

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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DATE: 21 NOV 2018	DAY: Wed
TABLED BY:	The Hon. Aden Duale, EGH, MP
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REPORT
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

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

Reports and Financial Statements

For the year ended June 30, 2017

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LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

(b) Key Management

The Laikipia East Constituency's day-to-day management is under the following key organs:

- i. 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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Arnold Karani Njiru
3.	Chairman	Newton M Kabuthia

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Laikipia East Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) LAIKIPIA EAST NGCDF Headquarters

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

(f) LAIKIPIA EAST NGCDF Contacts

Telephone: (254) (0)710146307
E-mail: cdflaikipiaeast@cdf.go.ke
Website: www.cdf.go.ke

(g) LAIKIPIA EAST NGCDF Bankers

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
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)

Ladies and gentlemen

We have now come to the end of the financial year 2016-2017, as NGCDF Laikipia East, we were able to achieve various levels of budget performance against the actual amounts based on economic classification and programmes as indicated on page 8.

CHAIRMAN CDFC



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

LAIKIPIA EAST CONSTITUENCY

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III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. 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 Laikipia East NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

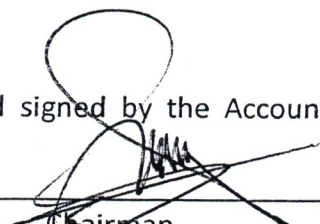
The Accounting Officer in charge of the Laikipia East NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Laikipia East NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Laikipia East NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF'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 NGCDF'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's financial statements were approved and signed by the Accounting Officer and the Chairman on 19/07 2017.


Fund Account Manager


Chairman

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAIKIPIA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Laikipia East Constituency set out on pages 5 to 26, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Further, as required by Article 229(6) of the Constitution, I have not been able to obtain sufficient appropriate audit evidence to confirm that public money has been applied lawfully and in an effective way.

Basis for Disclaimer of Opinion

1. Accuracy of the financial statements

The statement of receipts and payments for the year ended 30 June 2017 reflects total expenditure of Kshs.94,616,974 detailed as follows;

Payments	Amount-Kshs
Compensation of employees	2,253,991
Use of goods and services	5,543,622
Transfers to other Government entities	29,138,430
Other grants and transfers	57,680,931
Total	94,616,974

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Laikipia East Constituency for the year ended 30 June 2017

However, detailed schedules and ledgers supporting the balances were not presented for audit verification. In the circumstances, the accuracy and completeness of the payments balance of Kshs.94,616,974 for the year ended 30 June 2017 could not be confirmed.

2. Bank Balances-Unsupported cash withdrawals

The statement of assets reflects bank balance of Kshs.20,866 as at 30 June 2017. However, a review of bank reconciliation statements and related records revealed unusual cash withdrawals from the main NGCDF bank account at Equity Bank Limited Nanyuki branch totaling Kshs.11,125,927 for which payments vouchers, authority and other related documentation to confirm authenticity of the payments were not provided for audit review.

Consequently, the accuracy and regularity of the cash balances as at 30 June 2017 could not be ascertained.

3. Unauthorized Reallocation of Project Funds

The Statement of receipts and payments reflects transfers from CDF Board (AIE) of Kshs.81,896,552 during the year ended 30 June 2017, which included allocations of Kshs.56,203,793 to finance various projects and programmes earmarked under primary schools, secondary schools and bursary. However, out of the allocations, only an amount of Kshs.31,625,748 was utilized on the projects leaving an unaccounted for balance of Kshs.24,578,045.

Consequently, the regularity of the payments of Kshs.24,578,045 could not be ascertained.

4. Unsupported Payments

The Statement of receipts and payments reflects use of goods and services payments of Kshs.5,543,622 out of which payments totalling Kshs.4,788,922 were not supported by payments vouchers, procurement records and other relevant expenditure documents.

As a result, the regularity of the payments of Kshs.4,788,922 in respect of use of goods and services for the year ended 30 June 2017 could not be confirmed.

5. Committee Allowances

The Statement of receipts and payments reflects use of goods and services figure of Kshs.5,543,622 which includes committee allowances of Kshs.3,793,000. However, according to available records, the CDF spent a total of Kshs.8,862,500 as committee allowance. The resultant difference of Kshs.5,069,500 between the source documents and the financial statements has not been reconciled or explained. Further, the payments were not supported by relevant documentations such as signed attendance list, schedule of projects visited and purpose of the payments.

In the circumstance, the accuracy and regularity of committee allowance of Kshs.3,793,000 for the year ended 30 June 2017 could not be confirmed.

6. Transfers to other Government Entities

The statement of receipts and payments also reflects transfers to other government entities figure of Kshs.29,138,430 for the year ended 30 June 2017. Included in this figure, is an amount of Kshs.14,138,430 for which expenditure returns, bills of quantities and project files were not made available for audit review.

In the circumstances, the legality and effectiveness of the transfer to other government entities of Kshs.14,138,430 for the year under review could not be confirmed.

7. Other grants and other payments-Unaccounted for payments

The statement of receipt and payments reflects other grants and other payments figure of Kshs.57,680,931 and as further disclosed in note 7 to the financial statements which includes payments in respect of bursary, water projects, security, sports, environment, roads and emergency projects. However, review of records for the payments revealed payments amounting to Kshs.67,951,355 resulting in unexplained variance of Kshs.10,270,424.

Further the following irregularities were noted:

Project Name	Amount paid 2016/17-Kshs	Total allocation as at 30 June 2017-Kshs.	Remarks/Observations
Laikipia East DCC Residential House	4,300,000	5,610,000	-Project files, bill of quantities, procurement documents, payment vouchers were not provided for audit verification.
Laikipia Central Police Headquarters	1,000,000	3,500,000	-Lack of expenditure returns -Cash withdrawals of Kshs.900,000 was neither supported nor explained.
Kulalu AP Line	500,000	3,680,000	-Lack of expenditure returns, bill of quantities, procurement documents, payment vouchers and payment certificates.
Wiyumiririe Police Post	2,400,000	2,400,000	-Project file, payment vouchers, bill of quantities, procurement records were not provided for verification.
Other Security Projects	2,336,379.40	2,336,379.40	-Not supported by expenditure returns
Thingithu Phase II Project	8,886,000	Not provided	-No expenditure returns -The project was not in the code list approved by the NGCDF Board. -The expenditure was not disclosed in the financial statements -Cash withdrawal of Kshs.2,425,000 was not supported.
Thome Tharua Road	8,886,000	17,486,326	-The project was not in the approved code list by the NGCDF Board. -The expenditure was not disclosed in the financial statements; -Expenditure returns, bill of quantities, procurement documents, payment certificates

			and payment vouchers were not provided for audit verification. -Cash withdrawals of Kshs.10,353,000 was not supported.
Kahuruko Kijabe Road	9,000,000	19,664,150	- The project was not in the approved code list by the NGCDF Board. - The expenditure was not disclosed in the financial statements; -Cash withdrawals of Kshs.10,664,150 was not supported. -Expenditure returns, bill of quantities, procurement documents, payment certificates and payment vouchers were not provided for audit verification.
Water projects	3,900,000	Nil	- The project was not in the approved code list by the NGCDF Board. -The expenditure was not disclosed in the financial statements; -Expenditure returns, bill of quantities, procurement documents, payment certificates and payment vouchers were
Other projects-Solio social hall, Solio village one Furaha Social Group, Withare milk collection	1,340,000	Nil	- The expenditure was not disclosed in the financial statements;
Bursary funds	24,425,345	41,751,093	-Out of the total bursary payments of Kshs.41,751,093, expenditure of Kshs.17,325,748 was not supported. -No acknowledgement receipts/letters for the grants. -The bursary includes Kshs.80,000 paid as bursary for one student at Likii Hill School which is a high cost private school.
Sports	977,631	Nil	-Expenditure amounting to Kshs.484,931 was not accounted for.
Total	67,951,355		

As a result of the variances and irregularities noted, the accuracy, completeness and regularity of other grants and other payments of Kshs.57,680,931 for the year ended 30 June 2017 could not be confirmed.

Responsibilities of Management and those Charged with Governance for the Financial Statements

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 such 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.

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

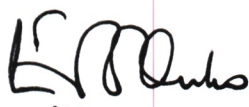
Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

My responsibility is to conduct an audit of the National Government Constituencies Development Fund - Laikipia East Constituency financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of National Government Constituencies Development Fund - Laikipia East Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.



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

Nairobi

07 November 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

LAIKIPIA EAST CONSTITUENCY

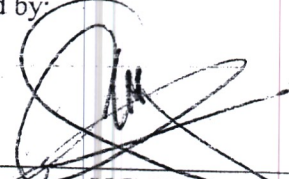
Reports and Financial Statements

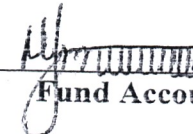
For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIE Received	1	81,896,552	108,061,922
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		81,896,552	108,061,922
PAYMENTS			
Compensation of employees	4	2,253,992	2,185,714
Use of goods and services	5	5,543,622	16,928,690
Transfers to Other Government Units	6	29,138,430	42,105,676
Other grants and transfers	7	57,680,931	61,880,670
Acquisition of Assets	8	-	-
Other Payments/Strategic Plan	9	-	-
TOTAL PAYMENTS		94,616,975	123,100,750
SURPLUS/(DEFICIT)		(12,720,423)	(15,038,828)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Laikipia East NGCDF financial statements were approved on 19/07 2017 and signed by:


Chairman - NGCDFC

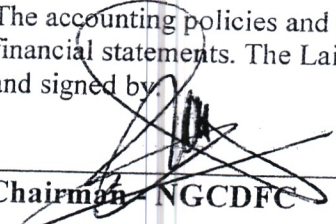

Fund Account Manager


LAIKIPIA EAST CONSTITUENCY DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY
Reports and Financial Statements
the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	20,866	12,741,289
Cash Balances (cash at hand)	10B	-	-
		20,866	12,741,289
Outstanding Imprests	11	-	1,590,000
TOTAL FINANCIAL ASSETS		20,866	14,331,289
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July 2016	13	12,741,289	27,780,117
Surplus/(Deficit) for the year		(12,720,423)	(13,448,828)
Prior year adjustments	14	-	-
NET LIABILITIES		20,866	14,331,289

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Laikipia East NGCDF financial statements were approved on 14/07 2017 and signed by


 Chairman - NGCDFC

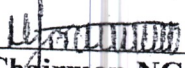

 Fund Account Manager

LAIKIPIA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	81,896,552	108,061,922
Other Receipts	3	-	-
			108,061,922
Payments for operating expenses			
Compensation of Employees	4	2,253,992	(2,185,714)
Use of goods and services	5	5,543,622	(16,928,690)
Transfers to Other Government Units	6	29,138,430	(42,105,676)
Other grants and transfers	7	57,680,931	(61,880,670)
Other Payments	9	-	-
		(94,616,975)	(123,100,750)
Adjusted for:			
Adjustments during the year	14	-	1,590,000
Net cash flow from operating activities		(12,720,423)	(13,448,828)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT			
		(12,720,423)	(13,448,828)
Cash and cash equivalent at BEGINNING of the year	13	12,741,289	27,780,117
Cash and cash equivalent at END of the year		20,866	12,741,289

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Laikipia East NGCDF financial statements were approved on 17/07 2017 and signed by:


 Chairman NGCDF


 Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	12,741,289	94,637,841	94,637,841	Nil	100%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	81,896,552	12,741,289	94,637,841	94,616,975	Nil	100%
PAYMENTS						
Compensation of Employees	2,191,200	70,755	2,261,955	2,253,992	7,963	99.65%
Use of goods and services	5,179,490	377,035	5,556,525	5,543,622	12,903	99.77%
Transfers to Other Government Units	28,530,000	608,430	29,138,430	29,138,430	0	100%
Other grants and transfers	45,995,862	11,685,069	57,680,931	57,680,931	0	100%
Acquisition of Assets	0	0	0	0	0	0%
Other Payments	0	0		0	0	0%
TOTAL	81,896,552	12,741,289	94,637,841	94,616,975	20,866	99.98%

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY
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- (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 50% of utilization) and any overutilization]

- i. XXXX
- ii. XXXX
- iii. XXXX
- iv. XXXX
- v. XXXX

The LAIKIPIA EAST NGCDF financial statements were approved on 19/07 2017 and signed by:



Chairman NGCDF



Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NGCDF.

2. Recognition of revenue and expenses

The NGCDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NGCDF. In addition, the NGCDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NGCDF.

3. In-kind contributions

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

4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NGCDF 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.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NGCDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NGCDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. 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 June 30, 2016.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015- 2016
		Kshs	Kshs
Normal allocation			
	A829636	4,094,828	
	A855048	36,853,449	
	A855233	40,948,275	
TOTAL		81,896,552	108,061,922

2. PROCEEDS FROM SALE OF ASSETS

	2016 - 2017	2015 - 2016
	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		
Total		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Basic wages of contractual employees	2,145,207	2,080,224
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 gratuity	108,785	105,490
Total	<u>2,253,992</u>	<u>2,185,714</u>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	240,685	734,985
Office rent	240,000	240,000
Communication, supplies and services	48,429	147,889
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	26,556	81,094
Other committee expenses	-	-
Committee allowance	3,793,000	8,530,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	427,886	333,775
Fuel, oil & lubricants	218,762	4,164,897
Other operating expenses	273,916	853,383
Routine maintenance – vehicles and other	199,046	1,567,325
Routine maintenance – other assets	75,342	275,342
Total	<u>5,543,622</u>	<u>16,928,690</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	22,188,430	16,040,931
Transfers to secondary schools (see attached list)	6,950,000	23,664,745
Transfers to tertiary institutions (see attached list)	-	2,400,000
Transfers to health institutions (see attached list)	-	-
-TOTAL	29,138,430	42,105,676

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	28,803,431	7,580,430
Bursary – tertiary institutions (see attached list)	12,947,662	3,407,540
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	4,500,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	690,000
Security projects (see attached list)	9,961,379	17,355,000
Roads projects (see attached list)	-	20,855,000
Sports projects (see attached list)	977,631	363,116
Environment projects (see attached list)	896,000	692,700
Other Projects/ (see attached list)	-	-
Emergency Projects (specify)	4,094,828	5,600,000
Total	57,680,931	60,680,670

LAIKIPIA EAST CONSTITUENCY DEVELOPMENT FUND

LAIKIPIA EAST CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2016 – 2017 Kshs	2015 - 2016 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 Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

LAIKIPIA EAST CONSTITUENCY

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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

2016 - 2017

Kshs

0

2015 - 2016

Kshs

0

0

0

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
Equity Bank Limited A/c. No. 0270261969541	20,866	12,741,289
	-	-
	-	-
	-	-
	20,866	12,741,289
10B: CASH IN HAND		
	2016 - 2017	2015 - 2016
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

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

12 Retention				
Supplier/Contractor	PV no	2016 - 2017	2015 - 2016	
		Kshs	Kshs	
TOTAL				

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	12,741,289	27,780,117
Cash in hand	-	-
Imprest	1,590,000	-
Total	<u>14,331,289</u>	<u>27,780,117</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	1,590,000
Total	<u>-</u>	<u>1,590,000</u>

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 - 2016 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (specify)	xxx	xxx
	xxx	xxx

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	xxx	xxx
Amounts due to other grants and other transfers (see attached list)	xxx	xxx
Others (specify)	xxx	xxx
	xxx	xxx

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	0	0
	0	0

LAIKIPIA EAST CONSTITUENCY DEVELOPMENT FUND
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For the year ended June 30, 2017 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

LAIKIPIA EAST CONSTITUENCY POLICY DEVELOPMENT FUND
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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 2016	Outstanding Balance 2015	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							

LAIKIPIA EAST CONSTITUENCY LOCAL GOVERNMENT FINANCIAL DEVELOPMENT FUND
Reports and Financial Statements
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	N/A	N/A
Buildings and structures	N/A	N/A
Transport equipment	N/A	N/A
Office equipment, furniture and fittings	N/A	N/A
ICT Equipment, Software and Other ICT Assets	N/A	N/A
Other Machinery and Equipment	15,605,512	15,605,512
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	N/A	N/A

Prepared by:

Arnold Karani Njiru
Fund Account Manager
Laikipia East

LAIKIPIA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (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)
2.3	Poor Budget Performance on Development Projects	Measures put in place to improve on the absorption rate	Arnold Karani Njiru-FAM	Resolved	
3.0	Receipts – unsupported Transfers from the Board	Missing AIE provided	Arnold Karani Njiru-FAM	Resolved	
4.0	Committee allowances – Unsupported monitoring and evaluation expenditure	M & E reports provided and financial statements amended as necessary	Arnold Karani Njiru-FAM	Resolved	
5.0	Unaccounted for expenditure – Laikipia District Hospital	Expenditure accounted for and the same reported under transfer to other government units	Arnold Karani Njiru-FAM	Resolved	
6.0	Inaccuracies under other grants and transfers	Necessary adjustments have already been made in the financial statements	Arnold Karani Njiru-FAM	Resolved	
7.0	Unsupported Bursary	Verifiable evidence by way of acknowledgement letters and receipts from the beneficiary	Arnold Karani Njiru-FAM	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)
8.0	Cash and cash equivalents	institutions provided	Arnold Karani Njiru-FAM	Resolved	
9.0	Outstanding imprest	Cash and cash equivalents balances adjusted accordingly Relevant amendments made to reflect the previously unreported outstanding imprest	Arnold Karani Njiru-FAM	Resolved	

MINUTES OF LAIKIPIA EAST NG-CDFC MEETING

Date: 17th July, 2017

Venue: NG-CDF Office Boardroom

Time: 10.00 AM

Members Present

- | | |
|--------------------------|----------------------|
| • Newton M Kabuthia | Chairman |
| • Arnold Karani Njiru | Fund Account Manager |
| • Ann Wangechi Mwangi | Member |
| • Nimo Ali Amin | Member |
| • Ann Wangui Kahuthu | " |
| • Patrick Murage Gichuru | " |
| • Mary Gathoni Wahome | " |
| • David Kihoro | " |

In attendance

- Lydiah N Nteere – Aide to Nimo Ali Amin

Absent With Apology

- Njuguna Kiarie-DCC-Laikipia East
- Henry Ochako – DCC-Laikipia Central

Agenda

- Prayers
- Presentation of Quarterly Expenditure Returns and Annual Financial Statements
- AOB
- Adjournment