

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 27 FEB 2018 DAY: Thursday

TABLED BY: OF HOM

CLERK-AT-TABLE: [Signature]

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
SAMBURU NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
SAMBURU NORTH**

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 – SAMBURU
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	Error! Bookmark not defined.
II. FORWARD BY THE CABINET SECRETARY	6
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	7
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	8
V. STATEMENT OF ASSETS.....	9
VI. STATEMENT OF CASHFLOW.....	Error! Bookmark not defined.
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	10
VIII. SIGNIFICANT ACCOUNTING POLICIES	12
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

Samburu North national government constituency development fund committee comprises of very young and energetic men and women who are dedicated to developing their constituency through NG-CDF. The constituency is expansive and have very poor road networks with no tarmac .The committee endures rough terrains which worsen during rainy season. There is frequent banditry which impedes development in these remote parts.

Despite all odds the committee with the small budget have managed to improve education and health institutions within the areas. In Samburu County it's only Samburu North constituency which have poor health facilities .In the last financial year the committee managed to initiate three health facilities including to maternities which have since been equipped by the county government.

It's also the only constituency that survives on livestock and livestock products only. There is no agricultural activity.

On secondary education, several day secondary schools which has enabled several pupils to transit from primary schools to secondary. There was only one day school before last elections now we have five. The fees have been reduced drastically. The bursaries from NG-CDF are enough to take the beneficiaries through secondary education.

Some of the challenges that we face as a committee are;

- Insecurity
- Insufficient funding , there are several community needs
- Poor workmanship by some of the contractors contracted by the PMCs
- Low allowances especially to the officials yet they spend much of their time in the NG-CDF offices serving wananchi.
- Tribalism which breeds mistrust

The following are the committee members;

1. WILSON LESHORE - CHAIR
2. LIKI LENASOTU – SECRETARY
3. JACINTA LOCHUCH - MEMBER
4. JULIUS LALAIKIPIANI - MEMBER
5. TITEI LERIANGA - MEMBER
6. TOROSI LELERUK- MEMBER
7. BOSCO LOLOPETA - MEMBER
8. SUB COUNTY COORDINATOR
9. OFFICER OF THE BOARD

THANKYOU

**WILSON LESHORE
CHAIRMAN NG-CDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SAMBURU NORTH
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

III. STATEMENT OF NG-CDF 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 CDF shall prepare financial statements in respect of that NG-CDF. 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.

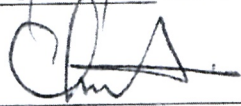
The Accounting Officer in charge of the *samburu north* is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and as at the end of the financial year (period) ended on June 30, 2016. This 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 *NG-CDF*; (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 *NG-CDF*; (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 *Samburu North* accepts responsibility for the *NG-CDF'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 *NG-CDF's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2016, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the *samburu north* further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Samburu North* confirms that the *NG-CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *NG-CDF'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 *NG-CDF'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 *CDF's* financial statements were approved and signed by the Accounting Officer on 03/07 2017.



CHAIRMAN NG-CDFC



FUND ACCOUNT MANAGER

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Samburu North Constituency set out on pages 6 to 28, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Samburu North Constituency as at June 30, 2017, 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 National Government Constituencies Development Fund Act, 2015.

Further, as required by Article 229 (6) of the Constitution, based on the audit procedures performed, I confirm that, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1.0 Statement of Assets and Liabilities

The statement of assets as at 30 June 2017 reflects bank balance as per cash book of Kshs.1,698.70. However, no bank reconciliation statement has been provided in support of this balance. In addition, the statement reflects the opening balance as per the cash

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

book of Kshs.40,041,273 while the certified figure was Kshs.5,707 resulting to unexplained and unreconciled difference of Kshs.40,035,566.

In the circumstance, the accuracy and validity of the bank balance of Kshs.1,698.70 could not be confirmed as fairly stated.

2.0 Compensation of Employees

Note 4 of the financial statements reported expenditure on compensation of employees of Kshs.7,715,131. However, the payment vouchers and the cash book availed for audit revealed an expenditure of Kshs.2,755,973.60 resulting in a variance of Kshs.4,959,157.40 which could not be accounted for. In the circumstance, the reported compensation of employee's expenditure of Kshs.7,715,131 could not be confirmed as fairly stated.

3.0 Use of Goods and Services

Note 5 of the financial statements shows that the expenditure on other operating expenses under use of goods and services for 2016/2017 financial year was Kshs.7,558,859 against a budget of Kshs.7,560,558. Payment vouchers presented for audit in support of this expenditure amounted to Kshs.15,580,000 resulting to a variance of Kshs.8,021,141 which has not been explained. It was also noted that the supporting schedule for allowances did not have details about the venue and purpose of the committee meetings while allowances for monitoring and evaluation were not supported by any project reports. It was further observed that there was no proper authority for some of the payments made since they were not supported by imprest warrants nor any other form of authority. Other transactions involving procurement of foodstuffs and office equipment did not show proof of compliance with the procurement laws and regulations because they were directly procured and supported by cash sale receipts only. The reason for the use of direct procurement method instead of tendering for these items was not given.

In the circumstance therefore, the authenticity of the whole expenditure on use of goods and services of Kshs.7,558,859 could not be ascertained.

4.0 Bursaries

Note 7 to the financial statements reflects disbursement of bursaries of Kshs.48,284,343 against a budget of Kshs.58,284,343. However, no schedule has been produced to support the expenditure. In addition, no bursary allocation policy was maintained and provided to indicate the basis for the award of bursaries. Consequently, the legality or regularity of the award of bursaries could not be ascertained in the absence of a set criteria.

In addition, no bursary applications register was maintained to show the names of applicants and their identification details, location of domicile, schools and colleges where admitted. Further, the fund management maintains no evidence that bursary granted was received and acknowledged by the beneficiary's institution.

In the circumstance, it was not possible to ascertain whether the bursaries were awarded to the needy and bright students as expected and what comprised the reported expenditure of Kshs.48,284,343.

5.0 Transfers to Other Government Entities

Note 6 of the financial statements shows the expenditure on transfers to other government units was Kshs.57,920,723 against a budget of Kshs.47,920,723. However, the schedule availed to support the expenditure reflects total expenditure of Kshs.56,598,965 resulting in a variance of Kshs.1,321,758. It was also observed that the sum total for the payment vouchers availed to account for the expenditure was Kshs.21,160,000 and therefore fell short of the amount reflected in the financial statements by Kshs.36,760,723. No explanation has been made for the unsupported balance of Kshs.36,760,723.

In the circumstance, the whole amount was not fully accounted for.

6.0 Other Grants and Transfers

The budget for other grants and transfers was Kshs.58,284,343 against an actual of Kshs.48,284,343 resulting to under absorption of Kshs.10,000,000. Verification of this figure with a support schedule presented for audit review revealed a total of Kshs.25,317,200 against Kshs.48,282,343 resulting to unsupported expenditure of Kshs.22,967,143. In the circumstance, the other grants and transfers expenditure of Kshs.48,284,343 could not be confirmed as having been fully accounted for.

7.0 Other payments

The statements of receipt and payments for the year ended 30 June 2017 reflects other payments of Kshs.10,317,200. Verification of this figure with a support schedule presented for audit review revealed only an amount of Kshs.7,798,000 was supported by payment vouchers leaving an expenditure of Kshs.2,519,200 unsupported. In the circumstance the expenditure could not be confirmed as having been fairly stated.

8.0 Summary of Fixed Assets

The summary of fixed assets register disclosed under annex 4 indicates the historical cost of the assets for the year ended 30 June 2017 totaled Kshs.6,844,500. However, the fixed asset register was not presented for audit. Consequently, the accuracy and completeness of fixed assets register could not be confirmed.

9.0 Inaccuracies in Comparative Figures

Inaccuracies were observed in the comparative figures for 2015/2016 in the statement of cash flow.

Item	Certified Figure Kshs	Comparative Figure Kshs
Use of Goods and Services	10,122,506	8,268,513
Transfers to Other Government Entities	53,360,000	44,558,416
Other Grants and Transfers	27,213,284	7,213,284
Other Payments	12,509,092	3,500,471

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

Key Audit Matters

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

Other Matter

1.0 Unspent Allocations

Scrutiny of the Constituency Development Fund cash book revealed that an amount of Kshs.40,247,673 was disbursed and not spent in the year 2015/2016 thereby becoming unspent allocation. However, no approval by the Board authorizing the use of Kshs.40,247,673 in the year 2016/2017 was produced for audit verification and therefore the expenditure incurred was contrary to Section 26 (1) of the National Government Constituencies Development Fund Act, 2015. No explanation was given for failure to seek approval of the Board as required by the Act.

2.0 Incomplete Works

Samburu North constituency disbursed Kshs.4,600,000, for construction of an Administration Police line houses during the period under review. However, supporting documents that include bank statement, expenditure returns, contract agreement/LSO

and certificate of completion were not provided for audit review to confirm disbursement and use of funds. In the circumstance, it was not possible to confirm the expenditure as a proper charge to public funds.

3.0 Non Implementation of Approved Projects

Examination of the Project GFS code list (Approved Budget) revealed that Baragoi Technical Institute project at a cost of Kshs.4,000,000 had not been implemented as at 30 June 2017, and no explanation was given for failure to implement the project. Failure to implement the project provided in the approved budget implies funds meant for these projects were reallocated to fund unauthorized projects. Consequently, the constituents of Samburu North were denied the much needed services by the Constituency Development Fund Committee despite the funds having been provided in the approved budget.

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 continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government intends to cease operations of the Fund, or has 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

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 of Kenya. Reasonable assurance is a high level of

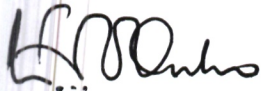
assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the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

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue sustaining 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 sustaining services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

07 January 2019

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SAMBURU NORTH
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	91,896,551.00	105,206,337.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		91,896,551.00	105,206,337.00
PAYMENTS			
Compensation to employees	4	7,715,131.00	2,910,700.00
Use of goods and services	5	7,558,859.00	8,268,513.00
Transfers to Other Government Units	6	57,920,723.00	44,558,416.00
Other grants and transfers	7	48,284,343.00	7,213,284.00
Acquisition of Assets	8	-	-
Other Payments	9	10,457,069.30	3,500,471.41
TOTAL PAYMENTS		131,936,125.30	66,451,384.00
SURPLUS/DEFICIT		(40,039,574.30)	38,754,953.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SAMBURU NORTH NG-CDF financial statements were approved on 22/07/2017 and signed by:

WILSON LESHORE
Chairman – NG-CDFC



SIMON KIPAIIKA
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SAMBURU NORTH
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

IV. STATEMENT OF ASSETS

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,698.70	40,041,273.00
Cash Balances (sale of tenders,hire of grader)	10B	-	
Outstanding Imprests	11	-	
TOTAL FINANCIAL ASSETS		1,698.70	40,041,273.00
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	40,041,273.00	1,286,320.00
Surplus / Deficit for the year		-40039574.3	38,754,953.00
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		1,698.70	40,041,273.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SAMBURU NORTH NG-CDF financial statements were approved on _____ 2017 and signed by:

Chairman – NG-CDFC

Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SAMBURU NORTH
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

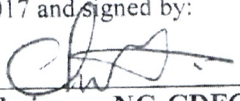
VI.STATEMENT OF CASHFLOW

Receipts for operating Activities (a)		2016/2017	2015/2016
		Kshs	Kshs
Transfers from the CDF Board	1	91,896,551.60	105,206,337.00
Other Receipts	3	-	0
		<u>91,896,551.60</u>	<u>105,206,337.00</u>
Payments for operating expenses (b)			
Compensation of Employees	4	7,715,131.00	2,910,700.00
Use of goods and services	5	7,558,859.00	8,268,513.00
Transfers to Other Government Units	6	57,920,723.00	44,558,416.00
Other grants and transfers	7	48,284,343.00	7,213,284.00
Acquisition of assets	8		-
Other Expenses	9	10,457,069.30	3,500,471.41
Adjusted for:			
Adjustments during the year			0
		131,936,125.30	66,451,384.41
Net cashflow from operating activities (c = a - b)		-40039574.3	38,754,953.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	0
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities (d)		-	-
CASHFLOW FROM FINANCING ACTIVITIES			
Net cash flow from financing activities (e')		-	0
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENT (f= c+d+e)			
		(40,039,574.30)	38,754,953.00
Cash and cash equivalent at BEGINNING of the year (g)	13	40,041,273.00	1,286,320.00
Cash and cash equivalent at END of the year (h=f+g)		1,698.70	40,041,273.00


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SAMBURU NORTH
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SAMBURU NORTH NG-CDF financial statements were approved on 25/7/17 2017 and signed by:



Chairman NG-CDFC



Fund Account Manager

V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipts/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c%
RECEIPTS						
Transfer from CDF Board	81,896,551.72	50,041,273.00	131,937,824.72	131,937,824.72	-	100%
Proceeds from sale of Assets			-			
Other Receipts			-			
PAYMENTS						
Compensation of Employees	2,260,933.00	5,454,198.00	7,715,131.00	7,715,131.00	-	100%
Use of goods and services	2,050,490.00	5,510,068.42	7,560,558.42	7,558,859.00	1,699.42	100%
Transfers to Other Government Units	46,681,034.00	1,239,689.00	47,920,723.00	47,920,723.00	-	100%
Other grants and transfers	27,844,828.00	30,439,515.00	58,284,343.00	58,284,343.00	-	100%
Acquisition of Assets	-	-	-	-	-	#DIV/0!
Other Payments	3,059,267.00	7,397,802.30	10,457,069.30	10,457,069.30	-	100%
TOTALS	81,896,552.00	50,041,273.00	131,937,824.72	131,936,125.30	1,699.42	100%

Revised Financial Statements
For the year ended June 30, 2017

The SAMBURU NORTH NG-CDF financial statements were approved on 5/29/2017 and signed by:



Chairman NG-CDF



Fund Account Manager

VII. 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 *NG-CDF* 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 *NG-CDF*.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *NG-CDF* 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 *NG-CDF* 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

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

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.

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 *NG-CDF* 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 *NG-CDF'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 *NG-CDF'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, 2017.

NATIONAL GOVERNMENT ENTITIES (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

I. NOTES TO THE FINANCIAL STATEMENTS				
GFS CODES				
	1 TRANSFERS FROM CDF BOARD			
		Description	2016-2017	2015-2016
			Kshs	Kshs
1330407		A829992	4,094,827.60	105,206,337.00
		A829993	36,853,449.00	
			10,000,000.00	
			40,948,275.00	
1330408		AIE NO...		
		AIE NO...		
		TOTAL	91,896,551.60	105,206,337.00
3510000	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
			2016-2017	2015-2016
			Kshs	Kshs

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

3510202		Receipts from the Sale of Buildings	-	xxx
3510601		Receipts from the Sale of Vehicles and Transport Equipment	-	xxx
3510801		Receipts from the Sale Plant Machinery and Equipment	-	xxx
3510803		Receipts from the Sale of office and general equipment	-	xxx
		Total	-	xxx

1400000	3 OTHER RECEIPTS		2016-2017	2015-2016
			Kshs	Kshs
	1410107	Interest Received	-	xxx
	1410405	Rents	-	xxx
	1420601	Sale of tender documents	-	xxx
	1450207	Other Receipts Not Classified Elsewhere (specify)	-	xxx
		Total	-	xxx

2110000	4 COMPENSATION OF EMPLOYEES			

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

	2210700	Training expenses	-	xxx
	2210800	Hospitality supplies and services	-	xxx
	2210900	Insurance costs	-	xxx
	2211000	Specialised materials and services	-	xxx
	2211100	Office and general supplies and services		8,268,513.00
	2211200	Fuel, Oil, & Lubricants		
	2211300	Other operating expenses	7,558,859.00	xxx
	2220100	Routine maintenance – vehicles and other transport equipment	-	xxx
	2220200	Routine maintenance – other assets	-	xxx
		Total	7,558,859.00	8,268,513.00
2630200		6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
		Description	2016-2017	2015-2016
			Kshs	Kshs
	2630204	Transfers to primary schools	32,120,723.00	21,558,416.00
	2630205	Transfers to secondary schools	5,800,000.00	23,000,000.00
	2630206	Transfers to Tertiary institutions	20,000,000.00	xx
	2630207	Transfers to Health institutions		xx
		TOTAL	57,920,723.00	44,558,416.00

NATIONAL GOVERNMENT ENTITIES (include actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

2640000	7 OTHER GRANTS AND OTHER PAYMENTS		2016-2017	2015-2016
			Kshs	Kshs
	2640101	Bursary -Secondary	25,636,744.00	7,213,284.00
	2640102	Bursary -Tertiary	22,647,599.00	
	2640104	Bursary-Special schools	-	XX
	2640105	Mocks & CAT	-	XX
	2640504	water		XX
	2640505	Agriculture (food security)		XX
	2640506	Electricity projects		XX
	2640507	Security		XX
	2640508	Roads		XX
	2640509	Sports		XX
	2640510	Environment		XX
	2640200	Emergency Projects (specify)		XX
		Total	48,284,343.00	7,213,284.00
3100000	8 ACQUISITION OF ASSETS			
		<u>Non Financial Assets</u>	2016-2017	2015-2016
			Kshs	Kshs
	3110102	Purchase of Buildings	-	-
	3110202	Construction of Buildings	-	-
	3110302	Refurbishment of Buildings	-	-
	3110701	Purchase of Vehicles	-	-

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

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

	3110704	Purchase of Bicycles & Motorcycles	-	-
	3110801	Overhaul of Vehicles	-	-
	3111001	Purchase of office furniture and fittings	-	-
	3111002	Purchase of computers ,printers and other IT equipments	-	-
	3111005	Purchase of photocopier	-	-
	3111009	Purchase of other office equipments	-	-
	3111112	Purchase of soft ware	-	-
	3130101	Acquisition of Land	-	-
		Total	-	-
	9	Other Payments	10,457,069.30	3,500,471.41
			-	-
	12	Bank Balances (cash book bank balance)		
		Name of Bank, Account No. & currency	2016-2017	2015-2016
			Kshs	Kshs
		<i>KCB</i>	1,698.70	40,041,273.00
		Total	1,698.70	

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

13 CASH IN HAND)				2016-2017	2015-2016
				Kshs	Kshs
	Sale of tender			-	xxx
	Hire of graders			-	xxx
	Hire of hall			-	xxx
	Other receipts (specify)			-	xxx
	Total			-	xxx
				<i>[Provide cash count certificates for each]</i>	
14 OUTSTANDING IMPRESTS					
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
			<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
	<i>Total</i>		-	-	-
15 Cash equivalents (short-term deposits)					
		Name of Bank, Account No.		2016-2017	2015-2016
				Kshs	Kshs
		<i>Sale of tender docs held in banker chq</i>		-	xxx

NATIONAL GOVERNMENT ENTITIES - (insert actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

			2016-2017	2015-2016
			Kshs	Kshs
		Bank accounts		xx
		Cash in hand	-	xx
		Cash equivalents (short-term deposits)	-	xx
		Imprest	-	xx
		Total	-	xx
	18	OTHER DISCLOSURES		
		18.1 FIXED ASSET REGISTER		
		18.2 RECEIVABLES FROM BOARD & OTHER RECEIVABLES		
			-	
		18.3 PAYABLES	-	

NATIONAL SERVICE TRAINING AUTHORITY (insert actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

		18.4 FUNDS DUE TO PROJECTS	
		18.5 DISBURSEMENTS FROM THE BOARD	

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

Reports and Financial Statements

For the year ended June 30, 2014 (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 2014	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						

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT ENTITIES - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	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						

NATIONAL GOVERNMENT ENTITY - (insert actual name of the entity)
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	-	-
Buildings and structures		
Transport equipment	6,500,000	6,500,000
Office equipment, furniture and fittings	344,500	344,500
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	6,844,500	6,844,500

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SAMBURU
 NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017*

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
NIL	NIL			
Total				

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)
	Unsupported difference of shs 10,0000	This difference was meant for technical training institute ,supporting documents were provided	Fund account manager	Resolved	
	Other payments	Reason justifying the expenditure was provided as per the recommendation	Fund Account manager	Resolved	
	Use of Goods and Services Discrepancies	Copy of schedule supporting the expenditure availed for verification	Fund Account manager	Resolved	
	Leirr Dam Construction documents not availed	PMC documents were not available at the time of audit but are now available	Fund Account manager	Resolved	
	Baawa Primary school documents not availed	Documents supporting the expenditure were not availed during time of audit, currently they are available	Fund Account manager	Resolved	
	Soit Pus Primary school documents not availed	supporting the expenditure were not availed during time of audit, currently they are available	Fund Account manager	Resolved	
	Moruankai Primary school class plan for different school	The plan provided was for a standard classroom though for different school and was approved by the Ministry of public works.	Fund Account manager	Resolved	
	Budget Perfomance	Budgeted amount for the transfer to secondary school was ksh. 23,000,000 was attached	Fund Account manager	Resolved	

