

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY
PAPERS LAID

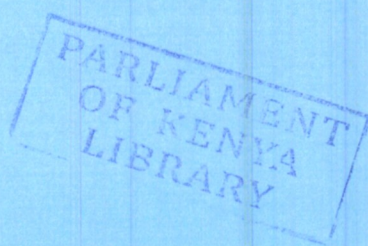
REPORT

DATE: 17 SEP 2019 DAY: TUESDAY

TABLED BY: MAJORITY LEADER OF

[Signature]

OFFICE OF THE AUDITOR-GENERAL



THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2018**

Revised Template 30th June 2018



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

REPORTS AND FINANCIAL STATEMENTS

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

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



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES.....	9
IV. STATEMENT OF RECEIPTS AND PAYMENTS	10
V. STATEMENT OF ASSETS AND LIABILITIES	11
VI. STATEMENT OF CASHFLOW	12
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	13
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	15
IX. NOTES TO THE FINANCIAL STATEMENTS.....	19



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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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



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

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

The NGCDF BARINGO SOUTH day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Bungale Masudi
3.	Sub-County Accountant	Festo Saina
4.	Chairman NGCDFC	Haron Kipkochoi
5.	Member NGCDFC	Rosaline Kibet

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF BARINGO SOUTH Constituency Headquarters

P.O. Box 178
NG- CDF Building
Marigat – Mochongoi Road
MARIGAT, KENYA



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

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF BARINGO SOUTH Constituency Contacts

Telephone: (254) 720 130 252
E-mail: baringosouth@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF BARINGO SOUTH Constituency Bankers

1. Kenya Commercial Bank (Baringo south)
Kenya Commercial Bank
Marigat branch
P.O. Box 9
Marigat

(h) Independent Auditors

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

(i) Principal Legal Adviser

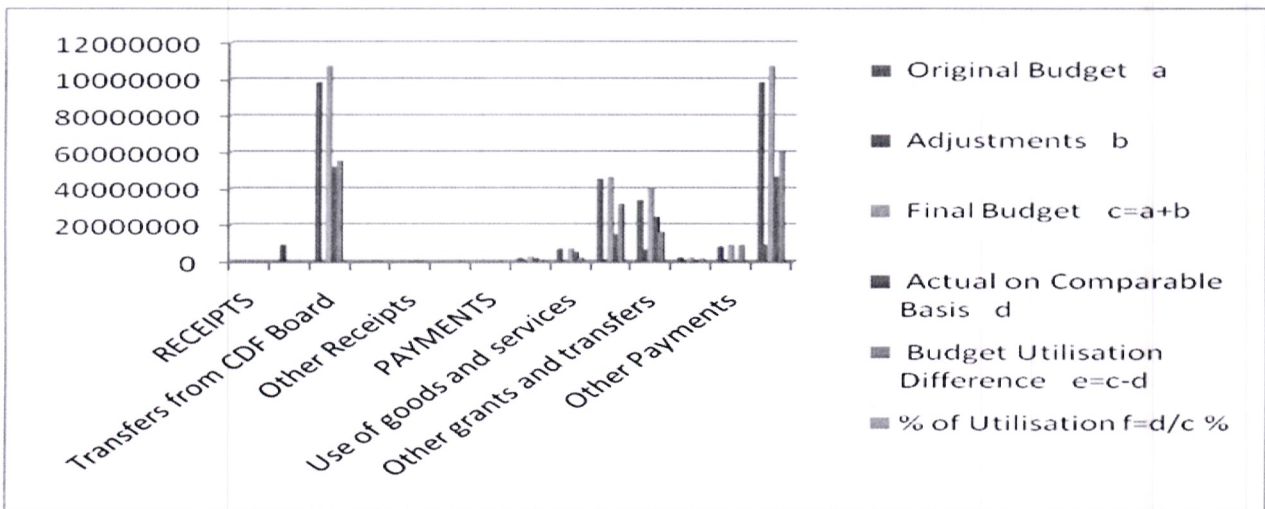
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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



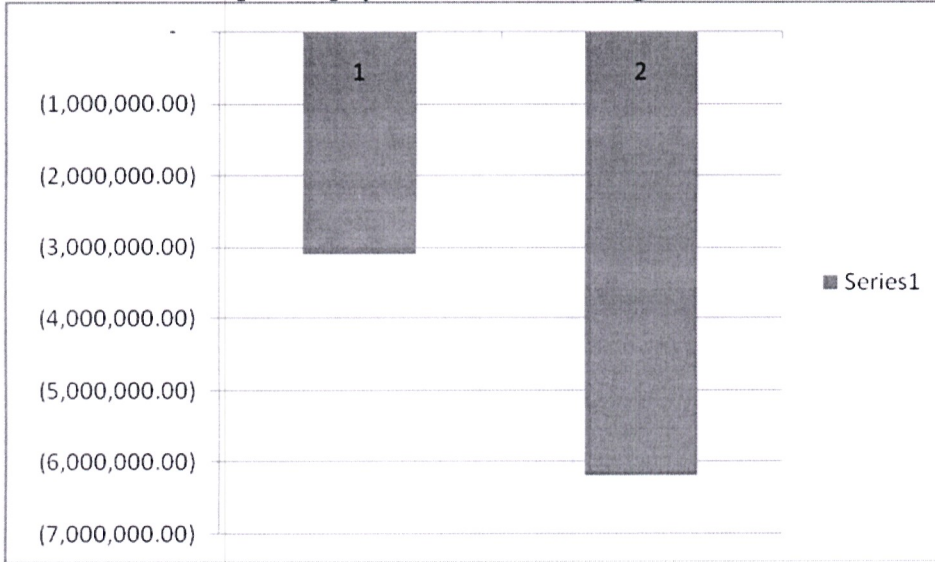
- This indicates that the transfers from CDF board in the F/Y 2017/2018 was 50%, the adjustment from the original budget was very minimal which indicates that the funds for F/Y 2016/2017 were utilized 80%.
- The utilization of fund in the vote head is that half of them is below average and half is above average.
- The actual on the comparable basis is above 50% hence indicate less performance in 2017/2018 compared to F/Y 2016/2017.

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

Reports and Financial Statements

For the year ended June 30, 2018

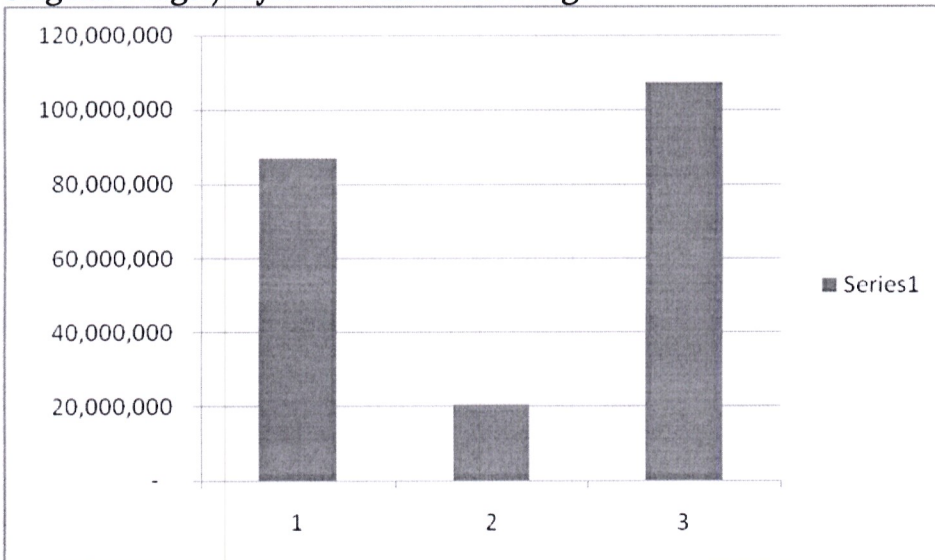
Statement of receipt and payment 2017/2018 against 2016/2017



Key

- 1- (low deficit in FY 2017/2018)
- 2- (High deficit in FY 2016/2017)

Original Budget, adjustment and Final Budget



Key:

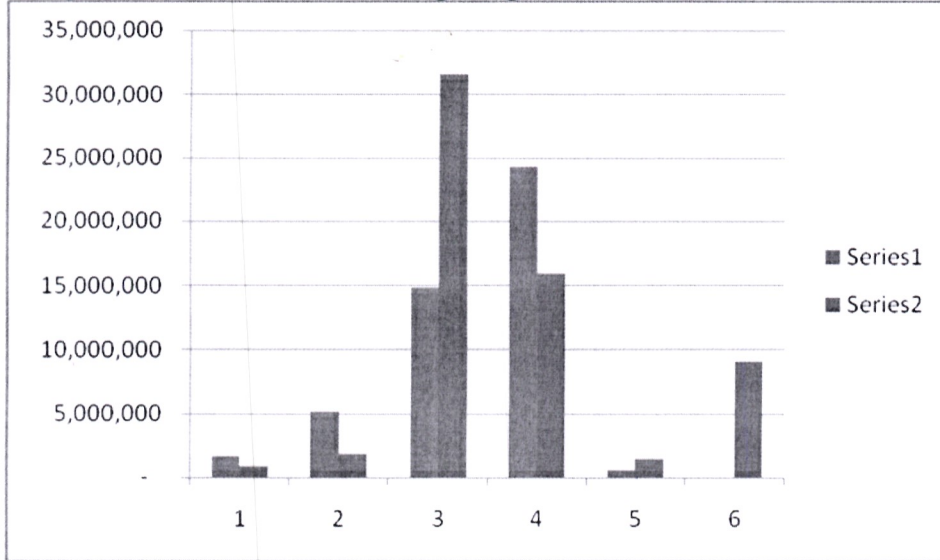
- 1- Original budget
- 2- Total Adjustment
- 3- Final budget for Actual comparable basis

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

Reports and Financial Statements

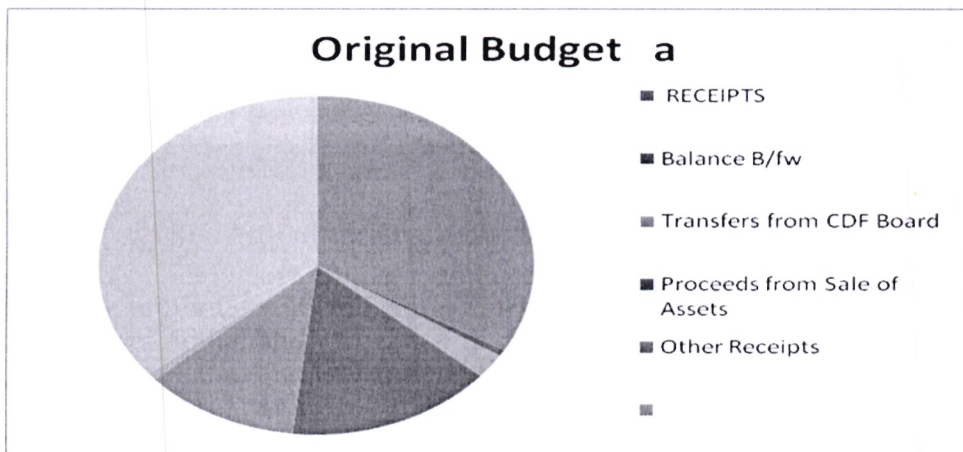
For the year ended June 30, 2018

Comparison between Actual Budget against Utilization



Key:

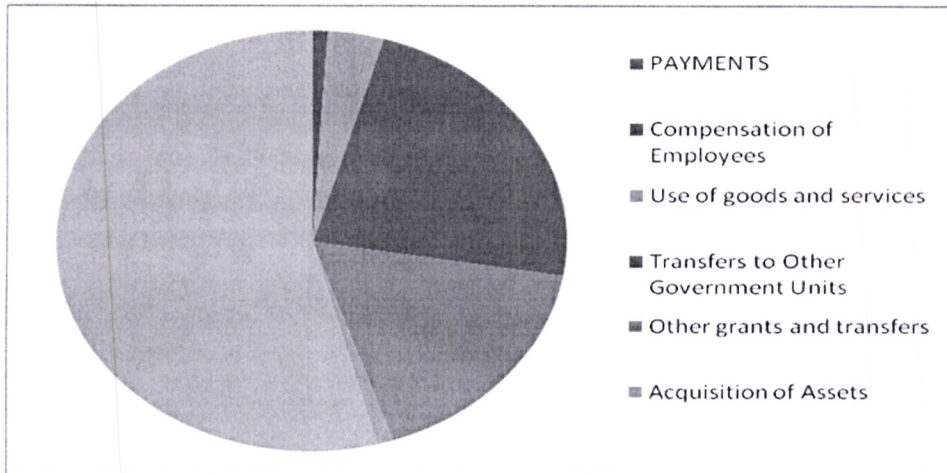
- 1- Comparison of actual and utilization in compensation of employees
- 2- Comparison of actual and Utilization in use of goods and services
- 3- Comparison of Actual and Utilization in transfers to other government units
- 4- Comparison of Actual and Utilization in other grants and transfers
- 5- Comparison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



- The balance b/fwd. from 2016/2017 show very minimal hence there was a lot of improvement in the year.
- The fund utilized 2017/2018 was half way



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



- This indicates the % utilization fund per vote head

KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2017/2018

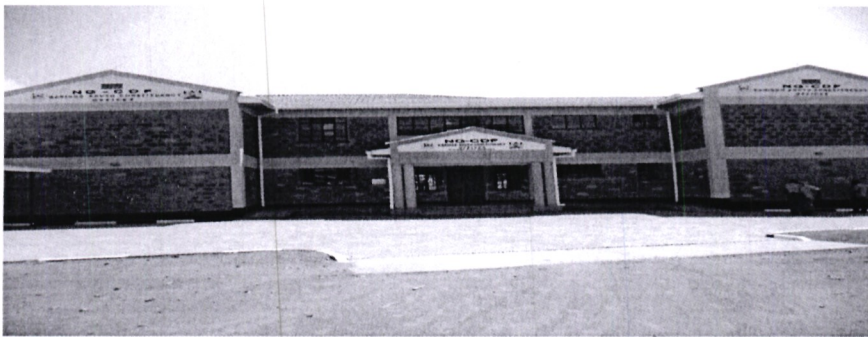


FIG 1.1: Constructed NGCDF Offices Baringo south which was completed 2 years ago



FIG 1.2: Iingarua Pry School new administration block constructed by NGCDF baringo south . FY 2016/2017



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



FIG 1.3 Kaptombes Primary School- Construction Of 5 Classrooms by NGCDF Baringo south 3 years ago for better learning environment

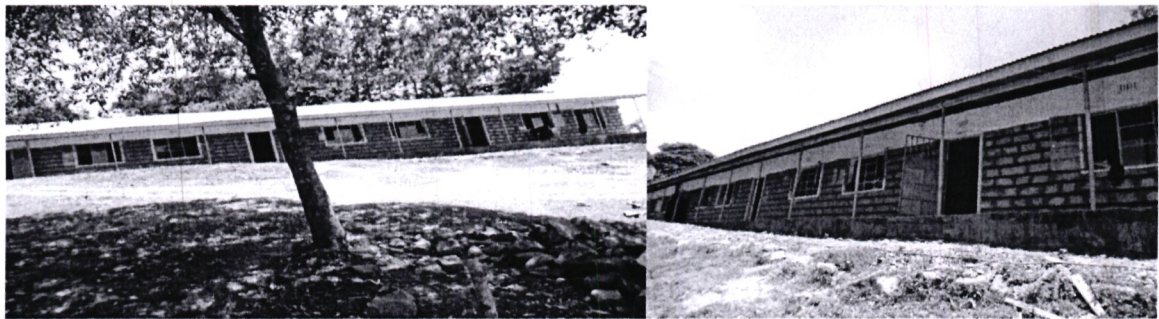


FIG 1.4: Senetwo Sec School Construction Of 4 Classrooms By NGCDF Baringo South 3 Years Ago

IMPLEMENTATION CHALLENGES

There had also been challenge of insecurity in the Mukutani ward and part of Mochongoi ward, this has made it difficult in implementation of project in the area which result in delay in disbursing the funds to the project area.

The first disbursement was received in February 2018; the absorption rate of the constituency has been good.

Sign

**CHAIRMAN NGCDF COMMITTEE
HARON K. KIPKOCHOI**



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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF NG-CDF COMMITTEE MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-BARINGO SOUTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-BARINGO SOUTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that Baringo South NG-CDF financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BARINGO SOUTH Constituency further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF-BARINGO SOUTH Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-BARINGO SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 11/04/19 2018.



Fund Account Manager
Name: Bungane Mawili



Sub-County Accountant
Name: Festo K. Sainy
ICPAK Member Number: 5627





REPUBLIC OF KENYA

Telephone: +254-20-3342330
Fax: +254-20-3311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



NAIROBI HUB
P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Baringo South Constituency set out on pages 10 to 36, which comprise the statement of assets and liabilities as at 30 June 2018, the statement of receipts and payments, statement of cash flows, summary statement of appropriation recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Misstatement of Cash and Cash Equivalents

The statement of assets and liabilities as 30 June 2018 reported cash and cash equivalents balance of Kshs.5,520,112.64 as disclosed under note 10 (a). However, the bank reconciliation statements as at 30 June 2018 and the board of survey report revealed a balance of Kshs.5,439,112.64 as bank balance as per cash book. The difference between the two sets of records of Kshs.81,000 has not been explained or analyzed. In addition, bank reconciliation statements reported unrepresented cheques totaling Kshs.3,692,967 with some dating back to 2014. These cheques according to records provided are stale and should be reversed in the cash book and it therefore appears no effort has been taken by management to reverse the cheques. In the circumstance, the

*Report of the Auditor-General on the Financial Statements of National Government Constituency Development Fund
- Baringo South for the Year Ended 30 June 2018*

reported cash and cash equivalents balance of Kshs.5,520,112.64 as at 30 June 2018 could not be confirmed as fairly stated.

2.0 Incorrect Comparative Balances

Note 10 (a) to the financial statements under bank accounts (cash book bank balance) indicates a comparative figure of Kshs.8,627,949.24 as opening balance while the statement of assets and liabilities reported Kshs.8,078,249.24 as cash and cash equivalents at the end of 2016/17 financial year, resulting into a variance of Kshs.549,700. The variance of Kshs.549,700 has not been explained and supported. In addition, note 5 of the financial statements under use of goods and services, indicates a comparative total figure of Kshs.9,765,319.80 against the certified figure of Kshs.9,820,009.80 resulting to a variance of Kshs.54,690 which has not been explained. Further, the statement of cash flows reported net cash flow from operating activities of Kshs.7,200,692.90 against the certified figure of Kshs.6,650,992.90. The certified cash and cash equivalent at the end of the year was Kshs.8,078,249.24 against the reported 8,627,949.24. In the circumstance, the accuracy and completeness of the financial statements cannot be correctly confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Baringo South Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

3.0 Budget and Budgetary Control Deficit Balance

The statements of receipts and payments of National Government Constituency Development Fund Baringo South for the year ended 30 June 2018, shows an expenditure incurred of Kshs.46,513,008.60 against a receipt of Kshs.43,405,172 resulting into a deficit of Kshs.3,107,836.60. The deficit shows that the management of the fund incurred more than what they received without seeking authority and approval of the Board. In addition, under matching concept, the expenditure should be matched with the revenue received for prudence reporting in government accounting. Management has not explained how the excess expenditure was financed. In the circumstance, the matching concept in the use of resources could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

4.0 Non Acknowledgement of Bursary Payments

During the year under review, National Government Constituency Development Fund Baringo South budgeted to spend Kshs.17,182, 454.59 on bursary allocation for secondary schools against actual disbursement of Kshs.13,536,206 to beneficiaries. From the total amount disbursed, only Kshs.4,757,000 was supported by acknowledgements letters and receipts from secondary schools, leaving Kshs.8,779,206 unacknowledged.

In addition, the budget for tertiary was Kshs. 5,800,000 against actual disbursement of Kshs.6,653,804. Out of this disbursement, only Kshs.1,510,600 was acknowledged leaving a balance of Kshs.5,143,204 unacknowledged. Further, there was over disbursement of tertiary bursary by Kshs.853,804 which has not been explained. In the circumstances, it is not clear whether these funds were actually remitted to the respective schools, institutions and received for the benefit of beneficiaries.

5.0 Stalled Project

Marigat sub district hospital project management committee awarded the contract for constructing two (2) units of two (2) bedroom staff houses to M/s Rojati Contractors at a contract sum of Kshs.4,200,589 on 22 July 2015. Information available indicates that the contract was to take twenty-four (24) weeks which ended on 10 February 2016. A site visit on 7 March 2019 revealed that the project had stalled with one unit not complete and Kshs.4,482,759 had already been paid to the contractor resulting to an over payment of Kshs.282,170. In addition, the project though listed in the project status report as ongoing, the Board failed to allocate funds for its completion during the year 2017/18. Management has not explained the reason the project has taken so long to be completed after paying more than the contract sum to the contractor. In the circumstance, value for money may not be achieved.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7(1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management section of my report, I confirm that,

nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the International Public Sector Accounting Standards (Cash Basis) of accounting unless the management of the National Government Constituency Development Fund Baringo South either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

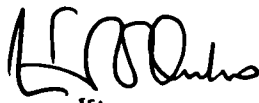
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

ability to continue as a going concern or 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 as a going concern or to sustain its services.

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

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

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



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

Nairobi

26 August 2019

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

Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016 - 2017
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	43,405,172.00	136,283,110.70
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		43,405,172.00	136,283,110.70
PAYMENTS			
Compensation of employees	4	1,699,573.00	1,122,760.00
Use of goods and services	5	5,165,505.60	9,765,319.80
Transfers to Other Government Units	6	14,800,000.00	78,837,428.00
Other grants and transfers	7	24,288,910.00	38,285,543.00
Acquisition of Assets	8	559,020.00	13,392,636.11
Other Payments	9		1,071,367.00
TOTAL PAYMENTS		46,513,008.60	142,475,053.91
SURPLUS/DEFICIT		(3,107,836.60)	(6,191,943.21)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BARINGO SOUTH Constituency financial statements were approved on 11/4/19 2018 and signed by:



Fund Account Manager

Name: Bungale Marude



Sub-County Accountant

Name: Festo K. Sainu
ICPAK Member Number: 5627





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

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 – 2018	2016 - 2017
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	5,520,112.64	8,078,249.24
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		549,700.00
TOTAL FINANCIAL ASSETS		<u>5,520,112.64</u>	<u>8,627,949.24</u>
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	8,627,949.24	14,819,892.45
Surplus/Defict for the year		(3,107,836.60)	(6,191,943.21)
Prior year adjustments	14		
NET LIABILITIES		<u>5,520,112.64</u>	<u>8,627,949.24</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BARINGO SOUTH Constituency financial statements were approved on 11/04/19 2018 and signed by:


Fund Account Manager
Name: Bungale Maridi


Sub-County Accountant
Name: Festo K. Saini
ICPAK Member Number: 5627





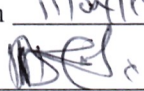
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BARINGO SOUTH CONSTITUENCY**

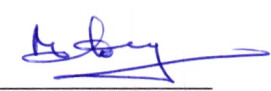
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017-2018	2016 – 2017
Transfers from CDF Board	1	43,405,172.00	136,283,110.70
Other Receipts	3		
Payments for operating expenses			
Compensation of Employees	4	1,699,573.00	1,122,760.00
Use of goods and services	5	5,165,505.60	9,765,319.80
Transfers to Other Government Units	6	14,800,000.00	78,837,428.00
Other grants and transfers	7	24,288,910.00	38,285,543.00
Other Payments	9		1,071,367.00
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		(2,548,816.60)	7,200,692.90
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8	559,020.00	13,392,636.11
Net cash flows from Investing Activities		559,020.00	13,392,636.11
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,107,836.60)	(6,191,943.21)
Cash and cash equivalent at BEGINNING of the year	13	8,627,949.24	14,819,892.45
Cash and cash equivalent at END of the year		5,520,112.64	8,627,949.24

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BARINGO SOUTH Constituency financial statements were approved on 11/04/19 2018 and signed by:


Fund Account Manager
Name: Bungae Mambi


Sub-County Accountant
Name: Festo K. Samia
ICPAK Member Number: 5627





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BARINGO SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	98,189,655.16	9,127,948.44	107,317,603.60	43,405,172.00	55,284,482.36	56.7
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	98,189,655.16	9,127,948.44	107,317,603.60	43,405,172.00	55,284,482.36	56.7
PAYMENTS						
Compensation of Employees	1,918,440.00	669,320.00	2,587,760.00	1,699,573.00	888,187.00	66
Use of goods and services	6,918,629.94	87,041.57	7,005,671.51	5,165,505.60	1,840,165.91	73.73
Transfers to Other Government Units	45,350,000.00	1,000,000.00	46,350,000.00	14,800,000.00	31,550,000.00	32
Other grants and transfers	33,825,558.22	6,378,214.70	40,203,772.92	24,288,910.00	15,914,862.92	60
Acquisition of Assets	2,000,000.00	64,009.67	2,064,009.67	559,020.00	1,504,989.67	27.08
Other Payments	8,177,027.00	929,362.50	9,106,389.50	-	9,106,389.50	0
TOTALS	98,189,655.16	9,127,948.44	107,317,603.60	46,513,008.60	60,804,595.00	43.3
SURPLUS/DEFICIT				(3,107,836.60)		

EXPLANATION OF ITEMS

The allocation for 2017/2018 was kshs 98,189,655.16 and adjustment was made in column b on the balance brought forward in the financial year 2016/2017 and declined project from the board totalling to 9,127,948.44 totaling to kshs 107,317,603.60 being the fund utilized within the financial year under Review.



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

On the receipts, the total receipt from NGCDF Board is 50% which is due 50% and additional fund which was planned in may 2018 for proposal submission of 11,379,310.34

On the compensation of employees 66% the employee budget was for the 4 staff on contract basis and 2 casual hence leads to our fund expenses at 66%

On the use of goods and services 73.73% this due to adjustment for the original budget making the total budget to be high against the expenses.

On the transfer to other government units, 32% is due to delay in disbursement from the NGCDFB and also additional of fund from the submitted proposal which was submitted in May 2018.

On other grant and transfers, 60% due to the fund not disbursed from the NGCDFB hence leads to the less expense

On Acquisition of assets, 27.08% due to undisbursed fund from the NGCDFB

On other payment 0% this is due strategic plan which was underway to be done and also was not yet disbursed

The NGCDF-BARINGO SOUTH Constituency financial statements were approved on 11th of 19 2018 and signed by:



Fund Account Manager

Name: Bungau Mundi



Sub-County Accountant

Name: Festo K. Saini
ICPAK Member Number: 5627



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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government.

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE BOARD

Description		2017 - 2018	2016/2017
		kshs	Kshs
Normal Allocation	AIE NO...A855762	5,500,000.00	
	AIE NO...A892817	37,905,172.00	
	AIE NO...A825898		20,000,000.00
	AIE NO...A825947		34,186,559.00
	AIE NO...A829503		4,094,827.60
	AIE NO...A855192		200,000.00
	AIE NO...A855181		36,853,449.00
	AIE NO...A855650		40,948,275.10
	AIE NO...A759725		
	AIE NO...A724043		
Conditional grants	AIE NO...		
	AIE NO...		
Receipt from other Constituency			
TOTAL		43,405,172.00	136,283,110.70

2. PROCEEDS FROM SALE OF ASSETS

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

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description		2017 -2018	2016 - 2017
		Kshs	Kshs
Interest Received			
Rents			
Sale of tender documents			
Other Receipts Not Classified Elsewhere (specify)			
Total			

4. COMPENSATION OF EMPLOYEES

Description		2017-2018	2016 - 2017
		Kshs	Kshs
Basic wages of contractual employees		882,733.00	744,000.00
Basic wages of casual labour		279,000.00	172,000.00
Personal allowances paid as part of salary			
House allowance			
Transport allowance			
Leave allowance			
Other personnel payments			
Employer contribution to NSSF		9,600.00	9,600.00
Gratuity		528,240.00	197,160.00
TOTAL		1,699,573.00	1,122,760.00

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

**Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services	72,617.00	1,170.00
electricity		-
Communication, supplies and services	185,460.00	191,410.00
Domestic travel and subsistence	795,800.00	914,000.00
Printing, advertising and information supplies and services	46,000.00	20,610.00
Rentals of produced assets		
Training expenses	698,500.00	1,756,300.00
Hospitality supplies and services	297,280.00	323,010.00
Other committee expenses	521,500.00	1,772,000.00
Committee allowances	1,144,000.00	1,329,500.00
Insurance costs		
Specialised materials and services		
Office and general supplies and services	174,143.60	1,585,462.80
Fuel ,oil and lubricants	615,000.00	1,130,000.00
Other operating expenses		
Bank service commission and charges	69,380.00	
Security operations		
Routine maintenance – vehicles and other transport equipment	339,065.00	774,010.00
Routine maintenance – other assets	206,760.00	53,835.00
TOTAL	5,165,505.60	9,765,319.80

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to primary schools (See attached list)	8,650,000.00	30,737,428.00
Transfers to secondary schools (See attached list)	6,150,000.00	48,100,000.00
Transfers to Tertiary institutions		
Transfers to Health institutions		
TOTAL	14,800,000.00	78,837,428.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary –Secondary (see attached list)	13,536,206.00	15,824,864.00
Bursary –Tertiary(See attached list)	6,653,804.00	6,758,760.00
Bursary-Special schools		31,348.00
Mocks and CAT		864,000.00
Water		
Agriculture (food security)		
Electricity projects		127,654.00
Security(See attached list)	950,000.00	2,426,897.00
Roads		
Sports(See attached list)	298,400.00	1,843,600.00
Environment (See attached list)	1,457,000.00	618,300.00
Emergency Projects (See attached list)	1,393,500.00	9,790,120.00
TOTAL	24,288,910.00	38,285,543.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2017-2018	2016-2017
		Kshs	Kshs
Purchase of Buildings		559,020.00	9,441,686.11
Construction of Buildings			
Refurbishment of Buildings			
Purchase of Vehicles and Other Transport Equipment			
Overhaul of Vehicles and Other Transport Equipment			
Purchase of Household Furniture and Institutional Equipment			3,298,450.00
Purchase of Office Furniture and General Equipment			652,500.00
Purchase of ICT Equipment, Software and Other ICT Assets			
Purchase of Specialized Plant, Equipment and Machinery			
Rehabilitation and Renovation of Plant, Machinery and Equip.			
Acquisition of Land			
Acquisition of Intangible Assets			
TOTAL		559,020.00	13,392,636.11

9. OTHER PAYMENTS

Strategic plan		-	1,030,000.00
ICT Hub		-	41,367.00
TIVET			
TOTAL		-	1,071,367.00

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. and currency	Account Number	2017-2018	2016-2017
		Kshs	kshs
<i>Kenya commercial bank marigat branch</i>	1146690452	5,520,112.64	8,627,949.24
TOTAL		5,520,112.64	8,627,949.24
10B: CASH IN HAND			
Location 1		-	
Location 2		-	
Location 3		-	
Other receipts (specify)			
Total		-	-
Name of Bank, Account No. and currency	Account Number	2017-2018	2016-2017
		Kshs	kshs
kenya commercial bank marigat branch	1146690452	5,520,112.64	8,627,949.24
TOTAL		5,520,112.64	8,627,949.24
10B: CASH IN HAND			
Location 1		-	
Other receipts (specify)			
Total		-	-

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

**Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Balance b/f 2016/2017</i>				<i>549,700</i>
<i>Name of Officer or Institution</i>		0	0	0
<i>Total</i>				<u><u>549,700.00</u></u>

12. RETENTION

Supplier/Contractor	PV no		

13. BALANCES BROUGHT FORWARD

		2017-2018	2016 -2017
		Kshs	Kshs
Bank accounts		8,078,249.24	14,632,332.45
Cash in hand			
Imprest		549,700.00	187,560.00
TOTAL		8,627,949.24	14,819,892.45

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

		2017-2018	2016-2017
		Kshs	Kshs
Bank accounts			
Cash in hand			
Imprest			
Total			

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

Senior management			
Middle management			
Unionisable employees			
Others (<i>specify</i>) staff salaries			
TOTAL			

15.3: UNUTILIZED FUNDS (See Annex 3)

		2017-2018	2016-2017
Compensation of employees		888,187.00	
Use of goods and services		1,840,161.91	
Amounts due to other Government entities (see attached list)		32,400,000.00	1,000,000.00
Amounts due to other grants and other transfers (see attached list)		9,479,105.00	6,878,214.00
Others (<i>strategic plan, motor vehicle, ICT Hub and motorbike</i>)		10,177,028.05	
TOTAL		54,784,481.96	7,878,214.00

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	3,730,521.00	2,979,207.00
	3,730,521.00	2,979,207.00



NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

1



NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees	Payment of staff salaries	888,187.00	669,320.00	Caters salaries for staff six months before next a allocation another Financial year.
Use of goods and services		1,840,161.91	87,041.57	
Amounts due to other Government entities				
Embosos secondary school	Completion of classroom		500,000.00	Delay in the disbursement of funds by the NG-CDFB
Kailer primary school	Completion of dining hall	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Ntepes primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Ngambo primary school	Completion of fencing	700,00.00		Delay in the disbursement of funds by the NG-CDFB
Delay in the disbursement of funds by the NG-CDFB Ilchurai primary school	Construction of 1 classroom	900,000.00		Delay in the disbursement of funds by the NG-CDFB
Endao primary school	Completion of dormitory	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Sitewonin primary school	Completion of classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Parkarin primary school	Completion of classroom	300,000.00		Delay in the disbursement of funds by the NG-CDFB
Kimorok primary school	Completion of dormitory	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Ngolbelon primary school	Construction of classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Loberer primary school	Construction of classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Tebel primary school	Construction of classroom	800,000.00		Delay in the disbursement of funds by the NG-CDFB
Sabor primary school	Construction of classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Patkawanin primary school	Renovation of classrooms	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Kimao primary school	Completion of classroom	400,000.00		Delay in the disbursement of funds by the NG-CDFB

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)

**Reports and Financial Statements
For the year ended June 30, 2018**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Barnegech primary school	Construction of classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Tuiyotich primary school	Completion of toilets	200,000.00		Delay in the disbursement of funds by the NG-CDFB
Mbechot primary school	Completion of 1 classroom	400,000.00		Delay in the disbursement of funds by the NG-CDFB
Sinoni primary school	Construction of 1 classroom	600,000.00		Delay in the disbursement of funds by the NG-CDFB
Tembererwe primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Sinendet primary school	Construction of classroom 1 classroom	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Chepkotoyan primary school	Completion of classrooms	300,000.00		Delay in the disbursement of funds by the NG-CDFB
Kasiela primary school	Completion of classroom	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Kibagenge primary school	Painting of classroom	50,000.00		Delay in the disbursement of funds by the NG-CDFB
Losampupur primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Chemorongion primary school	Construction of 1 classroom	800,000.00		Delay in the disbursement of funds by the NG-CDFB
Arabal primary school	Fencing of school	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Kongasis primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Tulwopsoo primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Labos primary school	Construction of 1 classroom	600,000.00		Delay in the disbursement of funds by the NG-CDFB
Sukutek primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Tendenbei primary school	Completion and construction of classroom	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Signwo primary school	Completion of classroom	200,000.00		Delay in the disbursement of funds by the NG-CDFB
Kimoigut primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)

**Reports and Financial Statements
For the year ended June 30, 2018**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Rorobai primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Iti primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Sambaka primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Oldepe osinya primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Rabai primary school	Renovation of classes	400,000.00		Delay in the disbursement of funds by the NG-CDFB
Kibonjos primary school	Construction of 1 classroom	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Ngambo secondary school	Completion of admin block	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Salabani secondary school	Completion of library	600,000.00		Delay in the disbursement of funds by the NG-CDFB
Kibingor secondary school	Completion of 2 classrooms	600,000.00		Delay in the disbursement of funds by the NG-CDFB
Kimalel secondary school	Completion of admin block	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Marigat integrated secondary school	Completion of laboratory	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Tuiyotich secondary school	Equipping admin block	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Sandai secondary school	Completion of lab	700,000.00		Delay in the disbursement of funds by the NG-CDFB
Mwenge secondary school	Completion of lab	200,000.00		Delay in the disbursement of funds by the NG-CDFB
Ngenyilel secondary school	Construction of 1 classroom	1,000,000.00		Delay in the disbursement of funds by the NG-CDFB
Ngarie secondary school	Completion of admin block	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Loberer secondary school	Construction of 1 classroom	600,000.00		Delay in the disbursement of funds by the NG-CDFB
Cheboruswo secondary school	Completion of admin block	400,000.00		Delay in the disbursement of funds by the NG-CDFB
Nyimbei secondary school	Completion of 2 classroom	600,000.00		Delay in the disbursement of funds by the NG-CDFB

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)

**Reports and Financial Statements
For the year ended June 30, 2018**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Sub-Total		35,128,348.91	1,256,361.57	
Amounts due to other grants and other transfers				
Ngelecha AP camp	Construction of staff houses		1,100,000.00	Insecurity in the project site hence delay in implementation of the project
Rugus AP camp	Construction of the office		700,000.00	Insecurity in the project site hence delay in implementation of the project
Kimoriot dispensary	Completion of dispensary		200,000.00	Insecurity in the project site hence delay in implementation of the project
Salabani chiefs office	Completion of offices	600,000.00		Delay in the disbursement of funds by the NG-CDFB
Kamailiel chiefs office	Completion of offices	500,000.00		Delay in the disbursement of funds by the NG-CDFB
Kibingor chiefs office	Completion of offices	400,000.00		Delay in the disbursement of funds by the NG-CDFB
Sports	Funding sports activities	1,105,172.00	1,000,000.00	Delay in the disbursement of funds by the NG-CDFB
Emergency	Funding emergency projects	3,137,930.00	1,300,000.00	Delay in the disbursement of funds by the NG-CDFB
Environment	Funding environmental activities	1,000,000.00	1,528,480.26	Delay in the disbursement of funds by the NG-CDFB
Bursary	Funding of needy students	2,736,003.00		Delay in the disbursement of funds by the NG-CDFB
Sub-Total		9,479,105.00	5,628,480.26	
Sub-Total		44,607,453.91	6,884,841.83	
Acquisition of assets				
Building and structures	Funding of office assets	2,000,000.00	64,009.67	Delay in the disbursement of funds by the NG-CDFB
Others (strategic plan and ICT Hub)				
Strategic plan	Funding of strategic plan	3,500,000.00	929,362.50	Delay in the disbursement of funds by the NG-CDFB
ICT Hub	Funding ICT Hub	4,677,027.05	-	Delay in the disbursement of funds by the NG-CDFB
Sub-Total		10,177,028.05	993,372.17	
Grand Total		54,784,481.96	7,878,214.00	

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures	9,441,686.11	559,020.00	-	10,000,706.11
Transport equipment				
Office equipment, furniture and fittings	3,298,450.00			3,298,450
ICT Equipment, Software and Other ICT Assets	652,500.00			652,500
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	13,392,636.11	559,020.00		13,951,656.11

11

12

13

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kiserian secondary school	KCB	1111335036	303,462.00	300,000.00
Lake bogoria Rochdale secondary school	KCB	1130583384	1,080.00	3,259.00
Ngambo secondary school	KCB	1111765049	2,159.00	2,310.00
Sabor secondary school	KCB	1109813155	129.00	1,020.00
Sangarau secondary school	KCB	1111926271	1,704.00	1,230.00
Mwenge secondary school	KCB	1134819234	1,886.00	241,625.00
Kaptombes primary school	KCB	1115775189	140,942.00	50,000.00
Kapkoibai primary school	KCB	1138003778	699,000.00	153,000.00
Maoi Day and boarding primary school	KCB	1182855091	1,914.00	816.00
Kamungei primary school	KCB	1134616325	435	2,326.95
Sogon primary school	KCB	1109630425	210,522.00	121,000.00
Kapkatit primary school	KCB	1114719943	574.00	400,000.00
Meisori primary school	KCB	1201188431	116,644.00	2,620.05
Illiat primary school	KCB	1121441033	391.00	500,000.00
Embosos secondary school	KCB	1135075689	2,249,679.00	1,200,000.00
Total			3,730,521.00	2,979,207.00

NATIONAL GOVERNMENT ENTITY - (BARINGO SOUTH CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018

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.

There was unmodified opinion in the year 2016/2017. There were no qualifying paragraph on other matters, non-compliance and internal control.