2019 - 2020	2018 - 2019
	KShs.	KShs.
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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

DESCRIPTION	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	3,780,127	1,237,637
Deposit and Retentions held during the year (B)	1,314,727	2,542,490
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	<b>5,094,854</b>	<b>3,780,127</b>

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**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 2020 d=a-c	Comments
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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

Name of Staff	Job Group	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
7. Evans Kakoko	J	110,432	01/07/2019		110,432	
8. Vincent Kipkulei	H	40,944	01/03/2019		40,944	
9. Dorcas Kangor	G	78,252	01/07/2019		78,252	
10. Sheila Chesang	D	41,984	01/07/2018		41,984	
<b>Sub-Total</b>		<b>271,612</b>			<b>271,612</b>	
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
<b>Compensation of employees</b>		2,718,346	1,006,902	
	<b>Sub-Total</b>	<b>2,718,346</b>	<b>1,006,902</b>	
<b>Use of goods &amp; services</b>				
Other committee expenses - M&E		1,076,241	1,270,616	
Committee Allowance		421,701	-	
	<b>Sub-Total</b>	<b>1,497,942</b>	<b>1,270,616</b>	
<b>Amounts due to other Government entities</b>				
Primary Schools		36,204,000	9,686,670	
Secondary Schools		6,000,000	3,300,000	
	<b>Sub-Total</b>	<b>42,204,000</b>	<b>12,986,670</b>	
<b>Amounts due to other grants and other transfers</b>				
Bursary -Secondary		-	4,680,952	
Bursary -Tertiary/ universities		7,794,729	-	
Mocks & CATS		-	850,000	
Sports		1,200,678	3,044,828	
Emergency		7,318,188	5,593,004	
Security		500,000	2,100,000	
	<b>Sub-Total</b>	<b>16,813,594</b>	<b>16,268,784</b>	
<b>Acquisition of Assets</b>				
Unapproved project		14,554,231	-	
Construction of CDF office		8,055,189	17,630,542	
Purchase of furniture and equipment		1,568,009	2,000,000	
	<b>Sub-Total</b>	<b>24,177,429</b>	<b>19,630,542</b>	
<b>Others (Specify)</b>				
Sale of Tender		83,000		
Sale of Motorcycle		85,000		
Other Payments (Strategic Plan)		1,588	1,588	
Other Receipts (Interest Received)		4,348	166,000	
	<b>Sub-Total</b>	<b>173,936</b>	<b>167,588</b>	
	<b>Grand Total</b>	<b>87,585,247</b>	<b>51,331,102</b>	

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

<b>Asset Class</b>	<b>Historical Cost B/F (Kshs) 2018/19</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/20</b>
Land	-			
Buildings and structures	38,507,909	13,147,266		51,655,175
Transport equipment	5,757,813	-		5,757,813
Office equipment, furniture and fittings	1,471,300	431,991		1,903,291
ICT Equipment, Software and Other ICT Assets	1,747,656	-		1,747,656
Other Machinery and Equipment	-	-		-
Heritage and cultural assets	-	-		-
Intangible assets	-	-		-
<b>Total</b>	<b>47,484,678</b>	<b>13,579,257</b>		<b>61,063,935</b>

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

PMC	Bank	Account Number	Bank Balance 2019/20	Bank Balance 2018/19
1. Kapng'etyo Pry. School	KABARNET	1119497086	88,117	784,169
2. Kapluk Primary School	KABARNET	1139117130	288,114	3,722
3. Poi Sec. School	KABARNET	1116021072	12,019	17,968
4. Kapluk Sec. School	KABARNET	1167785118	1,203,064	1,962,392
5. Kasisit Primary School	KABARNET	1116713543	414,142	1,172,814
6. Kalel Primary School	KABARNET	1110544790	254,417	1,369,270
7. Terik Pry. School	KABARNET	1110895070	2,960,491	4,801,826
8. Kinyach Pry. School	KABARNET	1155218914	1,331,169	500,163
9. Baruiyo Pry. School	KABARNET	1136636471	421,720	701,392
10. Toboroi Pry. School	KABARNET	1135611815	253,241	502,245
11. Kipkaren Pry. School	KABARNET	1112098852	1,083,989	1,807,955
12. Sibilo Pry. School	MARIGAT	1110870248	129,395	804,051
13. Embo-Rutto Pry. School	KABARNET	1110764383	2,904,162	4,801,697
14. Kipsaraman Pry. School	KABARTONJO	1252507194	1,687,824	2,400,200
15. Katibel Pry. School	KABARNET	1161564128	2,533,177	4,820,266
16. Siboo Pry. School	KABARNET	1110651120	998,310	1,603,740
17. Maregut Pry. School	KABARNET	1110764197	350,203	50,403
18. Kaptiony Pry. School	KABARNET	1111753210	874,720	74,972
19. Kiptolelyo Pry. School	KABARNET	1110590210	400,139	465
20. Kilingot Pry. School	KABARTONJO	1251315666	206,698	6,399,075
21. Mormorio Pry. School	KABARNET	1135446474	4,283,503	833
22. Kapkirwok Sec. School	KABARNET	1109780230	444,660	772,882
23. Rosondonin pry school	KABARNET	1111233993	4,000,327	-
24. Kagir pry school	KABARNET	1110957025	2,401,229	-
25. Ossen pry school	KABARNET	1110667264	1,770,306	-
26. Kapkomon pry school	KABARNET	1112771778	4,000,945	-
<b>TOTAL</b>			<b>35,296,076</b>	<b>47,553,317</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<b>Errors in the Financial Statement</b>	<ul style="list-style-type: none"> <li>➤ Cover page corrected by removing (revised 30 June 2019)</li> <li>➤ Table contents numbered</li> <li>➤ Wording from “entity” to “Baringo North”</li> <li>➤ Rounding off figures to nearest shilling</li> <li>➤ Provided blank page for auditor general comments</li> <li>➤ Foreword by chairman NGCDF committee corrected to reflect “Receipts” in the pie chart</li> </ul>	David Okoma F.A.M	Awaiting resolution before SFAC	
	<b>Inaccuracies in financial statement</b>	<ul style="list-style-type: none"> <li>➤ Statement of asset and liabilities corrected to reflect Kshs. 32,393,555 as opening balance</li> <li>➤ Summary of appropriation on unapproved funds of Kshs. 800,000 which was meant for Kiringalya primary and Keturwo community library removed for correction</li> </ul>	David Okoma F.A.M	Awaiting resolution before SFAC	

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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)
	<b>Irregular Committee Expenses Payments</b>	The members who were paid allowances during office construction site meetings are the project management committee drawn from different offices e.g CDFC, engineers from north rift public works regional office, architect and Quantity surveyor from main county public works office, water officers from water department at the county headquarter. The officers were not from Baringo North constituency and since the site meetings in question were requested by CDFC members at short notice to iron out issues to avoid stalling of the project, the officers were paid an allowance equivalent to what CDFC members were entitled to help them sort issues of transport, lunches and other related expenses	David Okoma F.A.M	Awaiting resolution before SFAC	
	<b>Shared registration numbers for bursary beneficiaries</b>	The bursary beneficiaries shown as having shared registration numbers were actually same beneficiaries receiving bursary for different allocation years but funds being released in the same year	David Okoma F.A.M	Awaiting resolution before SFAC	
	<b>Double allocation of bursary to beneficiaries</b>	The thirty-five (35) beneficiaries were allocated bursaries in two different financial years i.e 2017/18 and 2018/19 vide Voucher No. 005, 006, 007 and 060	David Okoma F.A.M	Awaiting resolution before	

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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)
		for financial year 2017/18 and Voucher No. 162, 163, 164, 175, 191, 192, 236, 237 and 238 for financial year 2018/19. However, the funds were released in same financial year. Funds for 2017/18 were released in July, 2018 and funds for 2018/19 released in February same year. Funds for 2017/2018 delayed to be released by the NG-CDF board hence being released late in 2019.		SFAC	
	<b>Non Acknowledgment by beneficiary institutions</b>	While disbursing funds to institutions, they are requested to acknowledge promptly however some of them are slow in responding. The NG-CDF is following up with those who did not respond by engaging students' beneficiaries.	David Okoma F.A.M	Awaiting resolution before SFAC	
	<b>Delay in Construction of CDF office</b>	The contract period was exceeded due to the following reasons: - <b>I.</b> Steep site which posed a challenge to the contractor as it required careful excavation and meticulous laying of foundation. <b>II.</b> Delayed disbursement from NG CDF Board which compelled the contractor to suspend the works temporarily due to financial constraints <b>III.</b> Baringo North constituency budget constraints which resulted into	David Okoma F.A.M	Awaiting resolution before SFAC	

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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)
		<p>allocating funds for the project in installments for several financial years i.e Kshs. 10,000.00 allocated 2015/16, Kshs. 8,000.00 allocated 2016/17 and kshs. 24,500,000 allocated in 2017/18</p> <p><b>IV.</b>The contractor through the advice by the public works applied for contract period extension which were subsequently approved as per the attached documents</p>			
	<p><b>Variation in construction of NG-CDF Office</b></p>	<p>In the 14<sup>th</sup> site meeting in which it discussed pending works among other things noted that the remaining works including pavement of accessibility roads to the building would cost at least Kshs. 11,394,806. However, in the same meeting under the same agenda it was noted that works already done amounted to Kshs. 41,555,821.73 which was a variance of Kshs. 3,754,553.73 of the contract sum that's 9.9%. Therefore, the contract was not variate by 30.4% but it was only noted that if all the proposed works were to be done, the percentage would be above allowable limits.</p>	<p>David Okoma F.A.M</p>	<p>Awaiting resolution before SFAC</p>	
	<p><b>Misstatement of cash and cash equivalent</b></p>	<p>➤ At the close of the year some cheques had not been cleared. These cheques were later on cleared in subsequent months i.e</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)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>July, 2019 – Kshs. 7,607,669, August 972,581</p> <ul style="list-style-type: none"> <li>➤ Bank charges worth kshs 1,401 cleared in October 2019</li> <li>➤ Kshs. 400,000 in respect of Bossei primary cleared in July 2019</li> <li>➤ Retention consolidated to 2018/2019 i.e Kshs. 3,780,127</li> </ul>	David Okoma F.A.M	Awaiting resolution before SFAC	
	<p><b>I. Kilington Primary School</b> – Lacked to apply Public Procurement and Assets Disposal Act 2015</p> <p><b>II. Kalel Primary School</b> – Exhausted its Funds</p> <p><b>III. Kasisit Primary School</b> – Stalled Project</p> <p><b>IV. Katibel Primary School</b> – Lacked to apply Public Procurement and Assets Disposal Act 2015</p>	<p>The PMC advertised for supply of materials and used the school community to provide labor in order to save on costs and also empower the community economically.</p> <p>The project still has <b>Kshs. 800,000</b> in their account which is enough for remaining works since all materials have been supplied.</p> <p>The Project has stalled because there was misunderstanding between the PMC and contractor, but the issues have been resolved and the contractor is on site.</p> <p>The PMC advertised for supply of materials and used the school community to provide labor in order to save on costs and also empower the community economically.</p>	David Okoma F.A.M	Awaiting resolution before SFAC	

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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)
	<p><b>V. Embo-Rutto, Terik, Kipsaraman and Kapkoiwo Primary Schools</b> – Delayed in its implementation</p>	<p>The projects were behind schedule due to delay in procurement procedures which took time because the bidders who had applied were non responsive and this resulted into re-advertisement.</p>	<p>David Okoma F.A.M</p>	<p>Awaiting resolution before SFAC</p>	
	<p><b>VI. Ngaratuko, Kipkaren and Siboo Primary Schools</b> - Delayed in its implementation</p>	<p>The projects were behind schedule due to delay in procurement procedures which took time because the bidders who had applied at first were non responsive and whole process had to be repeated at the moment the projects are in the process of receiving the materials from the qualified suppliers</p>	<p>David Okoma F.A.M</p>	<p>Awaiting resolution before SFAC</p>	
	<p><b>VII. Litein Primary School</b> – Stalled Project</p>	<p>The project is ongoing; the contractor was not on site because he was awaiting first payment to be made</p>		<p>Awaiting resolution before SFAC</p>	
	<p><b>III. Kapluk Secondary School</b> – Delayed in completion and poor workmanship</p>	<p>The project is behind schedule because the PMC were waiting for technical advice from the public works office on the additional materials required to complete the roof and also the areas to be corrected.</p>			
	<p><b>IX. Kationin Resource Centre</b> - Delayed in its completion</p>	<p>The project delayed because there were changes in the design of the building which were proposed by stake holders in</p>	<p>David Okoma F.A.M</p>		

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For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>X. Muchukwo Chiefs Office and AP Camp – Delayed in its completion</b></p>	<p>collaboration with project. The activity changed from completion to partitioning; therefore, it is ongoing.</p> <p>The project has enough funds in the account to complete however, at the time of inspection there was no contractor on site because the PMC were waiting for public works inspection.</p>	<p>David Okoma F.A.M</p>	<p>Awaiting resolution before SFAC</p> <p>Awaiting resolution before SFAC</p>	