

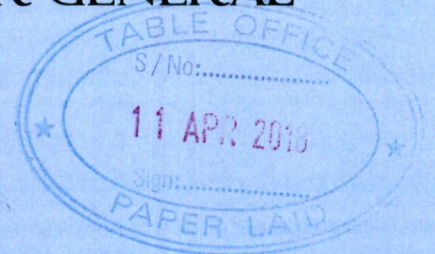
REPUBLIC OF KENYA

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*Paper Laid*  
*By Hon. Bweli, MP, -Lomp*  
*on 11/4/2018*  
*[Signature]*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF**  
**NATIONAL GOVERNMENT**  
**CONSTITUENCIES DEVELOPMENT FUND**  
**TESO NORTH CONSTITUENCY**

**FOR THE YEAR ENDED**  
**30 JUNE 2016**





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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs)**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

**(c) Key Management**

The Teso North *Constituency's* day-to-day management is under the following key organs:

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

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Executive Officer	<b>Yusuf Mbuno</b>
2.	Fund Account Manager	<b>Phillip Odida</b>
3.	District Accountant	<b>Chrispinus Mandare</b>

**(e) Fiduciary Oversight Arrangements**

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



**(f) Entity Headquarters**

**Teso North constituency NG-CDF office,  
P.O. Box 255-50244, Kamuriai,  
AMAGORO  
BUSIA COUNTY  
KENYA**

**(g) Teso North Constituency Contacts**

**Telephone: (254) 0722882193  
E-mail: cdftesonorth@cdf.go.ke**

**(h) Entity Bankers**

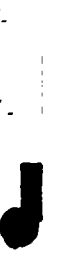
**The Cooperative Bank  
Malaba Branch  
A/c.No. 01141519587800  
P.O.BOX 173-50408  
KAMURIAI.**

**(i) Independent Auditors**

**Auditor General  
Office of the auditor general  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya**

**(j) Principal Legal Adviser**

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



**II. FORWARD BY THE CHAIRLADY CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)**

**Budget performance against actual amounts for current year based on economic classification and programmes**

Teso North NG-CDFC pledges that all NG-CDFC activities and decisions will be based on and guided by the following values:

- Continuous learning
- Integrity
- Service Culture
- Team Work
- Objectivity
- Good corporate citizenship

I am pleased to report that 2015/2016 was much fair to us. We managed to improve our operating performance and managed to disburse 74% of the funds received from the Board (2015/16 Budget) to various projects within the year. The 22% of the funds were still in our account awaiting wiring to the PMCs accounts while 4% of the funds were still held by the CDF Board as at 30<sup>th</sup> June, 2016. Despite the challenges we encountered during the year, we managed to construct quite a number of facilities to completion and most of them are now in use.

**key achievements for the entity**

During the year, we managed to achieve the following:

1. Completed quite a number of facilities in Education, water, security and roads among them includes NG-CDF office.
2. Started new projects. Some of them are complete while others are ongoing.

**Emerging issues related to the entity,**

Some of the emerging issues that we underwent include;

1. Overwhelming demand for Bursary due to increased number of needy students who need support.
2. Need for water supply in the constituency.

**Implementation challenges and recommended way forward**

Some of the challenges uncouncted include increase in the prices of the items, increase in occurrences of natural calamities thus increasing demand for emergency funds I take. Is therefore my wish that the fund be increased to accommodate more demands at the grassroots level.

On behalf of Teso North NG-CDFC and employees I assure you of our total dedication and commitment in serving the constituents of Teso North to our best.

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**Rev. Isabella Inyele**

**CHAIRLADYNG-CDFC**





## II. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES

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

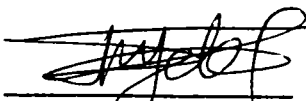
The Fund Account Manager in charge of the Teso North NG-CDF is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2016. This responsibility 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the Teso North NG-CDF accepts responsibility for the Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Teso North NG-CDF financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2016, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Teso North NG-CDF further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

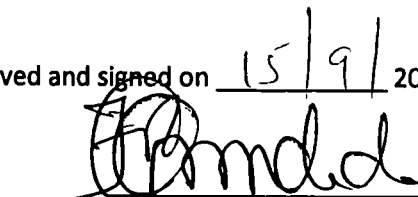
The Fund Account Manager in charge of the Teso North NG-CDF confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager confirms that the Constituency'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 Teso North NG-CDF financial statements were approved and signed on 15/9/2016.



Rev. Isabella Inyele  
Chairlady-NG-CDFC



Philip Odida  
Fund Account Manager

J



# REPUBLIC OF KENYA

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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 - TESO NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Teso North Constituency set out on pages 6 to 17, which comprise the statement of assets as at 30 June 2016, and the statement receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility 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.

The 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.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Teso North Constituency for the year ended 30 June 2016*



preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Lack of Land Ownership Documents**

During the year under review, the Fund purchased land amounting to Kshs.5,150,000 for various institutions in the constituency as detailed in the table below;

<b>PV No.</b>	<b>Payee</b>	<b>Particulars</b>	<b>Amount Kshs.</b>
040951	Moding Girls Secondary School	Purchase of 3 acres land	500,000
041056	St Benards Kakurit Secondary School	Purchase of 2 acres land	300,000
040890	St Johns Kajei Secondary School	Purchase 1 acre of land	300,000
040879	Kolait Girls Secondary School	Purchase 1 acre of land	300,000
040876	Albert Ekirapa Secondary School	Purchase of land	400,000
040875	Gara Secondary School	Purchase of land	300,000
040945	Ekisegere Primary School	Purchase of 2 acres land	400,000
040880	Osajai Talent Centre	Purchase of land	800,000
040874	Kakapel Resource Centre	Purchase of 1 acre land	400,000
040889	Moding Police Station	Purchase of acres land	400,000
040929	Akadetewai Chiefs Office	Purchase of land	500,000
041053	Awata Primary school	Purchase of 1 acre land	250,000
040878	Kagutio Primary School	Purchase of 1 acre land	300,000
<b>Total</b>			<b>5,150,000</b>

However, the title deeds are yet to be processed hence the ownership of these lands could not be verified.



## **2. Refurbishment of Amagoro Land Registry**

A local company was paid Kshs.1,500,000 in December 2015 for refurbishment and furnishing of Amagoro lands registry. However, a site visit of the project revealed that the project is complete but the office has not been opened to serve the citizens since the land registrar had not been posted.

In view of this, the constituents of Teso North constituency have not got value for money from the Project.

### **Qualified Opinion**

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- Teso North Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

### **Other Matter**

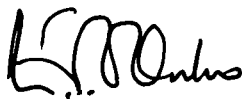
#### **1. Budgetary Control Performance**

The Fund had an approved budget of Kshs.161,729,808 and spent Kshs.119,163,825 resulting into an under expenditure of Kshs.42,565,984 or overall budget utilization of 74%. Further, all budgetary expenditure items incurred absorption rating of below 90%. Consequently, the budget target was not met and various projects budgeted for were not implemented within the financial year.

Under the circumstances, it is not clear how the CDF intended to clear this backlog of projects as low budget absorption will negatively affect service delivery.

#### **2. Project Implementation Status**

During the year under review, the Fund had not commenced implementation of various projects and programmes amounting to Kshs.45,329,798 representing 32% of the funds received during the year. Therefore, the Fund did not fully meet the budget target and effective service delivery.



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

**Nairobi**

**13 March 2018**

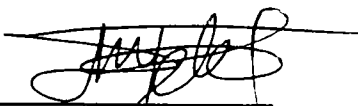
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH  
 CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016 (Kshs)**

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**III. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	141,815,871	131,709,296
<b>TOTAL RECEIPTS</b>		<b>141,815,871</b>	<b>131,709,296</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	1,388,990	1,317,737
Use of goods and services	3	6,121,352	8,316,700
Transfers to Other Government Units	4	45,330,567	54,661,282
Other grants and transfers	5	54,131,044	47,455,502
Acquisition of Assets	6	12,191,872	695,000
Other Payments		-	400,000
<b>TOTAL PAYMENTS</b>		<b>119,163,825</b>	<b>112,846,221</b>
<b>SURPLUS</b>		<b>22,652,046</b>	<b>18,863,075</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Teso North NG-CDF financial statements were approved on 15/9 2016 and signed by:



**Rev. Isabellah Inyele**  
 Chairlady-NG-CDFC



**Philip Odida**  
 Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH  
CONSTITUENCY**


**Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs)**


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**IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**

	<b>Note</b>	<b>2015-2016 Kshs</b>	<b>2014-2015 Kshs</b>
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	36,565,985	13,913,939
		36,565,985	13,913,939
<b>TOTAL FINANCIAL ASSETS</b>		<b>36,565,985</b>	<b>13,913,939</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	8	13,913,939	(4,949,136)
Surplus/Deficit for the year		22,652,046	18,863,075
<b>NET LIABILITIES</b>		<b>36,565,985</b>	<b>13,913,939</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Teso North NG-CDF financial statements were approved on 15/7 2016 and signed by:

  
\_\_\_\_\_  
Rev. Isabella Inyele  
Chairlady-NG-CDFC

  
\_\_\_\_\_  
Philip Odida  
Fund Account Manager

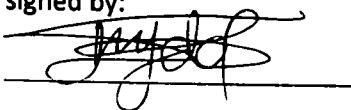
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Reports and Financial Statements  
 For the year ended June 30, 2016 (Kshs)

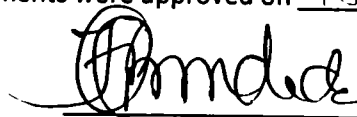
**V. STATEMENT OF CASHFLOW**

Receipts for operating income		2015 – 2016	2013 – 2015
Transfers from CDF Board	1	141,815,871	131,709,296
<b>Other Payments for operating expenses</b>			
Compensation of Employees	2	1,388,990	1,317,737
Use of goods and services	3	6,121,352	8,316,700
Transfers to Other Government Units	4	45,330,567	54,661,282
Other grants and transfers	5	54,131,044	47,455,502
Other Payments			400,000
		<b>106,971,953</b>	<b>112,151,221</b>
<b>Adjusted for:</b>			
Net cash flow from operating activities		<b>34,843,918</b>	<b>19,558,075</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	6	12,191,872	695,000
Net cash flows from Investing Activities		<b>(12,191,872)</b>	<b>(695,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>22,652,046</b>	<b>18,863,075</b>
Cash and cash equivalent at BEGINNING of the year	7	13,913,939	(4,949,136)
Cash and cash equivalent at END of the year	8	36,565,985	13,913,939

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Teso North NG-CDF financial statements were approved on 15/9/2016 and signed by:



Chairlady-NG-CDFC



Fund Account Manager



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Receipts Statement  
 For the year ended June 30, 2016 (Kshs)

V: SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget C= a+b	Actual on Comparable Basis d	Budget Utilization Difference e=d-c	% of Utilization Difference to Final Budget f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	119,652,639	42,077,170	161,729,809	141,815,871	19,913,939	88%
Other receipts						
<b>Sub total</b>	<b>119,652,639</b>	<b>42,077,170</b>	<b>161,729,809</b>	<b>141,815,871</b>	<b>19,913,939</b>	<b>88%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,800,000	323,000	2,123,000	1,388,990	734,010	65%
Use of goods and services	8,449,631	1,230,000	9,679,631	6,121,352	3,558,279	63%
Transfers to Other Government Units	41,130,567	19,522,048	60,652,615	45,330,567	15,322,048	75%
Other grants and transfers	58,572,441	12,502,122	71,074,563	54,131,044	16,943,520	76%
Acquisition of Assets	9,200,000	8,000,000	17,200,000	12,191,872	5,008,128	71%
Other Payments	500,000	500,000	1,000,000	-	1,000,000	-
<b>TOTALS</b>	<b>119,652,639</b>	<b>42,077,170</b>	<b>161,729,809</b>	<b>119,163,825</b>	<b>42,565,985</b>	<b>74%</b>

The Teso North NG-CDF financial statements were approved on 15/9/2016 and signed by:

  
 Chairlady-NG-CDFC

  
 Fund Account Manager

## **VI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **a) 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 and relevant legal framework of the Government of Kenya. 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 Constituency and all values are rounded to the nearest thousand (Kshs). 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 Constituency.

### **b) 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 Constituency recognises all expenses when the event occurs and the related cash has actually been paid out by the NG-CDF

### **c) 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.

### **d) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs)**

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***SIGNIFICANT ACCOUNTING POLICIES (Continued)***

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

**e) 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.

**f) 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.

**g) Comparative figures**

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

**h) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH  
CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs)**

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**VII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM CDF BOARD**

Description		2015 - 2016 Kshs	2014 - 2015 Kshs
CDF Board			
AIE NO.	A796232	18,163,232	-
AIE NO.	A724057	10,000,000	-
AIE NO.	A724160	10,000,000	-
AIE NO.	A796376	10,000,000	-
AIE NO.	A820650	10,000,000	-
AIE NO.	A820796	29,000,000	-
AIE NO.	A825611	30,000,000	-
AIE NO.	A825778	24,652,639	-
AIE NO.	750172	-	47,057,600
AIE NO.	759540	-	28,217,232
AIE NO.	796624	-	14,930,339
AIE NO.	796878	-	13,286,893
AIE NO.	797157	-	28,217,232
		<b>141,815,871</b>	<b>131,709,296</b>

**2. COMPENSATION OF EMPLOYEES**

	2015 – 2016 Kshs	2014 - 2015 Kshs
Basic salaries of permanent employees	1,262,990	1,304,537
Personal allowances paid as part of salary		
Employer contribution to NSSF	126,000	13,200
<b>Total</b>	<b>1,388,990</b>	<b>1,317,737</b>

**3. USE OF GOODS AND SERVICES**

	2015 – 2016 Kshs	2014 – 2015 Kshs
Utilities, supplies and services	80,330	28,000
Office rent	-	196,000
Domestic travel and subsistence	664,000	782,050
Training expenses	-	190,000
Other committee expenses	554,550	947,288
Committee allowances	3,343,000	4,777,100
Office and general supplies and services	1,147,613	107,100
Other operating expenses	201,180	1,247,292
Routine maintenance – vehicles and other transport equipment	130,679	41,870
<b>Total</b>	<b>6,121,352</b>	<b>8,316,700</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs)**

**NOTES TO THE FINANCIAL STATEMENTS...CONTED**

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

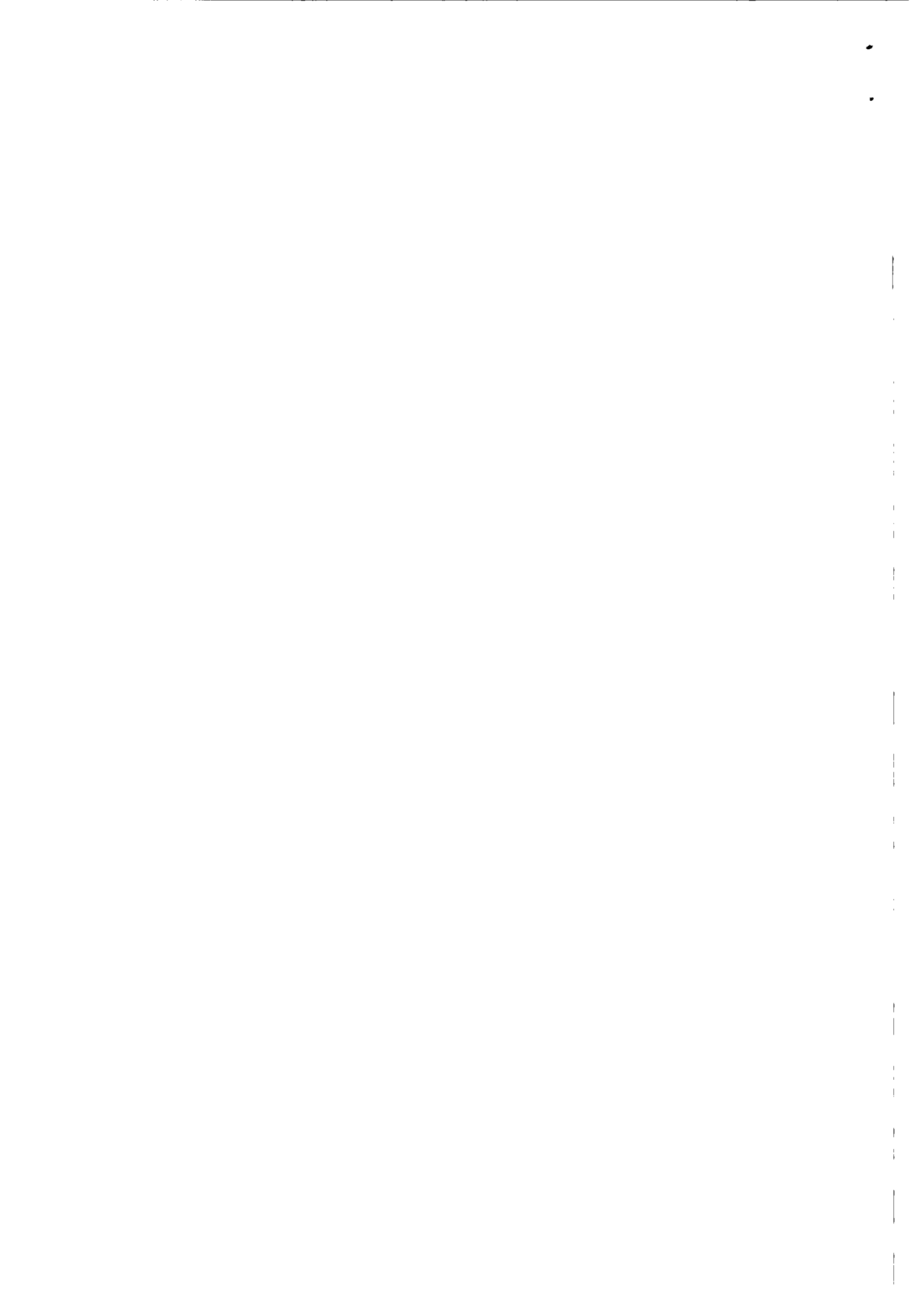
Description	2015 – 2016	2014 – 2015
	Kshs	Kshs
Transfers to Primary schools	19,280,000	30,564,703
Transfers to Secondary schools	13,350,567	17,367,820
Transfers to Tertiary institutions	12,700,000	-
Transfers to Health institutions	-	6,728,759
<b>TOTAL</b>	<b>45,330,567</b>	<b>54,661,282</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

	2015 – 2016	2014 – 2015
	Kshs	Kshs
Bursary-Secondary schools	7,270,075	8,402,762
Bursary –Tertiary institutions	11,177,336	9,526,984
Mocks and CATs	-	1,000,000
<b>Water</b>	<b>7,257,028</b>	<b>8,200,000</b>
Agriculture (food security)	7,000,000	-
Security projects	4,900,000	525,000
Roads projects	9,937,145	11,071,397
Sports	2,000,000	1,349,773
Environment	-	1,200,000
Emergency projects	4,589,460	6,179,586
<b>Total</b>	<b>54,131,044</b>	<b>47,455,502</b>

**6. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2015 – 2016	2014 – 2015
	Kshs.	Kshs
Construction of Buildings	12,191,872	-
Purchase of Office Furniture and General Equipment	-	695,000
<b>Total</b>	<b>12,191,872</b>	<b>695,000</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs)**

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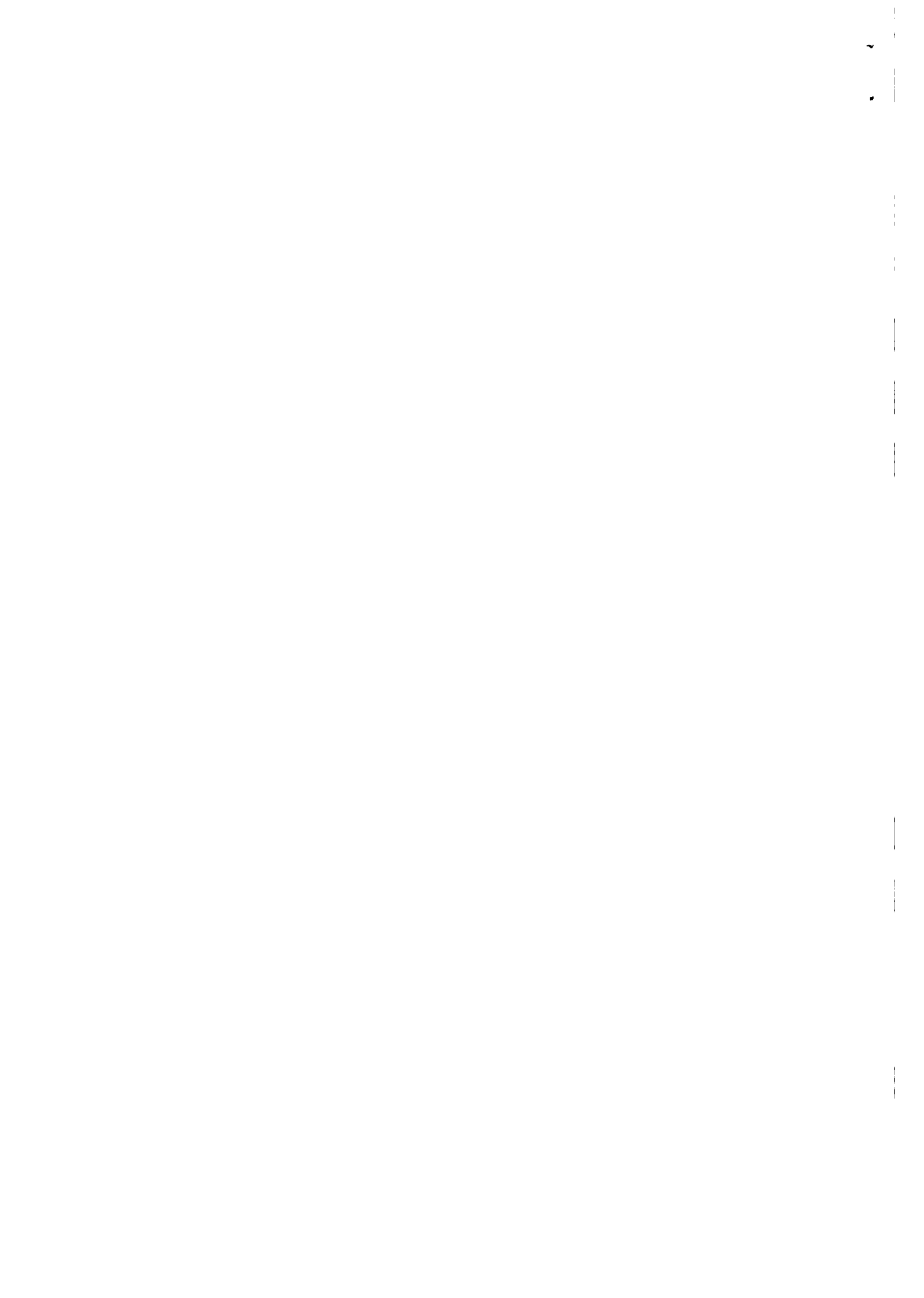
*NOTES TO THE FINANCIAL STATEMENTS...CONTED*

**7. BALANCES BROUGHT FORWARD AT THE BEGINING OF THE FINANCIAL YEAR**

	<b>2015 – 2016</b>	<b>2014 – 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	13,913,939	(6,778,136)
<b>Total</b>	<b>13,913,939</b>	<b>(4,949,136)</b>

**8. BANK BALANCES (CASH BOOK BANK BALANCE)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2015 – 2016</b>	<b>2014 – 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Cooperative Bank, Malaba Branch A/c no. 01141519587800</i>	36,565,985	13,913,939
<b>Total</b>	<b>36,565,985</b>	<b>13,913,939</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

**9.0 PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS**

Reference No. on the external audit report	Issue/ Observations from Auditor	Management Comment	Focal point to resolve the issue ( Name and designation)	Status: Resolved/ Not Resolved)	Timeframe: ( Put a date when you expect the issue to be resolved)
1.0	Accuracy, completeness presentation, of the financial statements	The financial statement was amended whereby the items were segregated appropriately.	Fund account manager	Resolved	April 2016
2.0	Acquisition of Assets	The mentioned vehicle was not handed over to the committee by the former member of Parliament who is the current governor of Busia county neither was it included in the asset register that was availed during the handover.	NG-CDF Board.	Not Resolved	N/A
3.0	Stalled Projects	Funds have been allocated to complete the projects	NG-CDFC	Resolved	March 2017
4.0	Budget control and Performance	The AIE for some of these funds was received towards the end of the financial while some were still held by the board as at 30 <sup>th</sup> June 2015, therefore it was not possible to implement the projects immediately	NG-CDF Board	Not Resolved	N/A
5.0	Projects implementation status	All projects have been completed except for those projects which have been fully devolved	NG-CDFC	Resolved	March 2017





Reports and Financial Statements

For the year ended June 30, 2016 (Kshs)

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015-16	Historical Cost (Kshs) 2014-15
Land		
Buildings and structures	12,191,872	-
Office equipment, furniture and fittings	695,000	695,000
<b>Total</b>	<b>12,886,872</b>	<b>695,000</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

<b>TRIAL BALANCE AS AT 30TH JUNE 2016</b>			
	DR	CR	
<b>Cash and Cash equivalents</b>			
<b>Bank Balances</b>	36,565,985		
<b>Payments</b>			
Compensation of Employees	1,388,990		
Use of goods and services	6,121,352		
Transfers to Other Government Units	45,330,567		
Other grants and transfers	54,131,044		
Acquisition of Assets	12,191,872		
<b>Receipts</b>			
Transfers from the Board		141,815,871	
<b>Fund Balance b/f</b>		13,913,939	
<b>TOTAL</b>	<b>155,729,810</b>	<b>155,729,810</b>	