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OF

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
LAIKIPIA EAST CONSTITUENCY**

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

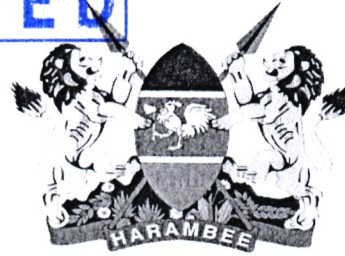


OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

7 - MAY 2020

*Revised Template 30<sup>th</sup> June 2019*

RECEIVED



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LAIKIPIA EAST  
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019

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

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**LAIKIPIA EAST CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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**Core Values**

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

**(b) Key Management**

The NGCDF LAIKIPIA 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 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
	1.A.I.E holder	Wilson Mwangi
	2.Sub-County Accountant	Nahashon N. Mathagu
	3.Chairman NGCDFC	John Mwangi Njoki
	4.Member NGCDFC	Mary Ndururi

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 920-10400  
Gefro Imani Building  
Park Road  
Nanyuki, KENYA

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

**LAIKIPIA EAST CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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**(f) NGCDF Laikipia East Constituency Contacts**

Telephone: (254) 722864244  
E-mail: [cdflaikipiaeast@ngcdf.go.ke](mailto:cdflaikipiaeast@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF Laikipia East Constituency Bankers**

1. Equity bank limited  
Nanyuki branch  
A/C No. 0270261969541  
Kenyatta Road  
P.O. Box 1482-10400  
Nanyuki, 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)**  
**LAIKIPIA EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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

Laikipia East constituency NGCDFC is a vibrant management team which is keen in transforming the constituent's social and economic growth and development through people's participation in decision making, good management practices and the follow up of the law.

As at 30<sup>th</sup> June 2018/19 financial, Laikipia east constituency managed to received have of the total amount of ksh54million, out of which Ksh 38million was disbursed for Bursary for the needy students at secondary schools, tertiary, and special schools.

The exercise of bursary distribution went on successfully and over three thousands students benefited from the Kitty.

Challenges:-The current NGCDFCs first challenge was to put up financial management systems in place.

The constituency undertook to put systems of procurement process in place by carrying out prequalification through advertisement, and finally creating a list of prequalified suppliers and contractors. Also NGCDFC-Laikipia East resolved to use public works offices for professional drawing, architectural designs and BQs for our schools, and other projects. The NGCDFC also undertook to train all the Project management t committees before any funding was released, an exercise that went on successfully. The whole process has not been easy, was characterised by delays which eventually slow up the timely absorption of funds. The highly needed professional contribution by work officers has been wanting. We have very few public work officers demanded by both the county and sub counties.

As at 30<sup>th</sup> June, most of the project started almost all simultaneously and we are confident that all projects started shall be completed successfully.

It is also worth noting that the other half of the allocation of Ksh 109 million, Ksh 54million was received from the NGCDF BOARD in July 2018/19 and as such could not be utilised within the financial year.

The constituency has put in place all the necessary measures and put systems in place as to reduce the future delays of project implementation work through prior planning with both public work and procurement offices.

We also thank the NGCDF BOARD for regular and timely support to NGCDFCs through training, for capacity building, circulars and more often phone calls.

JOAN MWARUA NJOKI

Sign Jimmy

CHAIRMAN NGCDF COMMITTEE



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

**LAIKIPIA 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-Laikipia 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-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-Laikipia 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-Laikipia 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-Laikipia East Constituency financial statements were approved and signed by the Accounting Officer on 13/03/2019 2020



Fund Account Manager  
Name: **WILSON MWANGI**

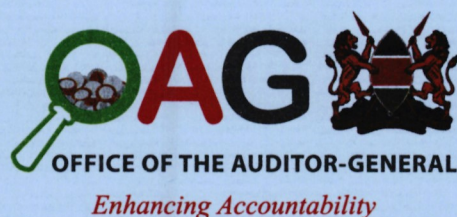


Sub-County Accountant  
Name: **NATHAN W. MATIAGI**  
ICPAK Member Number:

TRUSTEE ACCOUNTANT  
LAIKIPIA EAST  
P.O. BOX 155, NANYUKI

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Laikipia East Constituency set out on pages 6 to 34, which comprise of the statement of assets and liabilities as at 30 June, 2019, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Laikipia 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1.0 Inaccuracy in Cash and Cash Equivalents

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.4,571,798. However, monthly bank reconciliations were not prepared for the months of July, 2018, May, 2019 and June, 2019. Further, no transactions were recorded in the cash book for the month of July, 2018, despite the bank statements reflecting an opening balance of Kshs.8,743,912 on 1 July, 2018 and a closing balance of Kshs.60,330,311 on 31 July, 2018.

Consequently, the completeness and accuracy of cash and cash equivalents balance of Kshs.4,571,798 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

## **2.0 Unsupported Prior Year/Net Adjustments**

The statement of assets and liabilities and statement of cash flows reflect prior year/net adjustments balance of Kshs.360,639. However, the Management did not provide supporting documents for the adjustments.

As a result, the validity and accuracy of net adjustments balance of Kshs.360,639 for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Laikipia 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**

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

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.169,675,017 and Kshs.108,784,483 respectively resulting to an underfunding of Kshs.60,890,534 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.169,675,017 and Kshs.109,791,679 respectively resulting to an under expenditure of Kshs.59,883,338 or 35% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

### **2.0 Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1.0 Non-compliance with Public Sector Accounting Standards Board Requirements**

The annual report and financial statements is written revised template, page for the audit report is missing, statements have no dates and notes have instructions. This is contrary to the template Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

In the circumstances, the Management is in breach of the law.

### **2.0 Unsatisfactory Implementation of a Water Project**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects, under transfer to other government units, an expenditure totalling to Kshs.18,777,000 on transfers to secondary schools. The balance includes an amount of Kshs.2,100,000 for construction of a water tank at Tharua Secondary School.

Review of records, showed that the balance had initially been allocated for water piping projects at Tharua Special School, Tharua Primary School and Tharua Secondary School comprising an amount of Kshs.700,000 for each institution. However, the amount was later reallocated for construction of a water tank.

A physical verification of the project in February, 2020 revealed that the tank could not hold water due to numerous cracks leading to leakages and water piping works for the three institutions was not done as initially intended.

As a result, the validity and value for money of the expenditure amounting to Kshs. 2,100,000 incurred on the construction of water tank during the year ended 30 June, 2019 could not be confirmed.

### **3.0 Unsatisfactory Construction of Police Patrol Base**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects, under other grants and other payments, an expenditure amounting to

Kshs.4,698,710 on emergency projects. The balance includes an amount of Kshs.150,000 for construction of Wiyumiririe Police Patrol Base.

Review of records revealed that the emergency works entailed roofing and painting. However, an inspection of the project in February, 2020 revealed that incomplete structure of iron sheets was put up and no painting was done. No satisfactory explanation was given by Management for the failure to complete the project.

In the circumstances, I am unable to confirm whether the public obtained value for money on the amount of Kshs.150,000 spent on the incomplete project.

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.

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**20 September, 2021**





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

IV. STATEMENT OF RECEIPTS AND PAYMENTS	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	100,000
<b>TOTAL RECEIPTS</b>		<b>108,784,483</b>	<b>43,505,172</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,625,089	189,021
Use of goods and services	5	14,966,374	3,967,858
Transfers to Other Government Units	6	47,504,586	12,100,000
Other grants and transfers	7	45,705,665	21,319,500
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>109,801,714</b>	<b>37,576,379</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(1,017,231)</u></b>	<b><u>5,928,793</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Laikipia East Constituency financial statements were approved on

13/03/2020 2019 and signed by:

  
 Fund Account Manager  
 Name: **WILSON MWANGI**

  
 Sub-County Accountant  
 Name: **NAHASON N. MATHAYO**  
 ICPAK Member Number:

RECEIVED  
 LAIKIPIA EAST  
 P. O. Box 313, NANYUKI


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


**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018-2019 Kshs	2017-2018 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	4,571,798	5,949,668
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		4,571,798	5,949,668
Current Receivables		-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		4,571,798	5,949,668
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A		
Gratuity	12B		
<b>TOTAL FINANCIAL LIABILITES</b>		-	-
<b>NET FINANCIAL ASSETS</b>		4,571,798	5,949,668
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	5,949,668	20,866
Surplus/Defict for the year		(1,017,231)	5,928,793
Prior year adjustments	14	(360,639)	
<b>NET FINANCIAL POSITION</b>		4,571,798	5,949,659

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Laikipia East Constituency financial statements were approved on

13/03/2020 and signed by:

  
Fund Account Manager  
Name: **WILSON MWANGI**


  
Sub-County Accountant  
Name: **NATHAN N. MATHANGI**  
ICPAK Member Number:  
THE NATIONAL SUB-COUNTY ACCOUNTANT  
LAIKIPIA EAST  
P.O. Box 900, NAIYUKI


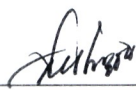
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**LAIKIPIA EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**VI. STATEMENT OF CASHFLOW**

CASH FLOWS FROM OPERATING ACTIVITIES		2018 – 2019	2017 - 2018
<b>Receipts</b>			
Transfers from NGCDF Board	1	108,784,483	43,405,172
Other Receipts	3	-	100,000
<b>Total receipts</b>		<b>108,784,483</b>	<b>43,505,172</b>
<b>Payments</b>			
Compensation of Employees	4	1,625,089	189,021
Use of goods and services	5	14,966,374	3,967,858
Transfers to Other Government Units	6	47,504,586	12,100,000
Other grants and transfers	7	45,705,665	21,319,500
Other Payments	9	-	-
<b>Total payments</b>		<b>109,801,714</b>	<b>37,576,379</b>
<b>Total Receipts Less Total Payments</b>		<b>(1,017,231)</b>	<b>5,928,793</b>
<b>Adjusted for:</b>			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
<b>Net Adjustments</b>		<b>(360,639)</b>	
<b>Net cash flow from operating activities</b>		<b>(1,377,870)</b>	<b>5,928,793</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(1,377,870)</b>	<b>5,928,793</b>
Cash and cash equivalent at BEGINNING of the year	13	5,949,668	20,866
Cash and cash equivalent at END of the year		4,571,798	5,949,659

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Laikipia East Constituency financial statements were approved on 13/03/2020 and signed by:

  
Fund Account Manager  
Name: **WILSON MWANGI**

  
  
Sub-County Accountant  
Name: **NATHAN O. MATHAGU**  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAIKIPIA EAST CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	60,634,141	169,675,017	108,784,483	60,890,534	64.1%
Proceeds from Sale of Assets						
Other Receipts		-	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>60,634,141</b>	<b>169,675,017</b>	<b>108,784,483</b>	<b>60,890,534</b>	<b>64.1</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,740,000	1,750,979	4,490,979	1,758,168	2,732,811	39.1%
Use of goods and services	7,073,679	8,908,697	14,782,376	14,823,260	1,159,116	92.7%
Transfers to Other Government Units	35,600,000	31,604,613	67,204,613	48,102,246	19,102,367	71.6%
Other grants and transfers	48,627,197	8,369,852	58,297,049	45,108,005	11,889,044	79.1%
Acquisition of Assets	15,000,000	10,000,000	25,000,000	-	25,000,000	0.0%
Other Payments			-			
<b>TOTAL</b>	<b>109,040,876</b>	<b>60,634,141</b>	<b>169,675,017</b>	<b>109,791,679</b>	<b>59,883,338</b>	<b>64.7%</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

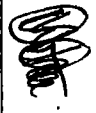
- i. The underutilisation in most accounts has been occasioned by delay of getting proper documentation by works departments who are task with project work estimates-BQs and procurement process.
- ii. Delay also in approving reallocation is another issue that must be addressed.
- iii. Delay in remitting funds from the board
- iv. Matters to do with political influence on matters procurement.

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

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*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per PSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

The NGCDF-Laikipia East Constituency financial statements were approved on 13/03/2020 and signed by:



Fund Account Manager  
Name: WILSON MWANGI



Sub-County Accountant  
Name: MARTIN M. MATHARA  
ICPAK Member Number:

THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
LAIKIPIA EAST CONSTITUENCY  
P.O. BOX 990, M. P. ROAD

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAIKIPIA EAST CONSTITUENCY**  
**Reports and Financial Statements**  
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**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019 Kshs	Kshs	2018/2019 Kshs	2018/2019 Kshs	Kshs
<b>1.0 ADMINISTRATION AND RECURRENT</b>					
1.1 Compensation of employees	1,685,000.00	979.00	1,685,979.00	1,625,089.00	60,890.00
1.2 Committee allowances	2,500,000.00		2,500,000.00	2,469,000.00	31,000.00
1.3 Use of goods and services	1,302,453.00	5,490,274.00	6,792,727.00	6,787,377.00	5,350.00
1.4 Strategic plan		4,000,000.00	4,000,000.00	2,800,000.00	1,200,000.00
1.5 Acquisition of assets(Re- allocated)	15,000,000.00	10,000,000.00	25,000,000.00		25,000,000.00
<b>1.5 Total (Kshs)</b>	<b>20,487,453.00</b>	<b>19,491,253.00</b>	<b>39,978,706.00</b>	<b>13,681,466.00</b>	<b>26,297,240.00</b>
<b>2.0 MONITORING&amp;EVALUATION</b>					
2.1 Capacity Building	1,500,000.00		1,500,000.00	1,183,000.00	317,000.00
2.2 Committee allowances	1,200,000.00		1,200,000.00	1,200,000.00	-
2.3 Use of goods and services	571,226.00		571,226.00	527,000.00	44,226.00
<b>2.4 Total (Kshs)</b>	<b>3,271,226.00</b>	<b>-</b>	<b>3,271,226.00</b>	<b>2,910,000.00</b>	<b>361,226.00</b>
<b>3.0 EMERGENCY</b>					
3.1 Primary Schools	680,800.00	719,500.00	1,400,300.00	1,400,300.00	-
5.1 mirera primary		597,660.00	597,660.00	597,660.00	-
3.2 Secondary Schools	1,419,000.00	400,000.00	1,819,000.00	1,819,000.00	-
3.3 Kanyoni foot bridge	381,550.00		381,550.00	381,550.00	-
3.3 Security Projects	300,200.00	200,000.00	500,200.00	500,200.00	-
Other Emergencies	4,012,443.00	1,888,720.00	5,901,163.00		5,901,163.00
<b>3.4 Total (Kshs)</b>	<b>6,793,993.00</b>	<b>3,805,880.00</b>	<b>10,599,873.00</b>	<b>4,698,710.00</b>	<b>5,901,163.00</b>
<b>4.0 SECURITY PROJECTS</b>					
4.1DCC Laikipia East	250,000.00		250,000.00	250,000.00	-
4.2 Daiga Dos Office	526,709.00		526,709.00		526,709.00

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

4.3 Lamuria Ap post	1,500,000.00		1,500,000.00		1,500,000.00
4.4 Laikipia Central Police		2,028,835.00	2,028,835.00		-
4.5 Mwituria Police Post			-		-
4.6 Chuma Ap Post	266,370.00		266,370.00		266,370.00
<b>4.5 Total (Kshs)</b>	<b>2,543,079.00</b>	<b>2,028,835.00</b>	<b>4,571,914.00</b>	<b>2,278,835.00</b>	<b>2,293,079.00</b>
<b>5.0 PRIMARY SCHOOLS</b>			-		-
5.2 nturukuma primary		2,500,000.00	2,500,000.00	2,500,000.00	-
5.3 muthaiga primary		2,500,000.00	2,500,000.00	2,500,000.00	-
5.4 mutaro primary school		2,500,000.00	2,500,000.00	2,500,000.00	-
5.5 tharua primary school		700,000.00	700,000.00	700,000.00	-
5.6 likii special school		900,000.00	900,000.00	900,000.00	-
5.7 thingithu primary		2,500,000.00	2,500,000.00	2,500,000.00	-
5.8 kiambiriria primary school		527,586.00	527,586.00	527,586.00	-
5.9 nanyuki primary		2,500,000.00	2,500,000.00	2,500,000.00	-
5.10 likii primary school		2,500,000.00	2,500,000.00	2,500,000.00	-
5.11 mutaro primary school		900,000.00	900,000.00	900,000.00	-
5.12 ndemu primary school		400,000.00	400,000.00	400,000.00	-
5.13 tharua special school		700,000.00	700,000.00	700,000.00	-
5.14 Tetu Primary school	300,000.00		300,000.00		-
5.15 Baraka solio primary school	200,000.00		200,000.00		-
5.16 Temmakiss Primary School	300,000.00		300,000.00		-
5.17 Nanyuki Deb primary school	2,000,000.00		2,000,000.00		-
5.18 Nanyuki Deb primary school	300,000.00		300,000.00		-
5.19 Nyakio Primary school	200,000.00		200,000.00		-
5.20 Nyakio Primary school	200,000.00		200,000.00		200,000.00
5.21 Bungoma Primary school	1,000,000.00		1,000,000.00		-
5.22 Bidii mutara Primary school	1,000,000.00		1,000,000.00		1,000,000.00
5.23 Bidii mutara Primary school	900,000.00		900,000.00		-
5.24 Kirimara primary school	1,000,000.00		1,000,000.00		-
5.25 Furahia Deb Primary school	600,000.00		600,000.00		-
5.26 Bahati Primary school	250,000.00		250,000.00		-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAIKIPIA EAST CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

5.27 Mwhoko Primary school	200,000.00		200,000.00	200,000.00	-
5.28 Mathenya Primary school	250,000.00		250,000.00	250,000.00	-
5.29 Wathituga Primary school	300,000.00		300,000.00	300,000.00	300,000.00
5.30 Ruai Primary school	1,000,000.00		1,000,000.00	1,000,000.00	1,000,000.00
5.31 Kabanga Primary school	1,000,000.00		1,000,000.00	1,000,000.00	-
5.32 Weruini Primary School	300,000.00		300,000.00	300,000.00	-
5.33 Muthaiga Primary School	800,000.00		800,000.00	800,000.00	-
5.34 Bidii Mutara primary school		900,000.00	900,000.00	900,000.00	900,000.00
5.35 Kalalu primary school			-	-	-
5.36 Ndemu primary school			-	-	-
5.37 Kihato primary school			-	-	-
5.38 Ngobit primary school			-	-	-
<b>5.34 Total (Kshs)</b>	<b>12,100,000.00</b>	<b>20,027,586.00</b>	<b>32,127,586.00</b>	<b>28,727,586.00</b>	<b>3,400,000.00</b>
<b>6.0 SECONDARY SCHOOLS</b>					
6.1 likii sec school		1,800,000.00	1,800,000.00	1,800,000.00	-
6.2 mwhoko secondary		4,677,000.00	4,677,000.00	4,677,000.00	-
6.3 nyariginu sec school		1,900,000.00	1,900,000.00	1,900,000.00	-
6.4 annex nft sec school		700,000.00	700,000.00	700,000.00	-
6.5 imenti mixed day		1,800,000.00	1,800,000.00	1,800,000.00	-
6.6 tharua secondaryschool		700,000.00	700,000.00	700,000.00	-
6.7 ndemu secondary school	4,800,000.00		4,800,000.00		4,800,000.00
6.8 daija secondary school	400,000.00		400,000.00		400,000.00
6.9 male secondary school	300,000.00	-	300,000.00		300,000.00
6.10 ngobit girls secondary school	1,500,000.00		1,500,000.00		1,500,000.00
6.11 mathenya secondary school	2,000,000.00		2,000,000.00		2,000,000.00
6.12 mathenya secondary school	900,000.00		900,000.00		900,000.00
6.13 sweet waters secondary	800,000.00		800,000.00		800,000.00
6.14 tharua secondary school	4,300,000.00		4,300,000.00		4,300,000.00
6.15 murungai sec school	5,300,000.00		5,300,000.00	4,000,000.00	1,300,000.00
6.16 likii sec school	900,000.00		900,000.00	900,000.00	-
6.17 imenti secondary school	300,000.00		300,000.00	300,000.00	-



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

6.18 ndurumaster secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-
6.19 Lechugu secondary school			-		-
<b>6.19 Total (Kshs)</b>	<b>23,500,000.00</b>	<b>11,577,000.00</b>	<b>35,077,000.00</b>	<b>18,777,000.00</b>	<b>16,300,000.00</b>
<b>7.0 BURSARY AND SOCIAL SECURITY</b>					
7.1 Special Schools	1,260,218.00		1,260,218.00		1,260,218.00
7.2 Secondary Schools	13,000,000.00	1,300,000.00	14,300,000.00	13,719,000.00	581,000.00
7.3 Tertiary Institutions	11,000,000.00	683,587.00	11,683,587.00	9,840,000.00	1,843,587.00
7.4 Bursary to bodaboda Riders	12,904,087.00		12,904,087.00	12,896,000.00	8,087.00
<b>7.5 Total (Kshs)</b>	<b>38,164,305.00</b>	<b>1,983,587.00</b>	<b>40,147,892.00</b>	<b>36,455,000.00</b>	<b>3,692,892.00</b>
<b>8.0 SPORTS</b>	<b>2,180,817.00</b>	<b>1,720,000.00</b>	<b>3,900,817.00</b>	<b>2,273,120.00</b>	<b>1,627,697.00</b>
<b>9.0 OTHERS</b>					
9.1 Innovation Hub			-		-
9.2 Total (Kshs)			-		-
<b>GRAND TOTAL</b>	<b>109,040,873.00</b>	<b>60,634,141.00</b>	<b>169,675,014.00</b>	<b>109,801,717.00</b>	<b>59,873,297.00</b>

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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**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 Laikipia 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.

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

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**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 criterion is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

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

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**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

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

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**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 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	B 005023	54,784,483	
AIE NO	B 030192	10,000,000	
AIE NO	A 724451	11,000,000	
AIE NO	B 006417	10,000,000	
AIE NO	B 030470	6,000,000	5,500,000
AIE NO	B 042027	17,000,000	37,905,172
<b>TOTAL</b>		<b>108,784,483</b>	<b>43,405,172</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	--	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**3. OTHER RECEIPTS**

	2018-2019 Kshs	2017-2018 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	100,000
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>100,000</b>

**4. COMPENSATION OF EMPLOYEES**

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	1,625,089	189,021
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity – paid	-	-
- Accrued	-	-
Other personnel payments	-	-
<b>Total</b>	<b>1,625,089</b>	<b>189,021</b>

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5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,669,000	3,043,000
Utilities, supplies and services	6,742,419	784,858
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	571,955	-
Rentals of produced assets	-	-
Training expenses	1,183,000	-
Hospitality supplies and services	-	-
Insurance	-	-
Specialized materials and services	2,800,000	-
Office and general supplies and services	-	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
		140,000
<b>Total</b>	<b>14,966,374</b>	<b>3,967,858</b>



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**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)	28,727,586	8,300,000
Transfers to secondary schools (see attached list)	18,777,000	3,800,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>47,504,586</b>	<b>12,100,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,719,000	16,649,000
Bursary – tertiary institutions (see attached list)	9,840,000	4,062,000
Bursary – special schools (see attached list)	-	108,000
Boda boda (see attached list)	12,896,000	-
Security projects (see attached list)	2,278,835	300,000
Sports projects (see attached list)	2,273,120	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	4,698,710	200,000
<b>Total</b>	<b>45,705,665</b>	<b>21,319,500</b>

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**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings	-	-
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	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	-	-

**9. OTHER PAYMENTS**

	2018-2019 Kshs	2017-2018 Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank Limited A/C 0270261969541</i>	4,582,563	5,949,658
	-	-
	-	-
<b>Total</b>	<b>4,582,563</b>	<b>5,949,658</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		

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**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>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Total</i>				<u>0</u>

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

**12A. RETENTION**

	2018 - 2019 Kshs	2017-2018 Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

*[Provide short appropriate explanations as necessary]*

**12B. STAFF GRATUITY OUTSTANDING**

	2018 - 2019 Kshs	2017-2018 Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
<b>Total</b>	<u>-</u>	<u>-</u>

*[Provide short appropriate explanations as necessary]*

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**13. BALANCES BROUGHT FORWARD**

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	5,949,668	20,866
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>5,949,668</b>	<b>20,866</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	(359,899)	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>(359,899)</b>	<b>-</b>

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**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

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

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	<hr/> -	<hr/> -

**15.3: UNUTILIZED FUND (See Annex 3)**

	Kshs	Kshs
Compensation of employees	2,732,811	1,750,979
Use of goods and services	1,159,116	7,708,697
Amounts due to other Government entities (see attached list)	19,102,367	31,604,613
Amounts due to other grants and other transfers (see attached list)	11,889,044	9,669,852
Acquisition of assets	25,000,000	10,000,000
Others ( <i>specify</i> )	-	-
	<hr/> 59,883,338	<hr/> 60,734,141

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	5,747,411	-
	5,747,411	-

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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



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

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



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

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment-Pick up double cabin	5,500,000			5,500,000
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets- HP Laser Jet Printer, 2 in one Machine (Printer & Photocopier Machine), Digital Camera, UPS, HP Computer,				
Other Machinery and Equipment-crawler excavator	15,605,512			15,605,512
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>21,105,512</b>			<b>21,105,512</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
MUTARO PRIMARY SCHOOL	EQUITY NANYUKI	0270277344583	840.00	
NDEMU PRIMARY SCHOOL	EQUITY NANYUKI	0270277589551	1785.00	
LIKII PRIMARY SCHOOL	EQUITY NANYUKI	0270277343603	4760.00	
MUTHAIGA PRIMARY SCHOOL	EQUITY NANYUKI	0270278508233	560.00	
NTURUKUMA PRIMARY SCHOOL	EQUITY NANYUKI	0270278572565	100,000.00	
THINGITHU PRIMARY SCHOOL	EQUITY NANYUKI	0270277330651	8,886.00	
TEMAKISS PRIMARY SCHOOL	EQUITY NANYUKI	0270277345082	1,760.00	
NANYUKI DEB SCHOOL	EQUITY NANYUKI	0270277348689	2,000,010.00	
BUNGOMA PRIMARY SCHOOL	EQUITY NANYUKI	0270278508233	0.00	
MWIHOKO PRIMARY SCHOOL	EQUITY NANYUKI	0270278695589	1,880.00	
FURAHA DEB PRIMARY	EQUITY NANYUKI	0270278904363	600,000.00	
LIKII SPECIAL SCHOOL	EQUITY NANYUKI	0270294931839	902,390.00	
TETU PRIMARY	EQUITY NANYUKI	0270271915455	280.00	
WERUINI PRIMARY	EQUITY NANYUKI	0270278700747	1,760.00	
BAHATI DEB	EQUITY NANYUKI	0270278915557	2,680.00	
KABANGA PRIMARY SCHOOL	EQUITY NANYUKI	0270262099925	45.00	
NYARIGINI SECONDARY SCHOOL	EQUITY NANYUKI	0270277354006	83.00	
THARUA SECONDARY SCHOOL	EQUITY NANYUKI	0270277536867	2,160.00	
MURUNGAI SECONDARY SCHOOL	EQUITY NANYUKI	0270263442350	79,982.00	
LIKII SECONDARY SCHOOL	EQUITY NANYUKI	0270277398796	37,550.00	
NDURUMASTER SECONDARY SCHOOL	EQUITY NANYUKI	0270278987306	2,000,000.00	

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Total			5,747,411.00	

**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.

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Tim ame ( <i>Pu dat wh you exp the issu to b res ed</i> )
1.	Observation on other grants and transfers, specifically expenses on Bursary w hereby the external auditor raised a concern NGCDF Laikipia east for failing to have a well-documented bursary policy and guidelines for efficient and effective award of bursaries to the needy students.	The management regrets the not having produced for verification the common NGCDF Board guideline and policy frame work on the Bursary award for needy students.	Joseph K.N.Rotich-The fund account manager-	Not resolved	As soo. as pos. e.