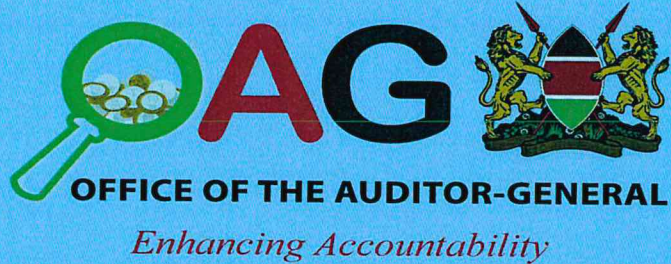



REPUBLIC OF KENYA



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|  THE NATIONAL ASSEMBLY REPORT | |
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| CLERK-AT THE-TABLE: | FINLEY |

THE AUDITOR-GENERAL

ON

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

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



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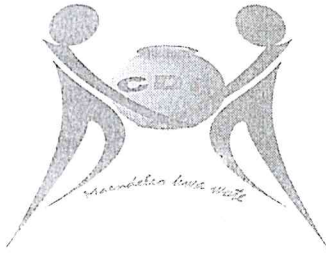
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Revised Template 30th June 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NAROK EAST
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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





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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

| No | Designation | Name |
|----|-----------------------|--------------------|
| 1. | A.I.E holder | Andrew K. Kiptanui |
| 2. | Sub-County Accountant | Kennedy Ndung'u |
| 3. | Chairman NGCDFC | Tapaiya Punyua |
| 4. | Member NGCDFC | Kabaka Kirtela |

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF NAROK EAST -Constituency Headquarters

P.O. Box 664 - 20500
NAROK - Kenya

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF NAROK EAST Constituency Contacts

Telephone: +254 0721 333 360

E-mail: cdfnarokeast@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF NAROK EAST Constituency Bankers

1. NGCDF NAROK EAST Constituency Bankers

Equity Bank

NAROK

P.O. Box 1023-20500

Narok, Kenya

(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)
NAROK EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Narok East Constituents are determined to participate effectively in domesticating the vision, mission and core values of the National Government Constituencies Development Fund. The constituents have since been given the necessary platform on which to participate more proactively in the prioritization of need based projects and programmes aimed at improving their standard of living.

In the financial year 2018/2019, the NG-CDF Narok East was allocated Ksh. 109,040,875.52 and was able to receive the whole amount by the end of the financial year i.e. 100% absorption rate.

BUDGET PERFORMANCE BY SECTOR

| | Budget 2018/2019 | Actual 2018/2019 | Budgetary variance |
|---|--------------------|-------------------|--------------------|
| 1.0 Administration and Recurrent | 6,542,454 | 6,181,486 | 360,968 |
| 2.0 Monitoring and evaluation | 4,471,227 | 4,235,441 | 235,786 |
| 3.0 Emergency | 6,307,959 | 5,779,600 | 528,359 |
| 4.0 Bursary and Social Security | 35,473,316 | 33,509,979 | 1,963,337 |
| 5.0 Sports | 1,490,409 | 1,451,100 | 39,309 |
| 6.0 Environment | 1,140,409 | 1,131,700 | 8,709 |
| 7.0 Primary Schools Projects | 53,350,000 | 15,300,000 | 38,050,000 |
| 8.0 Secondary Schools Projects | 33,493,166 | 19,700,206 | 13,792,960 |
| 11.0 Acquisition of assets - CDF office | 8,500,000 | 8,500,000 | - |
| 13.0 Others - Strategic Plan | 2,000,000 | 700,000 | 1,300,000 |
| GRAND TOTALS | 152,768,939 | 96,489,512 | 56,279,427 |

Key achievements

NG CDF has all along been promptly disbursing funds to Project Management Committees Accounts for timely implementation while ensuring value for public money. The NG CDFC has also embraced equity in the distribution of funds across the constituency in terms of the physical infrastructure and identification of needy cases for bursary awards in all categories.

Currently, all primary and secondary schools have at least one or more NG CDF funded projects, with six (6) secondary schools fully funded by NG CDF by 2018/2019 Financial Year.

Challenges and emerging issues

The delay in implementation of the projects was due to the delay by the National Treasury to disburse funds to the NG CDF Board eventually reducing the constituency's absorption rate during the financial year.

There is also the problem of community land ownership which makes the acquisition of land for schools process lengthy due to succession. We are currently receiving support from the Interior and Coordination of National Government and Lands Ministries in facilitation of change in land ownership documents for schools.


TAPAYA MUKUA
CHAIRMAN NGCDFC

DATE.....25/09/2019.....



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

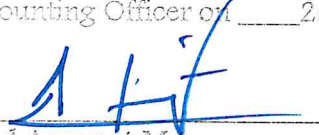
The Accounting Officer in charge of the NGCDF-NAROK EAST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

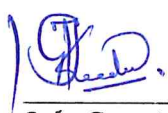
The Accounting Officer in charge of the NGCDF-NAROK EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-NAROK EAST Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

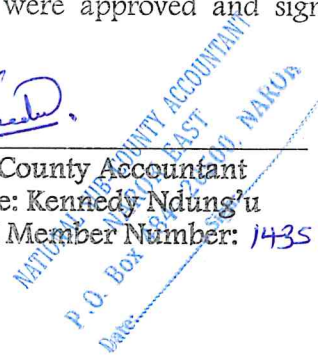
The Accounting Officer in charge of the NGCDF-NAROK EAST Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the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

Approval of the financial statements

The NGCDF-NAROK EAST Constituency financial statements were approved and signed by the Accounting Officer on 25/09/2019.


Fund Account Manager
Name: Andrew K. Kiptanui

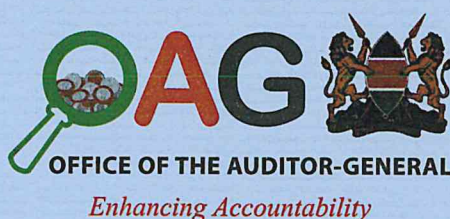

Sub-County Accountant
Name: Kennedy Nding'u
ICPAK Member Number: 14351





REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Narok East Constituency set out on pages 6 to 31, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Cash and Cash Equivalents

Examination of the bank reconciliation statement for June, 2019 revealed an unexplained overcast of Kshs.77,000 under payments in bank statement not yet recorded in the cashbook and an overcast of Kshs.937,896 under receipts in cashbook not yet recorded in the bank statement. The discrepancies had not been noted and acted upon as required under Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015. In addition, the monthly bank reconciliation statements were not reviewed after preparation.

In the circumstances, the accuracy and existence of the reported cash and cash equivalents balance of Kshs.56,279,427 could not be confirmed.

Report of the Auditor-General on National Government Constituencies Development Fund – Narok East Constituency for year ended 30 June, 2019

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituency Development Fund – Narok East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final expenditure budget and actual on comparable basis of Kshs.152,768,939 and Kshs.96,489,512 respectively resulting to an under-expenditure of Kshs.56,279,427 or 37% of the budget. The under-expenditure mainly occurred under transfer to other government units where an amount of Kshs.35,000,206 was incurred against the budgeted expenditure of Kshs.86,843,167. The under-expenditure affected the planned activities and may have impacted negatively on service delivery to the constituents.

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

Procurement Irregularities in Implementation of Projects

Narok East NGCDF implemented various projects during the financial year 2018/2019 in primary and secondary schools at a cost of Kshs.35,000,206. However, examination of procurement records for each of the projects revealed the following anomalies:

- i. Tenders were not advertised contrary to Section 96(1) of the Public Procurement and Asset Disposal Act, 2015.

- ii. Tender Opening Committee Members were not appointed in writing contrary to Section 64(1) of the Public Procurement and Asset Disposal Act, 2015 which requires all communications and enquiries between parties on procurement and asset disposal proceedings shall be in writing.
- iii. The Evaluation Committee only carried out preliminary evaluation and financial evaluation but did not carry out technical evaluation contrary to Section 46(4a) of the Public Procurement and Asset Disposal Act, 2015.
- iv. There were no professional opinions as provided under Section 84(1) of the Public Procurement and Asset Disposal Act, 2015.
- v. There were no Letters of Acceptance by the contractor's contrary to Section 87(2) of the Public Procurement and Asset Disposal Act, 2015.
- vi. Although the contractors had been paid, there was no evidence that withholding tax had been withheld and remitted to the Kenya Revenue Authority.

In the circumstances, the audit could not ascertain whether the above contracts were awarded in a system that is fair, equitable, transparent, competitive and cost-effective as required under Article 227(1) of the Constitution of Kenya.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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 governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue sustain 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 Fund's 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 noncompliance. 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 Fund's 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 Constituency Development 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

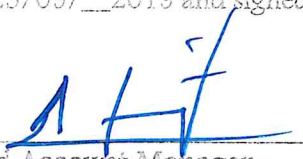
08 September, 2021


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

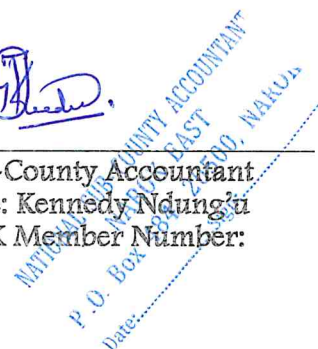
IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2018-2019 | 2017-2018 |
|--|------|--------------------|-------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NG CDF board-AIEs' Received | 1 | 120,420,186 | 86,810,345 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| TOTAL RECEIPTS | | 120,420,186 | 86,810,345 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 1,743,086 | 2,145,320 |
| Use of goods and services | 5 | 8,673,841 | 8,669,804 |
| Transfers to Other Government Units | 6 | 35,000,206 | 22,500,000 |
| Other grants and transfers | 7 | 41,872,379 | 30,287,138 |
| Acquisition of Assets | 8 | 8,500,000 | - |
| Other Payments | 9 | 700,000 | - |
| TOTAL PAYMENTS | | 96,489,512 | 63,602,262 |
| SURPLUS/DEFICIT | | 23,930,674 | 23,208,082 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK EAST Constituency financial statements were approved on 25/09/2019 and signed by:


Fund Account Manager
Name: Andrew K. Kiptanui


Sub-County Accountant
Name: Kennedy Ndung'u
ICPAK Member Number:





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

V. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2018-2019 | 2017-2018 |
|---------------------------------------|------|-------------------|-------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 56,279,427 | 32,348,753 |
| Cash Balances (cash at hand) | 10B | - | - |
| Current Receivables | | 56,279,427 | 32,348,753 |
| Outstanding Imprests | 11 | | - |
| TOTAL FINANCIAL ASSETS | | 56,279,427 | 32,348,753 |
| Current receivables- | | - | |
| TOTAL FINANCIAL ASSETS | | 56,279,427 | 32,348,753 |
| FINANCIAL LIABILITIES | | | |
| Accounts payable- | | | |
| Retention | 12A | - | - |
| Gratuity | 12B | - | - |
| TOTAL FINANCIAL LIABILITIES | | | |
| NET FINANCIAL ASSETS | | 56,279,427 | 32,348,753 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 13 | 32,348,753 | 9,140,670 |
| Surplus/Deficit for the year | | 23,930,674 | 23,208,082 |
| Prior year adjustments | 14 | - | |
| NET FINANCIAL POSITION | | 56,279,427 | 32,348,753 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK EAST Constituency financial statements were approved on 25/09/2019 and signed by:


Fund Account Manager
Name: Andrew K. Kiptanui


Sub-County Accountant
Name: Kennedy Nding'u
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NAROK EAST CONSTITUENCY

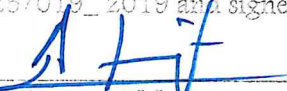
Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

| Receipts for operating income | | 2018-2019 | 2017-2018 |
|--|-----|--------------------|-------------------|
| Transfers from CDF Board | 1 | 120,420,186 | 86,810,345 |
| Other Receipts | 3 | - | - |
| Total receipts | | 120,420,186 | 86,810,345 |
| Payments | | | |
| Compensation of Employees | 4 | 1,743,086 | 2,145,320 |
| Use of goods and services | 5 | 8,673,841 | 8,669,804 |
| Transfers to Other Government Units | 6 | 35,000,206 | 22,500,000 |
| Other grants and transfers | 7 | 41,872,379 | 30,287,138 |
| Other Payments | 9 | 700,000 | - |
| Total payments | | 87,989,512 | 63,602,262 |
| Total Receipts Less Total Payments | | 32,430,674 | 23,208,082 |
| Adjusted for: | | | |
| Outstanding imprest | 11 | - | - |
| Retention Payable | 12A | - | - |
| Gratuity Payable | 12B | - | - |
| Prior year adjustments | 14 | - | - |
| Net Adjustments | | - | - |
| Net cash flow from operating activities | | 32,430,674 | 23,208,082 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | 8,500,000 | - |
| Net cash flows from Investing Activities | | 23,930,674 | 23,208,082 |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 23,930,674 | 23,208,082 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 32,348,753 | 9,140,670 |
| Cash and cash equivalent at END of the year | 10A | 56,279,427 | 32,348,753 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAROK EAST Constituency financial statements were approved on 25/019 2019 and signed by:


Fund Account Manager
Name: Andrew K. Kiptanui


Sub-County Accountant
Name: Kennedy Ndung'u
ICPAK Member Number:

Reports and Financial Statements

For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | Original Budget a | Adjustments b | Final Budget c=a+b | Actual on Comparable Basis d | Budget Utilization Difference e=c-d | % of Utilization f=d/c % |
|-------------------------------------|----------------------|------------------|-----------------------|------------------------------------|---|-----------------------------|
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 109,040,876 | 43,728,063 | 152,768,939 | 152,768,938.45 | 0 | 100% |
| Proceeds from Sale of Assets | | | | | | |
| Other Receipts | | 0 | | - | | |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,010,000 | - | 2,010,000 | 1,743,036.00 | 266,914 | 86.7% |
| Use of goods and services | 7,803,679 | 1,200,000 | 9,003,679 | 8,673,840.60 | 329,838 | 96.3% |
| Transfers to Other Government Units | 61,843,167 | 25,000,000 | 86,843,167 | 35,000,206.00 | 51,842,961 | 40.3% |
| Other grants and transfers | 37,384,030 | 7,028,063 | 44,412,093 | 41,872,379.00 | 2,539,714 | 94.3% |
| Acquisition of Assets | 0 | 8,500,000 | 8,500,000 | 8,500,000.00 | 0 | 100.0% |
| Other Payments | - | 2,000,000.00 | 2,000,000.00 | 700,000.00 | 1,300,000.00 | 65.0% |
| TOTALS | 109,040,876 | 43,728,063 | 152,768,939 | 96,489,511.60 | 56,279,427 | 63.2% |

(a) The constituency did not realize any revenue from sale of tenders and therefore A.L.A is not part of the adjustments for the Financial Year 2018/2019. Most of the expenditure items fall within the underutilization category since half of the allocation was received from the Board towards the end of the financial year.

(b) In the Financial Year 2018/2019, the constituency had an absorption rate of 100% and an overall underutilization of 63.2%.N/B The changes between the original and final budget are as a result of the balances brought forward from the previous financial year 2017/2018 as per IPSAS 1.9.23. The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined agree with the amounts reported in the Statement of Receipts and Payments.

The NGCDF-NAROK EAST Constituency financial statements were approved on 25/09/2019 and signed by:

Fund Account Manager
Name: Andrew K. Kiptanui

Sub-County Accountant
Name: Kennedy Nding'u
ICPAK Member Number:

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| 1.0 Administration and Recurrent | | | | | | |
|---|------------------|------------------|------------------|------------------|----------------|--|
| 1.1 Compensation of employees | 2,010,000 | - | 2,010,000 | 1,743,086 | 266,914 | |
| 1.2 Committee allowances | 2,500,000 | - | 2,500,000 | 2,406,400 | 93,600 | |
| 1.3 Use of goods and services | 2,032,454 | - | 2,032,454 | 2,032,000 | 454 | |
| Sub-Total | 6,542,454 | - | 6,542,454 | 6,181,486 | 360,968 | |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 471,227 | 106,773 | 578,000 | 578,000 | - | |
| 2.2 Committee allowances | 2,300,000 | - | 2,300,000 | 2,132,860 | 167,140 | |
| 2.3 Use of goods and services | 500,000 | 1,093,227 | 1,593,227 | 1,524,581 | 68,646 | |
| Sub-Total | 3,271,227 | 1,200,000 | 4,471,227 | 4,235,441 | 235,786 | |
| 3.0 Emergency | | | | | | |
| 3.1 Primary Schools | - | - | - | - | - | |
| 3.2 Secondary schools | | | - | | | |
| 3.3 Tertiary institutions | | | - | | | |
| 3.4 Security projects | | - | - | | | |
| 3.5 others | 5,738,993 | 538,966 | 6,307,959 | 5,779,600 | 528,359 | |

Reports and Financial Statements

For the year ended June 30, 2019

| | | | | | |
|---------------------------------|------------|-----------|------------|------------|-----------|
| Sub-Total | 5,738,993 | 568,966 | 6,307,959 | 5,779,600 | 528,359 |
| 4.0 Bursary and Social Security | | | - | | - |
| 4.1 Special schools | 200,000 | | 200,000 | - | 200,000 |
| 4.2 Secondary Schools | 16,204,000 | 4,499,118 | 20,703,118 | 20,000,000 | 703,118 |
| 4.3 Tertiary Institutions | 14,060,219 | 509,979 | 14,570,198 | 13,509,979 | 1,060,219 |
| 4.4 Universities | | | - | | - |
| 4.5 Social Security | - | | - | | - |
| Sub-Total | 30,464,219 | 5,009,097 | 35,473,316 | 33,509,979 | 1,963,337 |
| 5.0 Sports | | | - | | - |
| 5.1 bal b/f | 90,409 | 1,400,000 | 1,490,409 | 1,451,100 | 39,309 |
| | | | - | | - |
| Sub-Total | 90,409 | 1,400,000 | 1,490,409 | 1,451,100 | 39,309 |
| 6.0 Environment | | | - | | - |
| 6.1 balance b/f | 1,090,409 | 50,000 | 1,140,409 | 1,131,700 | 8,709 |
| | | - | - | | - |
| Sub-Total | 1,090,409 | 50,000 | 1,140,409 | 1,131,700 | 8,709 |
| 7.0 Primary Schools Projects | | | - | | - |
| 7.1 Keru Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |
| 7.2 Saleita Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |

Reports and Financial Statements

For the year ended June 30, 2019

| | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 7.3 Olesito Primary School | 3,000,000 | - | 3,000,000 | - | 3,000,000 |
| 7.4 Olopikidongoi Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |
| 7.5 Itumutut Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |
| 7.6 Lengasamo Primary School | 3,450,000 | - | 3,450,000 | - | 3,450,000 |
| 7.7 Ereto Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |
| 7.8 Oloika Primary School | 3,000,000 | - | 3,000,000 | - | 3,000,000 |
| 7.9 Tikako Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |
| 7.90 Olepunyua Primary School | 5,500,000 | - | 5,500,000 | - | 5,500,000 |
| 7.91 Oltepesi Primary School | 3,000,000 | - | 3,000,000 | 3,000,000 | - |
| 7.92 Enariboo Primary School | 3,000,000 | - | 3,000,000 | - | 3,000,000 |
| 7.93 Emurutoto Primary School | 2,300,000 | - | 2,300,000 | - | 2,300,000 |
| 7.94 DEB School | 1,000,000 | - | 1,000,000 | - | 1,000,000 |
| 7.95 Fr. Vermeer's Special School | 2,300,000 | - | 2,300,000 | 2,300,000 | - |
| 7.96 Sintakara Primary School | - | 3,000,000 | 3,000,000 | 3,000,000 | - |
| 7.97 Nkorienito Primary School | - | 5,000,000 | 5,000,000 | 5,000,000 | - |
| 7.98 Olasiti Primary School | - | 5,000,000 | 5,000,000 | 2,000,000 | 3,000,000 |
| 7.96 Retention b/f | - | - | - | - | - |
| Sub-Total | 40,350,000 | 13,000,000 | 53,350,000 | 15,300,000 | 38,050,000 |
| 8.0 Secondary Schools Projects | | | - | | - |

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

| | | | | | |
|--|------------|------------|------------|------------|------------|
| 8.1 Kipise Hills Secondary School | 5,000,000 | | 5,000,000 | - | 5,000,000 |
| 8.2 Nkorienito Secondary School | 8,246,583 | | 8,246,583 | 5,000,000 | 3,246,583 |
| 8.3 Olesharo Secondary School | 8,246,583 | | 8,246,583 | 5,000,000 | 3,246,583 |
| 8.4 Keekonyokie Secondary School | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| 8.5 Suswa Girls Secondary School | | 5,000,000 | 5,000,000 | 2,700,206 | 2,299,794 |
| 8.6 Olasiti Secondary School | | 5,000,000 | 5,000,000 | 5,000,000 | - |
| 8.7 Retention b/f | | - | - | - | - |
| Sub-Total | 21,493,166 | 12,000,000 | 33,493,166 | 19,700,206 | 13,792,960 |
| 9.0 Health institutions Projects | | | - | | - |
| 9.1 balances b/f | | - | - | | - |
| 10.0 Security Projects | | | - | | - |
| 11.0 Acquisition of assets | - | | - | | - |
| 11.1 Motor Vehicles | - | | - | | - |
| 11.2 CDF office | - | 8,500,000 | 8,500,000 | 8,500,000 | - |
| 11.3 Purchase of furniture and equipment | - | - | - | | - |
| 11.4 Purchase of computers | - | | - | | - |
| Sub-Total | - | 8,500,000 | 8,500,000 | 8,500,000 | - |
| 12.0 ROADS | | | - | - | - |

Reports and Financial Statements

For the year ended June 30, 2019

| | | | | | |
|---------------------|-------------|------------|-------------|------------|------------|
| 13.0 Others | - | - | - | - | - |
| 13.1 Strategic Plan | - | 2,000,000 | 2,000,000 | 700,000 | 1,300,000 |
| 13.2 Innovation Hub | - | - | - | - | - |
| | - | - | - | - | - |
| Sub-Total | - | 2,000,000 | 2,000,000 | 700,000 | 1,300,000 |
| GRAND TOTALS | 109,040,876 | 43,723,063 | 152,763,939 | 96,489,512 | 56,279,427 |

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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



SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 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) –
NAROK EAST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. 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) –
NAROK EAST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

| 1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES | | | | |
|--|---|--------------------|-------------------|--|
| Description | | 2018-2019 | 2017-2018 | |
| NGCDF Board | | Kshs | Kshs | |
| AIE NO. A8555968 | 1 | | 5,500,000 | |
| AIE NO. A892792 | 2 | | 37,905,172 | |
| AIE NO. A896946 | 3 | | 43,405,173 | |
| AIE NO. B005292 | 1 | 11,379,310 | | |
| AIE NO. B030150 | 2 | 10,000,000 | | |
| AIE NO. B005435 | 3 | 13,000,000 | | |
| AIE NO. B006482 | 4 | 7,000,000 | | |
| AIE NO. A724494 | 5 | 11,000,000 | - | |
| AIE NO. B042959 | 6 | 13,000,000 | | |
| AIE NO. B047575 | 7 | 55,040,876 | - | |
| TOTAL | | 120,420,186 | 86,810,345 | |
| 2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS | | | | |
| Description | | 2018-2019 | 2017-2018 | |
| | | Kshs | 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) –
NAROK EAST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

| 3 OTHER RECEIPTS | | | | |
|--|--|------------|-----------|--|
| Description | | 2018-2019 | 2017-2018 | |
| | | Kshs | Kshs | |
| Interest Received | | - | | |
| Rents | | - | | |
| Sale of tender documents | | | | |
| Other Receipts Not Classified Elsewhere | | | - | |
| Total | | - | - | |
| 4 COMPENSATION OF EMPLOYEES | | | | |
| Description | | 2018-2019 | 2017-2018 | |
| | | Kshs | Kshs | |
| Basic wages of contractual employees | | 1,583,785 | 1,198,409 | |
| Basic wages of casual labour | | | | |
| Personal allowances paid as part of salary | | | | |
| House allowance | | | | |
| Transport allowance | | | | |
| Leave allowance | | | | |
| Other personnel payments | | | | |
| employer contribution to NSSF | | 159,301 | 61,049 | |
| gratuity - Paid | | | 885,863 | |
| -Accrued | | | | |
| Other personnel payments | | | | |
| Total | | 1,743,086 | 2,145,320 | |
| 5 USE OF GOODS AND SERVICES | | | | |
| Description | | 2018-2019 | 2017-2018 | |
| | | Kshs | Kshs | |
| Utilities, supplies and services | | 3,000.00 | | |
| Office rent | | 0 | | |
| Communication, supplies and services | | 319,620.00 | 140,854 | |

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

| | | | | |
|--|--|------------------|------------------|--|
| Domestic travel and subsistence | | 285,000.00 | 195,000 | |
| Printing, advertising and information supplies & services | | 664,760.00 | 915,445 | |
| Rentals of produced assets | | 0 | - | |
| Training expenses | | 578,000.00 | 1,436,000 | |
| Other committee expenses | | 2,406,400.00 | 1,954,600 | |
| Committee allowance | | 1,832,860.00 | 2,035,000 | |
| Hospitality supplies and services | | - | - | |
| Insurance costs | | - | - | |
| Specialised materials and services | | - | - | |
| Office and general supplies and services | | 1,204,420.60 | 1,576,055 | |
| Fuel ,oil & lubricants | | 690,000.00 | 233,000 | |
| Other operating expenses | | 0 | - | |
| Routine maintenance – vehicles and other transport equipment | | 689,780.00 | 180,850 | |
| Bank charges | | | | |
| Total | | 8,673,841 | 8,669,804 | |

6 TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2018-2019 | 2017-2018 | |
|--|-------------------|-------------------|--|
| | Kshs | Kshs | |
| Transfers to National Government entities | - | | |
| Transfers to primary schools (see attached list) | 15,300,000 | 3,500,000 | |
| Transfers to secondary schools (see attached list) | 19,700,206 | 19,000,000 | |
| Transfers to tertiary institutions (see attached list) | - | | |
| Transfers to health institutions (see attached list) | | | |
| TOTAL | 35,000,206 | 22,500,000 | |

2

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
NAROK EAST CONSTITUENCY
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For the year ended June 30, 2019

7 OTHER GRANTS AND OTHER PAYMENTS

| Description | 2018-2019 | 2017-2018 |
|----------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary -Secondary | 20,000,000.00 | 8,315,888 |
| Bursary -Tertiary, cats | 13,509,979.00 | 15,311,000 |
| Bursary-Special NHIF | - | 1,200,000 |
| Mocks & CAT | | - |
| water/Sewers | | - |
| Agriculture (Markets) | | - |
| Electricity projects | | - |
| Security | | |
| Roads | | |
| Sports | 1,451,100.00 | 736,000 |
| Environment | 1,131,700.00 | 164,000 |
| Emergency Projects (specify) | 5,779,600.00 | 4,560,250 |
| Development - factories/stadiums | - | |
| CIT Hubs | - | |
| Total | 41,872,379 | 30,287,138 |

8 ACQUISITION OF ASSETS

| <u>Non Financial Assets</u> | 2018-2019 | 2017-2018 |
|---|------------------|-----------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | 8,500,000 | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles | - | - |
| Purchase of Bicycles & Motorcycles | - | - |
| Overhaul of Vehicles | - | - |
| Purchase of Office furniture and fittings | - | - |
| Purchase of computers ,printers and other IT equipments | | - |
| Purchase of photocopier | - | - |
| Purchase of other office equipments | - | - |
| Acquisition of Land | - | - |
| Total | 8,500,000 | - |

9 OTHER PAYMENTS

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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| | | 2018-2019 | 2017-2018 | |
|----------------|--|----------------|------------------|--|
| | | Kshs | Kshs | |
| Strategic Plan | | 700,000 | - | |
| NHIF | | - | 1,200,000 | |
| | | | | |
| TOTAL | | 700,000 | 1,200,000 | |

10A: Bank Balances (cash book bank balance)

| Name of Bank | Account Number | 2018-2019 | 2017-2018 | |
|--------------|----------------|---------------------|---------------------|--|
| | | Kshs (30/6/2019) | Kshs (30/6/2018) | |
| Equity Bank | | 56,279,427 | 32,348,753 | |
| | | | | |
| | | | | |
| Total | | 56,279,427 | 32,348,753 | |

10B: CASH IN HAND

| | | 2018-2019 | 2017-2018 | |
|--------------------------|--|---------------------|---------------------|--|
| | | Kshs (30/6/2019) | Kshs (30/6/2017) | |
| Location 1 | | | - | |
| Location 2 | | - | - | |
| Location 3 | | - | - | |
| Other receipts (specify) | | - | - | |
| | | | - | |
| Total | | - | - | |

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

| Name of Officer | Date imprest taken | Amount Taken | Amount Taken | Balance (30/6/2018) |
|-----------------|--------------------|--------------|--------------|------------------------|
| | | Kshs | Kshs | Kshs |
| Name of Officer | dd/mm/yy | - | | - |
| Name of Officer | dd/mm/yy | - | | - |
| Total | | | | - |

12A Retention

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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| | | 2018 - 2019 | 2017 - 2018 | |
|---------------------------------------|--------|-------------------|-------------------|--|
| Supplier/Contractor | PV No. | | | |
| | | - | - | |
| TOTAL | | - | - | |
| 12B STAFF GRATUITY OUTSTANDING | | | | |
| | | 2018-2019 | 2017-2018 | |
| NAME 1 | | | | |
| NAME 2 | | | | |
| NAME 3 | | | | |
| NAME 4 | | | | |
| <i>Total</i> | | | | |
| 13 BALANCES BROUGHT FORWARD | | | | |
| | | 2018-2019 | 2017-2018 | |
| | | Kshs (1/1/7/2018) | Kshs (1/1/7/2017) | |
| <i>Equity Bank</i> | | 32,348,753 | 9,140,670 | |
| | | | - | |
| Cash in hand | | | | |
| Imprest | | - | | |
| Total | | 32,348,753 | 9,140,670 | |
| 14 PRIOR YEAR ADJUSTMENTS | | | | |
| | | 2018-2019 | 2017-2018 | |
| | | Kshs | Kshs | |
| Bank accounts | | | - | |
| Cash in hand | | - | - | |
| Imprest | | - | - | |
| Total | | - | - | |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUND (See Annex 3)

| | 2018 - 2019 | 2017 - 2018 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Compensation of employees | 266,914 | 00.00 |
| Use of goods and services | 329,838 | 1,200,000.00 |
| Amounts due to other Government entities (see attached list) | 51,842,961 | 22,700,206.00 |
| Amounts due to other grants and other transfers (see attached list) | 2,539,714 | 17,827,857 |
| Acquisition of assets | 0 | |
| Others (<i>Strategic Plan</i>) | 1,300,000.00 | 2,000,000.00 |
| | 56,279,427.00 | 43,728,063.00 |

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

15.4: PMC account balances (See Annex 5)

| | 2018-2019 | 2017-2018 |
|--|------------|---------------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 919,920.00 | 17,000,000.00 |
| TOTAL | 919,920.00 | 17,000,000.00 |

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
 Reports and Financial Statements
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT ENTITY -- (Indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

ANNEX 5 -- UNUTILIZED FUNDS

| Name | Brief Transaction Description | Outstanding Balance 2018/19 | Outstanding Balance 2017/18 | Comments |
|---|-------------------------------|-----------------------------|-----------------------------|----------|
| Compensation of employees | Staff Salaries | 266,914 | 00.00 | |
| Use of goods & services | Purchase of Goods | 329,833 | 1,200,000 | |
| Amounts due to other Government entities | Infrastructure for Schools | 51,842,961 | 22,700,206 | |
| | | | | |
| | | | | |
| | | | | |
| Sub-Total | | 52,439,713 | 23,900,206 | |
| Amounts due to other grants and other transfers | | 2,539,714 | 17,827,857 | |
| | | | | |
| | | | | |
| | | | | |
| Sub-Total | | 2,539,714 | 17,827,857 | |
| Sub-Total | | 54,979,427 | | |
| Acquisition of assets | | 00.00 | | |
| | | | | |
| Others (Strategic Plan) | Preparation of Strategic Plan | 1,300,000 | 2,000,000 | |
| | | | | |
| | | | | |
| | | | | |
| Sub-Total | | 1,300,000 | 2,000,000 | |
| Grand Total | | 56,279,427 | 43,728,063 | |

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

ANNEX 4 -- SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2017/18 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2018/19 |
|--|---|--|--|--------------------------------------|
| Land | - | - | - | - |
| Buildings and structures | 15,000,000.00 | 5,000,000.00 | - | 20,000,000.00 |
| Transport equipment | - | - | - | - |
| Office equipment, furniture and fittings | 1,740,000.00 | 3,500,000.00 | - | 5,240,000.00 |
| ICT Equipment, Software and Other ICT Assets – Desktop & Printer | - | - | - | - |
| Other Machinery and Equipment – NG CDF Vehicle | - | - | - | - |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 16,740,000.00 | 8,500,000.00 | - | 25,240,000.00 |

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
 Reports and Financial Statements
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

| PMC | Bank | Account number | Bank Balance 2018/19 | Bank Balance 2017/18 |
|----------------------------------|--------|----------------|----------------------|----------------------|
| Nambao Primary School | Equity | 0360271472126 | 273,620.00 | 1,500,000.00 |
| Keru Primary School | Equity | 0360277324180 | 3,160.00 | 1,500,000.00 |
| Aramat Secondary School | Equity | 0360276602500 | 00.00 | 4,000,000.00 |
| Oietukat Secondary School | Equity | 0360268380655 | | 5,000,000.00 |
| Suswa Girls Secondary School | Equity | 0360277325204 | 00.00 | 5,000,000.00 |
| Ntulele Secondary School | Equity | 0360277461191 | 447,240.00 | 5,000,000.00 |
| Keekonyokie Secondary School | Equity | 0360277559443 | 48,200.00 | ~ |
| Olesharo Girl's Secondary School | Equity | 0360277559443 | 48,200.00 | ~ |
| Oitepesi Primary School | Equity | 0360262481610 | 99,500.00 | ~ |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | 919,920.00 | 17,000,000.00 |

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

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) |
|--|--|---|--|-----------------------------------|--|
| NRKEAS T/FUND S/004/ 2018 | Unapproved Utilization of Fund Balance - Kshs 33,083,944.75 | This amount relates to the already approved budget for financial year 2015/2016 and since they were already approved and pertaining to the ongoing projects, it does not need a second approval | FAM | RESOLVED | RESOLVED |
| NRKEAS T/FUND S/004/ 2018 | Unsupported expenditure on Utilities, Supplies and Services - Kshs 200,000 | • Utilities, Supplies and Services – Kshs 200,000 was an expenditure incurred in the office under the Administration vote (use of goods) and receipts and vouchers supporting the above payment are available in Narok East NG-CDF office for Audit verification. | FAM | RESOLVED | RESOLVED |
| NRKEAS T/FUND S/004/ 2018 | Bank Reconciliation Statement | • The stale cheques have been reversed in the Cash Book to give a true and fair view of cash and cash equivalents. | FAM | RESOLVED | RESOLVED |

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