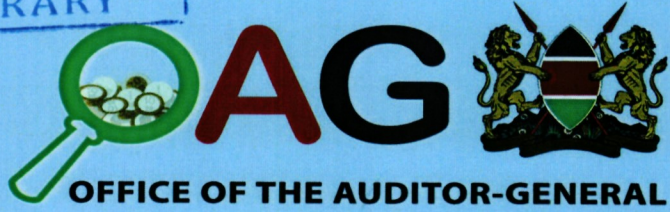


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Enhancing Accountability

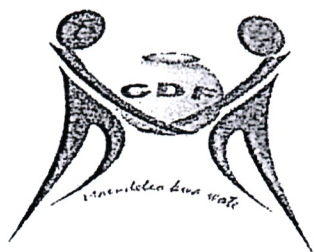
REPORT

OF

 THE NATIONAL ASSEMBLY PAPERS L AID	
DATE: 16 MAR 2023	DAY: <i>Thursday</i>
TABLED BY: <i>Deputy Majority Party Leader</i>	ON
CLERK-AT THE-TABLE: <i>Joy & Lemorelle</i>	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SAMBURU NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2019



NG -CDF



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -SAMBURU
NORTH CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	7
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	8
V STATEMENT OF ASSETS AND LIABILITIES	10
VI. STATEMENT OF CASHFLOW	12
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	14
VIII BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	16
IX. SIGNIFICANT ACCOUNTING POLICIES.....	21
X. NOTES TO THE FINANCIAL STATEMENTS.....	25

SAMBURU NORTH CONSTITUENCY

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

ision

equitable Socio-economic development countrywide

ission

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

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.

SAMBURU NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

Reports and Financial Statements

For the year ended June 30, 2019

(b) Key Management

The NGCDF SAMBURU NORTH Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	David cheruiyot
2.	Sub-County Accountant	Sammy kiprono
3.	Chairman NGCDFC	Wilson leshore
	Member NGCDFC	

The statement amended by new AIE holder
simon kipaika

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -SAMBURU NORTH 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 SAMBURU NORTH Constituency Headquarters

P.O. Box 47
baragoi

CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF SAMBURU NORTH Constituency Contacts

Telephone: (254) 7213533349

E-mail: cdfsamburunorth@cdf.go.ke

Website: www.samburunorth.go.ke

(g) NGCDF SAMBURU NORTH Constituency Bankers

Equity bank ltd

kcb branch

1100261778

(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

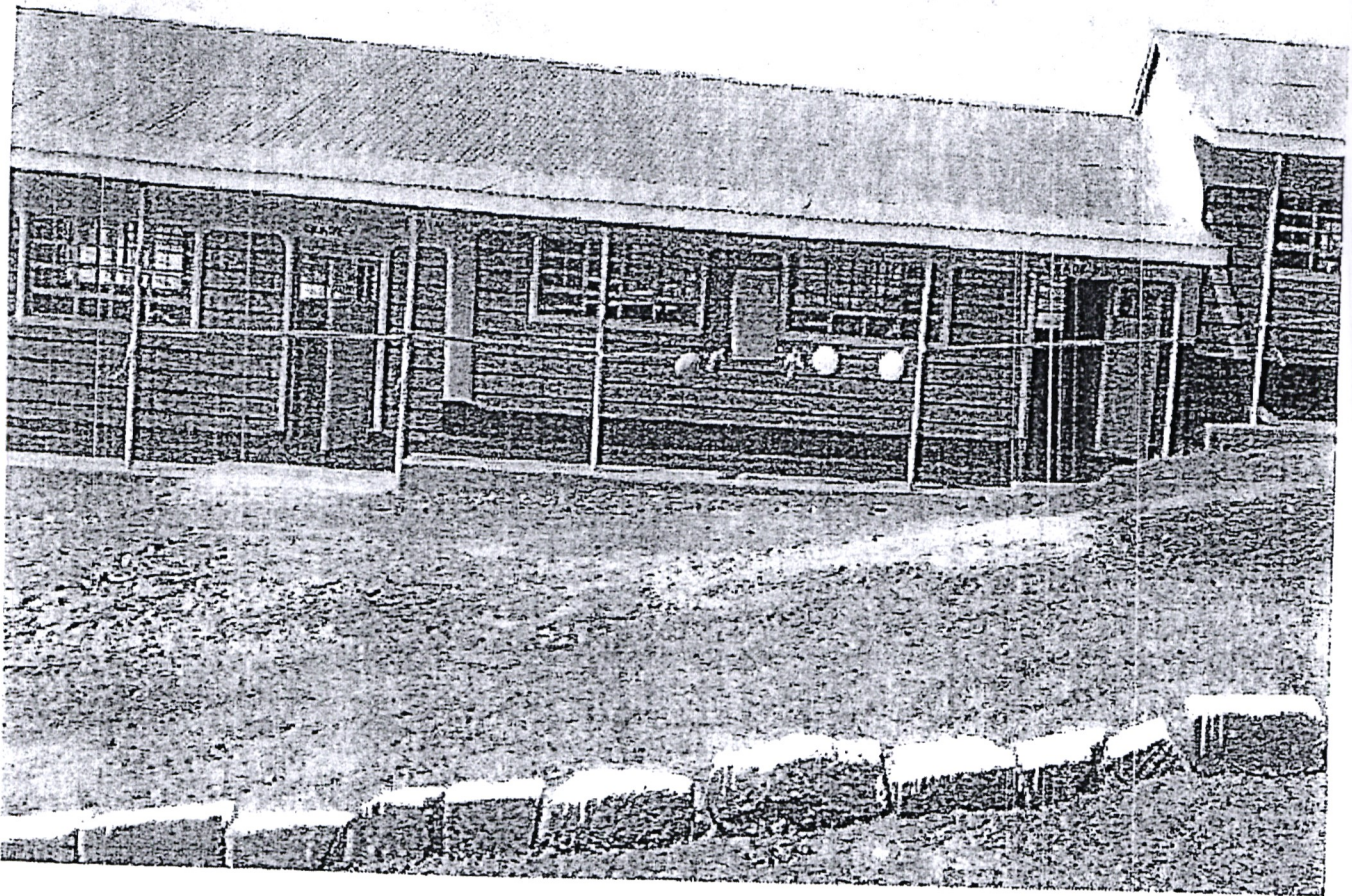
FEDERAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The SAMBURU NORTH Ng-cdf budget performance against actual for current based on economic classification and programmes, the Ngcdf has improved the education infrastructure and enhance access of education to the needy children attending various institutions across the country. The cdf office has undertaken major infrastructural work on 2 school which started on July. below are the pictorials to depict implementation of some few selected projects in various schools.



classroom construction at morijo primary school



Ongoing construction of administration block at Simiti primary school

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

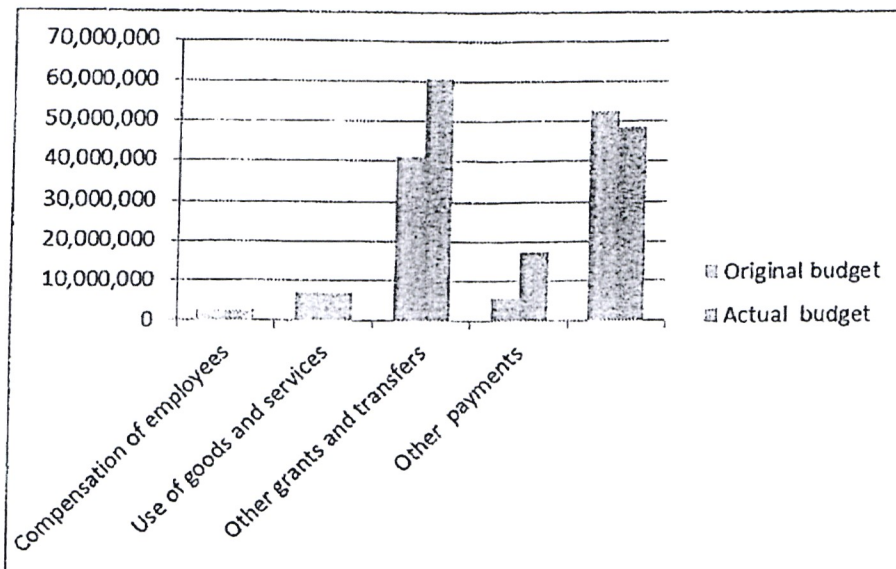
For the year ended June 30, 2019

There is emerging issues in regard to need of more new modern infrastructural structures across the constituency .However there have been emanating challenges ie shortage of technical works personnel, the constituency hit by drought hence shortage of water and poor road network hence influencing the implementation of NGCDF projects but Ngcdf has continued to overcome when implementing its agenda by reaching out to the available technical personnel ,budgeting for boreholes in schools/use of water boosters to avail water to schools and requesting county government to employ more technical personnel regarding public works .

below are summary of original and actual budgets for various items shown by tables and charts

Votes/item	Final budget	Actual budget
Compensation of employees	4031,000	4031,000
Use of goods and services	7371263	7371263
Other grants and transfers	47,587,404.05	40950,000
Other payments	-	42623767
Transfer to other government entities	90464,242	45,660,000

Samburu North final Vs Actual Budget Of Various Items Fy 2018/2019



During the financial year as shown by the table and chart above shows that there is huge difference between actual budget and original .this is explained by resulting adjustment resulting from balances brought in the previous years hence greater actual budgets than original budget during the year

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT & SERVICES ACT (2012)
SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF NGCDF-SAMBURU NORTH 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-samburu north shall prepare financial statements in respect of that ngcdf-samburu north. 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-SAMBURU NORTH Constituency is responsible for the preparation and presentation of the ngcdf-samburu north's financial statements, which give a true and fair view of the state of affairs of the ngcdf-samburu north 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 ngcdf-samburu north; (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-samburu north; (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-SAMBURU NORTH Constituency accepts responsibility for the ngcdf-samburu north'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-samburu north's* financial statements give a true and fair view of the state of ngcdf-samburu north's transactions during the financial year ended June 30, 2019, and of the ngcdf-samburu north's financial position as at that date. The Accounting Officer charge of the NGCDF-SAMBURU NORTH Constituency further confirms the completeness of the accounting records maintained for the *ngcdf-samburu north*, which have been relied upon in the preparation of the ngcdf-samburu north's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-SAMBURU NORTH Constituency confirms that the ngcdf-samburu north has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the ngcdf-samburu north'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-samburu north'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

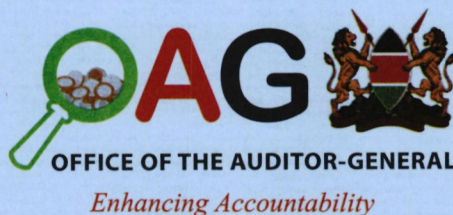
The NGCDF-SAMBURU NORTH Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.

Fund Account Manager
Name:


Sub-County Accountant
Name: Sammy K. KipLAGAT
ICPAK Member Number:

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Samburu North Constituency set out on pages 8 to 36, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Samburu North 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Presentation of Financial Statements

The Statement of Management Responsibilities on page 7 is not signed and the date the financial statements were approved and signed by the Accounting Officer is not indicated. Further, the name of the Fund Manager and the ICPAK membership number of the Sub-County Accountant are not shown.

In addition, the progress on follow up of auditor's recommendations has not been provided as required.

Consequently, the financial reporting guidelines issued by the Public Sector Accounting Standards Board in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012 have not been adhered to.

2. Inaccuracies in the Financial Statements

The following variances and inconsistencies were noted in the balances reflected in the financial statements and those reflected in the ledger, supporting schedule and prior year audited balances as shown in the table below:

Item	Statement / Note	Balance as Per the Financial Statements / Note (Kshs.)	Balance as Per the Ledger / Supporting Schedule or Audited prior year Balances (Kshs.)	Variance (Kshs.)
Office and general supplies and services	Note 5	-	1,737,500	(1,737,500)
Fuel, oil and lubricants	Note 5	1,737,500	2,991,728	(1,254,228)
Purchase of buildings	Note 8	6,000,000	-	6,000,000
Construction of buildings	Note 8 and Summary of Fixed Assets Register	-	6,000,000	(6,000,000)
Office equipment, furniture and fittings	Summary of Fixed Assets Register	6,500,000	344,500	6,155,500
ICT equipment	Summary of Fixed Assets Register	344,500	-	344,500
Transport equipment	Summary of Fixed Assets Register	-	6,500,000	(6,500,000)
Bank balance brought forward	Note 13	2,737,879	34,953,723	(32,215,844)
Comparative balance for unutilized funds	Note 15.3	-	46,351,033	(46,351,033)
Use of goods and services	Note 5	7,371,263	9,108,763	(1,737,500)

The variances were not explained or reconciled.

In the circumstances, the accuracy of the financial statements could not be confirmed.

3. Unsupported Balances

3.1. Bank Balances

The statement of assets and liabilities and Note 10A to the financial statements reflect a bank balance of Kshs.2,737,880. However, the certificate of bank balance was not provided. Further, the June, 2019 bank reconciliation statement reflected payments of Kshs.45,674,869 in the cashbook but not in the bank statement out of which cheques totaling to Kshs.61,408 were stale and had not been written back into the cash book. Further, the statement reflected payments of Kshs.697,954 in the bank statement but not recorded in cashbook for which no explanations were provided for not updating the cash book.

Consequently, the accuracy and existence of the reported bank balance of Kshs.2,737,880 as at 30 June, 2019 could not be confirmed.

3.2. Summary of Fixed Asset Register

The summary of fixed assets register provided under Annex 4 to the financial statements reflects a historical assets cost balance of Kshs.6,844,500. However, the assets register indicating the asset description, serial numbers, location and the condition of the assets maintained as required under Regulations 139(1) and 143 of the Public Finance Management (National Government) Regulations, 2015 was not provided.

Consequently, the accuracy of the summary of fixed assets register and the effectiveness of the internal controls over the Fund's assets could not be confirmed.

3.3. Project Management Committees (PMCs) Bank Accounts Balances

Note 5.4 and Annex 5 to the financial statements reflect nil PMC bank account balances. However, bank balance confirmations, bank statements and cash books in support of the nil balance were not provided for audit.

Consequently, the accuracy and the completeness of the reported nil bank account balance held by PMCs could not be confirmed.

4. Unsupported Payments

4.1. Compensation of Employees

The statement of receipts and payments reflects compensation of employees cost of Kshs.4,031,000 which as disclosed under Note 4 to the financial statements related

to basic wages of contractual employees. However, monthly employee schedules and payroll showing gross salaries, deductions and net pays were not provided for audit.

Consequently, the accuracy and validity of compensation of employees cost of Kshs.4,031,000 for the year ended 30 June 2019, could not be confirmed.

4.2. Bursary Payments

The statement of receipts and payments reflects other grants and transfers of Kshs.40,950,000 which as disclosed under Note 7 to the financial statements, included Kshs.9,089,000 and Kshs.18,066,000 being bursaries to secondary schools and tertiary institutions respectively, both totaling to Kshs.27,155,000. However, the vetting reports of the bursary committee in accordance with Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 and registration numbers as well as the schools or institutions of the beneficiary students were not provided.

Consequently, the accuracy and validity of bursaries amounting to Kshs.27,155,000 could not be confirmed.

4.3. Other Payments

The statement of receipts and payments reflects other payments of Kshs.42,623,767 which have not been specified under Note 9 to the financial statements as required. In addition, approved budget, procurement plan and work plans for payments amounting to Kshs.33,260,146 were not provided contrary to Regulation 25(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires the Constituency Committee to only incur expenditure on the basis of approved work plan, procurement plan and budget.

Consequently, the accuracy and validity of the other payments of Kshs. 42,623,767 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 - Samburu North 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 adverse opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.155,373,909 and Kshs.114,420,186 respectively, resulting into an under-funding of Kshs.40,953,723 or 26% of the budget.

The underfunding affected the planned activities and projects which may have impacted negatively on service delivery to the constituents of Samburu North.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Project Status Report not Provided

The Fund had planned to implement seventy-seven (77) projects with a budgetary allocation of Kshs.76,567,421 in the financial year 2018/2019. However, the projects implementation status report as at 30 June, 2019, was not made available for audit.

Consequently, the status of the Projects could not be confirmed. It could also not be confirmed that the Fund Management complied with Regulation 8(2)(h) of the National Government Constituencies Development Fund Regulations, 2016 which requires the Chairperson of the Constituency Committee to co-ordinate the compilation of the project status reports every six (6) months.

2. Unsatisfactory Implementation of Projects

Audit inspection of sixteen (16) projects with a funding allocation of Kshs.12,100,000 during the month of February 2020 revealed anomalies as shown in **Appendix I**.

In the circumstances, the propriety of the expenditure could not be confirmed. It could also not be confirmed if and when the constituents of Samburu North would realize value for money from the projects.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and 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 going concern basis of accounting unless the Management is aware of intention to either terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2021

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

Appendix I – Unsatisfactory Implementation of Projects

Project Beneficiary & Details	Disbursed Funding (Kshs.)	Observation
St. Peter & Paul Baawa Boys- Construction of Laboratory	1,000,000	Beneficiary is a private school and laboratory construction was yet to start.
Baragoi Mixed secondary school- Construction of a Kitchen to Completion	500,000	Construction had not started.
Baawa Mixed Day secondary school - Construction of two (2) Classrooms to Completion	1,800,000	Classes completed but not in use. Classrooms had also not been labeled.
Morijo Mixed Day Secondary School - Construction of one (1) Classroom to Completion	600,000	Funds were diverted to fencing without the approval of the NGCDF Board.
Mixed Day secondary school- Construction of Girls' Dormitory to Completion	500,000	Funds were diverted to fencing without the approval of the NGCDF Board.
Opiroi Mixed Day Secondary School - Construction of two (2) Class rooms to Completion	1,800,000	<ul style="list-style-type: none"> • Only one (1) classroom had been started but had stalled. • The contractor was not on site.
Boys High School- Purchase of 100 desks at a cost of Kshs.5,000 each	500,000	<ul style="list-style-type: none"> • 60 desks had been delivered but not labeled; • Delivery of 40 desks valued at Kshs 200,000 was outstanding.
Baawa Primary- Purchase of 80 desks at a cost of Kshs. 5000 each.	400,000	Funding for desks diverted to Baawa Secondary School without the approval of the NGCDF Board.
Marti Primary School - Purchase of 80 desks at a cost of Kshs. 5,000 each.	400,000	Funding diverted to the construction of boys' pit latrine without the approval of the NGCDF Board
Morjo Primary School - Construction of Administration Block to Completion	700,000	Funds diverted to the construction of classroom without the approval of the NGCDF Board.
Ngilai Primary School-Construction of a Kitchen Store	500,000	Store built to lintel level but had stalled.
Lesirikan primary school - Construction of one (1) Classroom to Completion	600,000	Construction of classroom was yet to start.

Project Beneficiary & Details	Disbursed Funding (Kshs.)	Observation
Lesirikan primary school- Renovation of Teachers' Houses, plastering, flooring, painting, roofing and fixing of doors	500,000	Roofing was not done as per the bill of quantities and the project was unlabeled
Nombori primary school -Construction of one (1) Classroom to Completion	700,000	The Project had stalled.
Opiroi primary school- Painting of Eight (8) Classrooms at a cost of Kshs. 125,000 each	1,000,000	Painting had not commenced.
Tangar Primary School -Construction of two (2) Teachers Houses to Completion	600,000	Funding was diverted to construction of classrooms without the approval of the NGCDF Board.
Total	12,100,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017- 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	114,420,186	86,810,345
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		114,420,186	86,810,345
PAYMENTS			
Compensation of employees	4	4,031,000	4,277,303
Use of goods and services	5	7,371,263	930,000
Transfers to Other Government Units	6	45,660,000	31,895,561
Other grants and transfers	7	40,950,000	14,755,457
Acquisition of Assets	8	6,000,000	-
Other Payments	9	42,623,767	-
TOTAL PAYMENTS		146,636,030	51,858,321
SURPLUS/DEFICIT		<u>(32,215,844)</u>	<u>34,952,024</u>

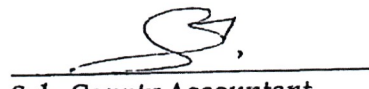
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SAMBURU NORTH CONSTITUENCY**

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SAMBURU NORTH Constituency financial statements were approved on 5/16 2019 and signed by:



Fund Account Manager
Name:



Sub-County Accountant
Name: Sammy K. Kiplangat
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES
SAMBURU NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES			
	Note	2017 - 2018	2016- 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,737,879.64	34,953,723
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		2,737,879.64	34,953,723
FINANCIAL LIABILITIES			
Accounts payable			
financial liabilities			
Retention	12A		
Gratuity	12B		
Total financial liabilities		-	-
NET FINANCIAL POSITION		2,737,879.64	34,953,723
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	34,953,723	1699
Surplus/Defict for the year		(32,215,844)	34,952,024
Prior year adjustments	14	-	-
NET LIABILITIES		2,737,879.64	34,953,723

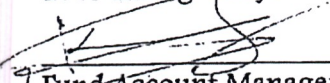
SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

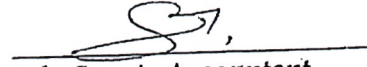
For the year ended June 30, 2019

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The NGCDF-SAMBURU NORTH Constituency financial statements were approved on 30/6/ 2019 and signed by:



Fund Account Manager
Name:



Sub-County Accountant
Name: Sammy K. Kipkasa
ICPAK Member Number:



SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019


I. STATEMENT OF CASHFLOW

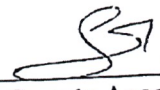
		2018 - 2019	2017 - 2018
Receipts for operating income			
Transfers from CDF Board	1	114,420,186	86,810,345
Other Receipts	3	-	-
TOTAL 5		114,420,186	86,810,345
Payments for operating expenses			
Compensation of Employees	4	4,031,000	4,277,303
Use of goods and services	5	7,371,263	930,000
Transfers to Other Government Units	6	45,660,000	31,895,561
Other grants and transfers	7	40,950,000	14,755,457
acquisition of assets	8		
Other Payments	9	42,623,767	-
Total payments		140,636,030	51,858,321
Adjusted for:			
oustanding imprest	11	-	-
retention	12A		
gratuity payable	12B		
Adjustments during the year	14		
Net adjustments			
Net cash flow from operating activities		(26,215,844)	34,952,024
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	(6,000,000)	-
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(32,215,844)	34,952,024
Cash and cash equivalent at BEGINNING of the year	13	34,953,723	1,699
Cash and cash equivalent at END of the year		2,737,879	34,953,723

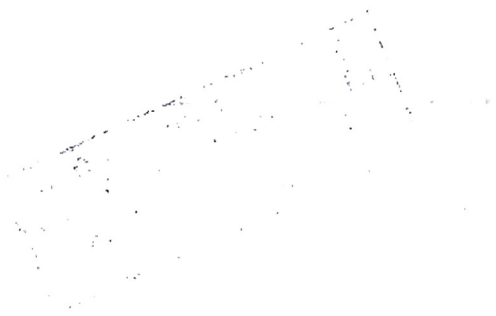
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT AUTHORITY
SAMBURU NORTH CONSTITUENCY

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SAMBURU NORTH Constituency financial statements were approved on 30/6/2019 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name: Sammy K. Kiplangat
ICPAK Member Number:



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

**II. 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	109,040,876.00	46,333,033.00	155,373,909.00	114,420,186	40,953,723.00	74%
Proceeds from Sale of Assets				-	-	
Other Receipts(AIA)				-	-	
TOTAL	109,040,876.00	46,333,033.00	155,373,909.00	114,420,186.00	40,953,723.00	74%
PAYMENTS						
Compensation of Employees	2,770,000.00	1,260,999.95	4,030,999.95	4,030,999.95	-	100%
Use of goods and services	7,043,678.00	327,585.00	7,371,263.00	7,371,263.00	-	100%
Transfers to Other Government Units	52,250,000.00	38,214,242.00	90,464,242.00	45,660,000.00	44,804,242.00	50%
Other grants and transfers	40,977,198.00	6,530,206.05	47,507,404.05	40,950,000.00	6,557,404.05	86%
Acquisition of Assets	6,000,000.00	-	6,000,000.00	6,000,000.00	-	
Other Payments	-	-	0.00	42,623,767.05	(42,623,767.05)	
TOTAL						
	109,040,876.00	46,333,033.00	155,373,909.00	146,636,030.00	8,737,879.00	94%

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

The NGCDF-SAMBURU NORTH Constituency financial statements were approved on 20/11/19 2019 and signed by:

[Signature]
Fund Account Manager
Name: Simon Kipnoko

**FUND ACCOUNT MANAGER
SAMBURU-NORTH CONSTITUENCY
CONSTITUENCY DEVELOPMENT
FUND**
P. O. Box 47, BAROTSE
Date:

BO
Sub-County Accountant
Name: Sammy Kiprono

ICPAK Member Number:

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

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		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration					
Employees' Salaries	2,770,000.00	1,261,000	4,031,000	4,031,000	
Goods and Services	210,000.00	0.00	210,000.00	210,000.00	
Committee Expenses	3,562,452.53	0	3,562,452.53	3,562,452.53	
Sub-Total	6,542,452.53	1,260,999.95	7,803,452.48	7,803,452.48	0.00
2.0 Monitoring and Evaluation					
Goods and Services	1,771,226.27	327,585.00	1,771,226.27	1,771,226.27	
Committee Expenses	1,000,000.00	0	1,000,000.00	1,000,000.00	
Capacity Building of NG-CDFs/PMCs	500,000.00	0	500,000.00	500,000.00	
Sub-Total	3,271,226.27	327,585.00	3,271,226.27	3,271,226.27	0.00
3.0 Emergency					
Emergency	5,738,993.45	0	5,738,993.45	5,738,993.45	
Emergencies					
Sub-Total	5,738,993.45	0.00	5,738,993.45	5,738,993.45	0.00
4.0 Bursary and Social Security Programme					
Bursary Secondary Schools	10,100,000.00	6,530,206.05	16,630,206.05	9,089,000.00	
Bursary Tertiary Schools	13,776,569.00		13,776,569.00	18,066,000.00	
Bursary Special Schools					
Social Security Programmes –NHIF	4,000,000.00	0	4,000,000.00		

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

Bursaries					-
Sub-Total	27,876,569.00	6,530,206.05	34,406,775.05	27,155,000.00	7,251,775.05
5.0 Sports					-
Sub-Total	2,180,817.15	0	2,180,817.15	180,817.00	
6.0 Environment					
Sub-Total					0.00
7.0 Primary School Projects					0.00
Baawa primary school	2180817.51		2180817.51	180817	
Lchakwai primary school					
Nomboroi primary school	2,180,817.51	0	2,180,817.51	2,180,817.51	
Opiroi primary school					
Sererit primary school					
Latakweny primary school					
Lesirikan primary school	2,180,817.51	0	1,180,817.51	2,180,817.51	
Tangar primary school					
Lodwua primary school	400,000.00		400,000.00	400,000.00	
Illaut primary school	900,000.00		900,000.00	700,000.00	
Arsim primary school	900,000.00		900,000.00	700,000.00	
Ngurnit primary school	1,000,000.00		1,000,000.00	1,000,000.00	
Keno primary school	1,000,000.00		1,000,000.00	700,000.00	
Seren primary school	1,000,000.00		1,000,000.00	600,000.00	
Urah primary school	900,000.00		900,000.00	600,000.00	
Kasipo primary school	1,000,000.00		1,000,000.00	1,150,000.00	
Tuum primary school	350,000.00		350,000.00	350,000.00	
Lareorok primary school	800,000.00		800,000.00	700,000.00	
South horr primary school	400,000.00		400,000.00	600,000.00	

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

Sumuruai primary school	500,000.00		500,000.00	500,000.00	
Kurungu primary school	500,000.00		900,000.00	900,000.00	
Anderi primary school	500,000.00		500,000.00	500,000.00	
Loonjorin primary school	900,000.00		900,000.00	700,000.00	
Loikumkum primary school	900,000.00		900,000.00	900,000.00	
Lkitagesi primary school	900,000.00		900,000.00	700,000.00	
Bendera primary school	900,000.00		900,000.00	700,000.00	
Ngilai primary school	900,000.00		900,000.00	900,000.00	
Ngilai primary school	600,000.00		600,000.00	1,410,000.00	
Simiti primary school	500,000.00		500,000.00	500,000.00	
Masikita primary school	900,000.00		900,000.00	700,000.00	
Suyian primary school	700,000.00		700,000.00	900,000.00	
Morijo primary school	900,000.00		900,000.00	900,000.00	
Soit pus primary school	900,000.00		900,000.00	600,000.00	
Nkorika primary school	1,000,000.00		1,000,000.00	500,000.00	
Sunoni primary school	700,000.00		700,000.00	500,000.00	
Loowua primary school	800,000.00		800,000.00	600,000.00	
Lulu primary school	900,000.00		800,000.00	800,000.00	
Marti primary school	900,000.00		900,000.00	1,400,000.00	
Nachola primary school	900,000.00		900,000.00	950,000.00	
Natiti primary school	700,000.00		700,000.00	700,000.00	
Nteremuka primary school	900,000.00		900,000.00	700,000.00	
Lesirikan primary school	900,000.00		900,000.00	1,200,000.0	

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

				0	
Loruko primary school	900,000.00		900,000.00	800,000.00	
Keleswa primary school	900,000.00		900,000.00	1,200,000.00	
Sub-Total	900,000.00		900,000.00	700,000.00	
Sub-Total	400,000.00		400,000.00	400,000.00	
8.0 sec School Projects	9,000,000.00		9,000,000.00	900,000.00	
St Peter and Paul Baawa Boys	900,000.00		900,000.00	350,000.00	
Ndoto Boys Scondary School	1,800,000.00		1,800,000.00	1,800,000.00	
Nyiro Boys Secondary School	600,000.00		600,000.00	500,000.00	
Nyiro Girls Secondary School	600,000.00		600,000.00	600,000.00	
Nyiro Mixed Secondary School	900,000.00		900,000.00	1,200,000.00	
Morijo Mixed Scondary School	35,950,000.00	38,214,242.00	35,950,000.00	35,660,000	290,000
Barsaloi Day Secondary School					
Marti Mixed Day Sec School	1,000,000.00		1,000,000.00	1,000,000.00	
Baragoi Mixed Secondary	500,000.00		500,000.00	500,000.00	
Baawa Mixed Day Sec School	2,000,000.00		2,000,000.00	1,500,000.00	
Opiroi Mixed Day Sec School	1,000,000.00		1,000,000.00	1,000,000.00	
sub-total	900,000.00		900,000.00	600,000.00	
sub-total					
9.0 Tertiary institutions projects	900,000.00		900,000.00	900,000.00	
10.0 Security Projects	1,000,000.00		1,000,000.00	400,000.00	
Lesirikan Chief Office	500,000.00		500,000.00	500,000.00	
Tuum AP Line	1,800,000.00		1,800,000.00	1,800,000.00	
Loruko AP Line					

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

	1,800,000.00		1,800,000.00	1,800,000.00	
Masikita AP Line	12,300,000.00	0.00	12,300,000.00	10,000,000.00	2,300,000.00
sub-total					
11.0 Acquisitions of Assets					
12.0 Others	1,000,000.00		1,000,000.00	500,000.00	
Samburu North Technical College	800,000.000		800,000.00	800,000.00	
Samburu north NG-CDF office	500,000.00		500,000.00	300,000.00	
Sub-Total	700,000.00		700,000.00	700,000.00	
GRAND TOTAL					

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-SAMBURU NORTH 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)

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 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

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

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.

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.

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

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.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

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

X. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2018 - 2019	2017 - 2018
			Kshs	Kshs
1330407	Normal Allocation			
		B30298	10,000,000.00	37,905,172.00
		B047503	24,000,000.00	43,405,172.80
		B041018	49,040,875.50	5,500,000.00
		B005467	12,000,000.00	
		B007466	8,000,000.00	
		B0074598	11,379,310.35	
1330408	Conditional grants			
		AIE NO...	-	
1330409	Receipt from other Constituency	AIE NO...		
	TOTAL		114,420,185.85	86810,344.8
	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
3510000	Description		2018 - 2019	2017 - 2018
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-	
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

3510801	Receipts from the Sale Plant Machinery and Equipment		-	
3510803	Receipts from the Sale of office and general equipment			
		Total	-	
1400000	3 OTHER RECEIPTS			
	Description		2018 - 2019	2017 - 2018
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Interest Received		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)			-
	Total			-
2110000	4 COMPENSATION OF EMPLOYEES			
	Description		2018 - 2019	2017 - 2018
			Kshs	Kshs
2110201	Basic wages of contractual employees		4,031,000	4,277,303
2110202	Basic wages of casual labour			
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110326	Other personnel payments			
2710120	gratuity accrued			
	Total		4,031,000	4,277,303

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

5 USE OF GOODS AND SERVICES				
2200000	Description		Kshs	Kshs
2210100	Utilities, supplies and services			930,000
2210104	Office rent			
2210200	Communication, supplies and services			
2210300	Domestic travel and subsistence			
2210500	Printing, advertising and information supplies & services			
2210600	Rentals of produced assets			
2210700	Training expenses			
2210800	Hospitality supplies and services			
2210802	Other committee expenses		726,352	
2210809	Committee allowance			
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services			
2211200	Fuel ,oil & lubricants		1,737,500	
2211300	Other operating expenses		2991728	
2220100	Routine maintenance – vehicles and other transport equipment		3,653,183	
2220200	Routine maintenance – other assets			
	Total		7,371,263	930,000

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

6 TRANSFER TO OTHER GOVERNMENT ENTITIES					
2630200	Description	2018 - 2019	2017 - 2018		
		Kshs	Kshs		
2630204	Transfers to primary schools	35,660,000	24,000,000		
2630205	Transfers to secondary schools	10,000,000	7895561.48		
2630206	Transfers to Tertiary institutions	-	-		
2630207	Transfers to Health institutions	-	-		
TOTAL		45,660,000	31,895,561.48		
7 OTHER GRANTS AND OTHER PAYMENTS					
2640000	Description	2018 - 2019	2017 - 2018		
		Kshs	Kshs		
2640101	Bursary -Secondary	9,089,000	5,228,449.28		
2640102	Bursary -Tertiary	18,066,000	9,528,706.00		
2640104	Bursary-Special schools	-	-		
2640105	Mocks & CAT	-	-		
2640504	water	-	-		
2640505	Agriculture (food security)	-	-		
2640506	Electricity projects	-	-		
2640507	Security	2400,000	-		
2640508	Roads				
2640509	Sports				
2640510	Other capital grants and transfer	1200,000			

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

2640200	Emergency Projects (specify)		10,195,000		
	Total		40,950,000	14,755,456.5	
3100000	8 ACQUISITION OF ASSETS				
	Non Financial Assets		2018 - 2019	2017- 2018	
			Kshs	Kshs	
3110102	Purchase of Buildings		6,000,000		
3110202	Construction of Buildings				
3110302	Refurbishment of Buildings				
3110701	Purchase of Vehicles				
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		6,000,000		
	9 Other Payments		42,623,767		
	specify				
	TOTAL		42,623,767		
	10A: Bank Balances (cash book bank balance)				
	Name of Bank, Account No. & currency		2018 - 2019	2017- 2018	
		Account Number	Kshs (30/6/2019)	Kshs (30/6/2018)	

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

	EQUITY SAMBURU NORTH	11002617427355	2737,879	34,953,723	
	Total		2737,879	34,953,723	
	10B: CASH IN HAND)				
	Location 1		-	-	
	Location 2		-	-	
	Location 3		-	-	
	Other receipts (specify)		-	-	
	Total		-	-	
			[Provide cash count certificates for each]		
	11: OUTSTANDING IMPRESTS				
	<i>Name of Officer</i>		Amount Taken	Amount Surrendered	Balance (30/6/2019)
		Date imprest taken	Kshs	Kshs	Kshs
	12 Retention				
	Supplier/Contractor	PV no	2018- 2019	2017 - 2018	
	13 BALANCES BROUGHT FORWARD				
			2018 - 2019	2017- 2018	
			Kshs	Kshs	
			(1/7/2019)	(1/7/2018)	
	Bank accounts		2737,879	34,953,723	
	Cash in hand				
	Imprest				
	Total				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

SAMBURU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

		[Provide short appropriate explanations as necessary]			
	14				
		PRIOR YEAR ADJUSTMENTS			
			2018 - 2019	2017- 2018	
			Kshs	Kshs	
	Bank accounts				
	Cash in hand		-		
	Imprest		-		
	Total		-	-	
	15				
		OTHER IMPORTANT DISCLOSURES			
	15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)				
			2018 - 2019	2017- 2018	
			Kshs	Kshs	
	Construction of buildings		-	-	
	Construction of civil works		-	-	
	Supply of goods				
	Supply of services		-		
	TOTAL				
	15.2: PENDING STAFF PAYABLES (See Annex 2)				

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

			Kshs	Kshs	
	NG-CDFCstaff		-	-	
	Others (specify)			S	
	TOTAL		-		
	15.3: UNUTILIZED FUND (See Annex 3)				
			Kshs	Kshs	
	compesation of employees				
	use of goods and services				
	Amounts due to other Government entities (see attached list)		4000,000	0	
	Amounts due to other grants and other transfers (see attached list)		4737879	0	
	Others (specify)				
	TOTAL		8,737,879		
	15:4 pmc account balances(see annex 5)				
	PMC	BANK	A/C NO	2018-2019	2017-2018

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

Reports and Financial Statements

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE						
Supplier of Goods or Services		Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
	Original Amount	b	c	d=a-c		
Construction of buildings	a	-	-	-	-	-
1.		-	-	-	-	-
2.		-	-	-	-	-
3.		-	-	-	-	-
Sub-Total		-	-	-	-	-
Construction of civil works		-	-	-	-	-
4.		-	-	-	-	-
5.		-	-	-	-	-
6.		-	-	-	-	-
Sub-Total						
Supply of goods	-	-	-	-	-	
7. office administration						
8.	-	-	-	-	-	
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						

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

Grand Total						
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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
		a	b	c	d=a-c		
NGCDFC staff salary							
1.							
2.							
3.							
Sub-Total							
NGCDFC staff graityuty							
1.							
2.							
3.							
Sub-Total							
10. others specify							
1							

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

2							
3							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2,019	2,018	
Compesation of employees		-	-	
use of goods and services		-	-	
sub total			-	
Amounts due to other Government entities				
1. samburu north tti		4,000,000	-	
2.sports		2,010,000	-	
3.emergency		2,737,879	-	
sub total		8,737,879		

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

acquisition of assets				
others specify				
sub-total				
Grand Total		8,737,879		

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	historical cost b/f (kshs) 2018/19	additional during the year (kshs)	disposal during the year (kshs)	historical cost b/f(kshs) 2017/18
Land	0	0	0	0
Buildings and structures	0	0	0	0
Transport equipment				
Office equipment, furniture and fittings	6500,000			6500,000
ICT Equipment, Software and Other ICT Assets	344,500			344,500
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets	0	0	0	0
Total	6844,500			6,844,500