

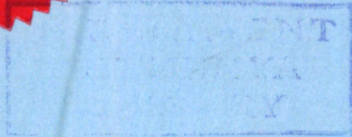
REPUBLIC OF KENYA



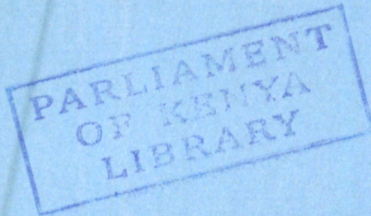
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OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
TURKANA CENTRAL CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**



31

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

30 SEP 2016

RECEIVED



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
TURKANA CENTRAL CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

The TURKANA CENTRAL Constituency's day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	EkenoR.Ngulenya
3.	Accountant	Patrick Njeru
4.		

(d) Fiduciary Oversight Arrangements

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

(e) TURKANA CENTRAL NGCDF Headquarters

NGCDF Office Building.
P.O Bo 512-30500
LODWAR

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- TURKANA
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

(f) TURKANA CENTRALNGCDF Contacts

Telephone: (254) 0728482257/0729991578

E-mail: turkanacentral@NGCDF.go.ke

Website: www.turkanacentral.go.ke

(g) TURKANA CENTRALNGCDF Bankers

1. Kenya Commercial Bank
P.O Box 512-30500
LODWAR

(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

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

The NGNGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of TURKANA CENTRAL.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NGNGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.


Sign.....
CHAIRMAN NGCDFC

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

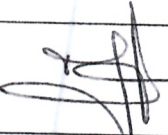
The Accounting Officer in charge of the TURKANA CENTRALNGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This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

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


The Accounting Officer in charge of the TURKANA CENTRALNGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NGCDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on _____ 2016.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TURKANA CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Turkana Central Constituency set out on pages 5 to 32 which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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 report in compliance with Article 229 (7) 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 misstatements.

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 control relevant to the entity's 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

Report of the Auditor-General on National Government Constituencies Development Fund –Turkana Central Constituency for the year ended 30 June 2016

entity'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 statement.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Rounding off figures

Notes to the financial statement indicate that the figures were presented in thousands ("000) which differs from what is reflected in the financial statements.

1.2 Wrong Financial Year

Notes to the financial statements header indicate that the financial statements are for the year ended 30 June 2014 instead of "for the year ended 30 June 2016".

1.3 Lack of Page Numbers

The financial statement do not have sequentially numbered pages.

Consequently, the financial statements were not in line with International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB).

2.0 Trial Balance

The management of Constituency Development Fund -Turkana Central did not avail a trial balance for audit verification. Under the circumstances, it was not possible to confirm the accuracy, validity and completeness of the figures in the financial statements submitted for the year ended 30 June 2016.

3.0 Unsupported Balances

3.1 Amounts not supported with Payment Vouchers

The statement of receipts and payments reflects various balances which were at variance with figures in the payment vouchers provided in support of the expenditure items as detailed below.

Item	Financial Statement Figures Kshs	Total Payment Voucher Figures Kshs	Variance Kshs
Compensation of Employees	3,808,595	2,757,116	1,051,479

Other Grants and Transfers			
Sports	5,234,600	5,140,000	94,600
Transfer to Other Government Units			
Transfer to Primary School	38,995,210	42,464,049	(3,468,839)
Transfer to Secondary Schools	8,889,766	8,899,766	(10,000)
Other Payments	8,190,000	8,199,000	(9,000)
Utilities, supplies and services	1,920,000	444,067	1,475,933
Communication, supplies and services	565,422	-	565,422
Training expenses	3,690,160	1,470,800	2,219,360
Total	71,293,753	69,374,798	1,918,955

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June 2016 could not be confirmed.

3.2 Amounts at Variance with Supporting Schedules

The statement of receipts and payments also reflects various balances which are at variance with supporting schedules provided as summarized below.

Item	Amount as per The Financial Statement (Kshs)	Amount as per the Supporting Schedule (Kshs)	Variance (Kshs)
Use of Goods and Services			
Utilities, supplies and services	1,920,000	1,971,067	(51,067)
Communication, supplies and services	565,422	567,000	(1,578)
Training expenses	3,690,160	3,890,160	(200,000)
Transfer to other Government Units			
Transfer to Secondary Schools	8,889,766	8,899,766	(10,000)
Other Payments	8,190,000	8,199,000	(9,000)
Other Grants and Transfers			
Bursary- Secondary Schools	17,466,000	7,294,000	10,172,000
Bursary-Tertiary Institutions	4,465,000	9,892,000	(5,427,000)
Total	45,186,348	40,712,993	4,493,355

Consequently, the accuracy and completeness of the financial statement figures for the year ended 30 June 2016 could not be confirmed.

3.3 Summary Statement of Appropriation

The budget utilisation difference figures reflected in the summary statement of appropriation differs with the computed figures as detailed below:

Expense	Budget utilisation difference Kshs	Computed budget utilisation difference Kshs	Variance Kshs
Compensation of employees	(5,807,191)	(18,111)	(5,789,080)
Other grants and transfers	42,415,024	(2,433,043)	44,848,067

Under the circumstances, the accuracy and completeness of the summary statement of appropriation for the year ended 30 June 2016 could not be confirmed.

4.0 Other Grants and Transfers

4.1 Unsupported Expenditure on Emergency Projects

Included in other grants and transfers figure of Kshs.39,054,100 for the year ended 30 June 2016 reflected in the statement of receipts and payments under note 7 to the financial statements is emergency projects expenditure of Kshs.9,172,500 out of which a sum of Kshs.4,420,000 was spent on purchases of relief items including foodstuffs, blankets and Kshs.350,000 on construction of a toilet in Natiir dispensary. However, the payments vouchers were not supported by relevant documents such as tender documents or quotations, tender opening, evaluation and award committee minutes, completion certificate for toilet, inspection and acceptance committee report and distribution list. It was therefore, not possible to confirm how the suppliers were identified and whether the food items were actually received in the right quantity and quality and the beneficiaries of these purchases.

Consequently, the propriety of the amount of Kshs.4,770,000 spent on the purchase of relief items and construction of toilet could not be confirmed.

4.2 Irregular Expenditure on Consultancy Services on Bursary

Included also in other grants and transfers figure of Kshs.39,054,100 is bursary to secondary schools expenditure of Kshs.17,466,000 out of which Kshs.2,000,000 was paid to a construction company vide cheque no 2546 dated 29 February 2016 for undertaking consultancy services on bursary survey at a contract price of Kshs.2,000,000 for which there was no budget provision. Further, it was not clear why the consultant was engaged for the consultancy service despite the CDF Act being very clear on the procedures of identification of beneficiaries and allocation of bursaries to needy children. Consequently, the propriety of the amount of Kshs.2,000,000 spent on undertaking consultancy services on bursary survey for the year ended 30 June 2016 could not be confirmed.

5.0 Other Payments

5.1 Irregular Award of Contract for Construction of Social Halls

The statement of receipts and payments for the year ended 30 June 2016 reflects other payments amount of Kshs.8,190,000 out of which an amount of Kshs.3,990,000 was spent on the construction of the following two community social halls as detailed below:

Name of Social Hall	Contractor	Amount (Kshs)
Kanamkemer community social hall	Lokone Emporium	1,999,000
Lobereta community social hall.	Magee Construction Company Ltd	2,000,000
Total		3,999,000

However, information available indicated the following anomalies:

- i) The tender opening committee meeting held on 28 September 2015 and 28 May 2016 opened, evaluated and awarded the tenders contrary to Section 78(1) (10) of the Public Procurement and Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes while section 80 (4) of the same Act requires evaluation committee to evaluate and prepare evaluation reports.
- ii) Not all members present signed the minutes prepared as required by Section 78(I) (II) and Section 80 (7) of the Public Procurement and Disposal Act, 2015. In addition, notification of award, letter of acceptance and contract agreement for Lobereta community social hall were not availed for audit verification.
- iii) The bills of quantities, bank statements, and Project Management Committee reports on the two projects were also not availed for audit verification.

Project verification carried out in April 2017 revealed that Kanamkemer community social hall project was incomplete and the contractor was not on site. Further, the land on which the project was constructed had not been surveyed as required by the CDF Board circular reference VOL.I/108 and no ownership documents such as title deed was availed for audit verification.

Consequently, the propriety of the amount of Kshs.3,999,000 spent on the construction of social halls for the year ended 30 June 2016 could not be confirmed.

6.0 Transfer to Other Government Entities

6.1 Transfers to Secondary Schools-Irregular Procurement of Civil Works

Included in transfer to other government entities balance of Kshs.49,084,976 in the statement of receipts and payments and as disclosed under note 6 to the financial statement is transfers to secondary schools balance of Kshs.8,889,766 out of which an amount of Kshs.7,099,766 was transferred to three secondary schools for the construction of class rooms, laboratory, pit latrine and dormitory as detailed below :

Name	Activity	Contractor	Amount (Kshs)
Loturerei secondary school	Construction of a classroom dormitory and four (4) pit latrine.	Turkana hardware and Construction Ltd	1,900,000

Turkana Talent High School	Construction of two (2) Classrooms, Dormitory and 4 Pit Latrine.	CINOC Construction Co Ltd	4,199,766
P.A.G Lodwar Secondary	Construction of one laboratory	PMC	1,000,000
Total			7,099,766

However, information available indicated the following anomalies:

6.1.1 Construction of a Classroom, Dormitory and Four (4) Pit Latrine at Loturerei Secondary School

- i) Records availed for audit verification indicate that the opening tender committee opened, evaluated and awarded the tender contrary to Section 78(1) (10) of Public Procurement and Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes while Section 80(4) of the same Act requires evaluation committee to evaluate and prepare evaluation report.
- ii) Not all members present signed the minutes prepared as required in Section 78(11) (b) and Section 80 (7) of the Public Procurement and Disposal Act, 2015.
- iii) The bills of quantities and project management committee reports were also not availed for audit verification.

Project verification on 22 April, 2017 revealed that there was no land title deed or ownership documents on the land in which the school was constructed. Land surveying had not been done before the commencement of the construction as required by the CDF Board Circular Reference VOL.I/108. Further, the land where the school was constructed was not fenced to show boundaries and prevent possible encroachment. Consequently, the propriety of expenditure of Kshs.1,900,000 could not be confirmed for the year ended 30 June 2016.

6.1.2 Construction of Two (2) Classrooms, Dormitory and Four (4) Pit Latrines at Turkana Talent High School

- i) Available information revealed that the opening committee opened, evaluated and awarded the tenders contrary to Section 78 (I) (10) of Public Procurement and Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes while section 80 (4) of the same Act requires evaluation committee to evaluate and prepare evaluation reports.
- ii) Not all members present signed the minutes prepared as required by Section 78(I) (II) and Section 80 (7) of the Public Procurement and Disposal Act, 2015.
- iii) In addition, the letter of notification to the winning tenderer was dated 19 May 2016 and the contract agreement between the school Project Management Committee (PMC) and the contractor was signed on 19 May 2016 before fourteen days had

elapsed contrary to section 135 (3) of Public Procurement and Assets Disposal Act 2015 which requires that written contract shall not be entered into until at least fourteen days have elapsed after notification.

Consequently, the propriety of expenditure of Kshs.4,199,766 could not be confirmed.

6.1.3 Construction of One Laboratory at P.A.G Lodwar Secondary School

Records availed indicated that an amount of Kshs.1,000,000 was transferred to PAG Lodwar Secondary School Project management committee for the construction of one laboratory vide payment voucher number 3196 dated 31 July 2015. However, tender documents such as tender advertisement, bills of quantities, tender opening, evaluation and award committee minutes, contract agreement, bank statements, and PMC progress reports were not availed for audit verification.

Consequently, the propriety and validity of the amount of Kshs.1,000,000 on the construction of one dormitory could not be confirmed.

6.2 Unsupported Expenditure

Included in transfer to other government entities balance of Kshs.49,084,976 in the statement of receipts and payments and as disclosed under note 6 of the financial statement for the year ended 30 June 2016 is transfers to primary schools balance of Kshs.38,995,210 out of which the management disbursed Kshs.37,538,578 to various primary schools to undertake projects in the constituency. Although the management has indicated that the projects were completed and the contractors fully paid, completion certificates from the Ministry of Public Works to confirm that the projects were done as per the specifications and handing over reports were not availed for audit verification. Consequently, the propriety of the amount of Kshs.37,538,578 spent on the construction of primary schools could not be confirmed.

6.3 Unsupported Prime and Provisional Costs

Included in transfer to primary schools figure totalling Kshs.38,995,210 as disclosed under note 6 to the financial statements is an amount of Kshs.7,205,000 relating to provisional and prime cost for projects which were undertaken during the year under review. However, no documentary evidence was availed for audit review in support of this expenditure to indicate how the provisional and prime costs were utilized. Consequently, the propriety of prime and provisional cost figure of Kshs.7,205,000 could not be confirmed.

7.0 Bank Balance

The statement of financial assets as at 30 June 2016 reflects bank balances of Kshs.69,460,070. The bank reconciliation statement for the month of June 2016 reflected payments in the cash book not yet recorded in bank statement in respect of unrepresented cheques amounting to Kshs.4,728,785 out of which three cheques totalling to Kshs.37,869 were stale and no reason or explanation was provided for not reversing the stale cheques in the cash book as required by Government Financial Regulations and Procedures. In addition, no information was availed for audit review showing the dates when the unrepresented cheques totalling Kshs.4,690,916 were subsequently cleared in the bank. The

bank reconciliation statement also reflects payments in bank statement not yet recorded in cash book figure of Kshs.32,530 whose analysis was not provided for audit review.

Consequently, the accuracy and completeness of bank balance of Kshs.69,460,070 .

8.0 Use of Goods and Services

8.1 Fuel, Oil and Lubricants

Included in the use of goods and services figure of Kshs.12,242,568 is an amount of Kshs.765,000 expenditure on fuel, oil and lubricants. However, supporting documents such as fuel register, detailed orders and motor vehicle work tickets were not availed for audit review. Consequently, the propriety and validity of fuel, oil and lubricants expenditure of Kshs.765,000 could not be confirmed.

8.2 Payments Charged to the Wrong Votes/Expenditure Heads

The statement of receipts and payments for the year ended 30 June 2016 reflects use of goods and services figure of Kshs.12,242,568. However, examination of payment vouchers, cash book and supporting schedules relating to use of goods and services revealed that expenditure totalling Kshs.4,633,360 was incurred and charged to the wrong votes as detailed below:

Date	PV No.	Payee	Details	Amount	Details
Utilities, supplies and services					
8-June-2016	3760	Richard Ekeno	Monitoring & evaluation allowance	220,000	Charged to utilities, supplies and services instead of committee allowance
14-April-2016	3719	Mathew Alany	Monitoring & evaluation allowance	199,000	Charged to utilities, supplies and services instead of committee allowance
30-June-2016	358	Mathew Alany	Monitoring & evaluation allowance	153,000	Charged to utilities, supplies and services instead of committee allowance
30-June-2016	352	Mathew Alany	Monitoring & evaluation allowance	108,000	Charged to utilities, supplies and services instead of committee allowance
30-June-2016	372	Richard Ekeno	Payment of CDFC allowance	158,000	Charged to utilities, supplies and services instead of committee allowance
15-April-2016	3723	Mathew Alany	Monitoring & evaluation allowance	285,000	Charged to utilities, supplies and services instead of committee allowance
5-April-2016	3707	Richard Ekeno	PMC capacity building	135,000	Charged to utilities, supplies & services instead of training expenses
5-April-2016	3709	Richard Ekeno	PMC capacity building	269,000	Charged to utilities, supplies & services instead of training expenses
Sub-total				1,527,000	
Training expenses					
10-Feb-2016	3648	Richard Ekeno	Monitoring & evaluation allowance	90,000	Charged to training expenses instead of committee allowance

10-Feb-2016	3647	Richard Ekeno	Monitoring & evaluation allowance	450,000	Charged to training expenses instead of committee allowance
10-Feb-2016	3645	Richard Ekeno	Travelling & substances	79,000	Charged to training expenses instead of committee allowance
17-Feb-2016	3659	Richard Ekeno	Monitoring & evaluation allowance	142,200	Charged to training expenses instead of committee allowance
26-Feb-2016	3681	Richard Ekeno	Monitoring & evaluation allowance	130,000	Charged to training expenses instead of committee allowance
26-Feb-2016	3682	Richard Ekeno	Monitoring & evaluation allowance	560,000	Charged to training expenses instead of committee allowance
1-March-2016	3683	Richard Ekeno	Monitoring & evaluation allowance	85,000	Charged to training expenses instead of committee allowance
9-March-2016	3701	Richard Ekeno	Monitoring & evaluation allowance	476,000	Charged to training expenses instead of committee allowance
13-May-2016	3729	Richard Ekeno	Per diem to process the appointment of new CDF board	99,160	Charged to training expenses instead of committee allowance
30-June-2016	3799	Mathew Alany	Monitoring & evaluation allowance	90,000	Charged to training expenses instead of committee allowance
16-Nov-2015	3442	Richard Ekeno	Monitoring & evaluation allowance	159,000	Charged to training expenses instead of committee allowance
14-April-2016	3717	Richard Ekeno	Monitoring & evaluation allowance	299,000	Charged to training expenses instead of committee allowance
14-April-2016	3714	Richard Ekeno	Monitoring & evaluation allowance	197,000	Charged to training expenses instead of committee allowance
			Sub-total	2,856,360	
Communication ,supplies & services					
14-April-2016	3721	Richard Ekeno	Monitoring & evaluation allowance	250,000	Charged to communication, supplies & services instead of committee allowance
Sub-total				250,000	
Grand-total				4,633,360	

Consequently, the accuracy and completeness of the financial statement figures could not be confirmed.

9.0 Other Grants and Transfers

9.1 Water Projects - Nakwamekwi Water Project

Included in other grants and transfer figure of Kshs.39,054,100 is an amount of Kshs.2,000,000 expenditure on water projects. Constituency Development Fund – Turkana Central contracted a contractor through Nakwamekwi project management committee to construct a water tank at contract price of Kshs.2,000,000. Available information revealed that the first payment of Kshs.1,200,000 or 60% was made before the work started. It was

further observed that payments were effected without engineer's certificate of completion but instead were based on the deliberations of the Project Management Committee as confirmed in the minutes dated 23 July 2017. In addition, the payment vouchers in respect of this project were not availed for audit verification. Audit inspection of the project on 24 April 2017 revealed that part of the water tank roof top had warped inside and the tank had collapsed.

In view of the foregoing, the propriety of expenditure of Kshs.2,000,000 spent on Nakwamekwi Water Project could not be confirmed.

10.0 Unapproved Over expenditure

A summary statement of appropriation for the year ended 30 June 2016 reflects total expenditure of Kshs.51,296,668 against a budget of Kshs.43,056,434 resulting in over expenditure of Kshs.8,240,234 as detailed below.

Expense Item	Approved budget for 2015/2016 (Kshs)	Actual Expenditure for 2015/2016 (Kshs)	Excess Expenditure (Kshs)
Use of goods and services	6,435,377	12,242,568	5,807,191
Other grants and transfer	36,621,057	39,054,100	2,433,043
Total	43,056,434	51,296,668	8,240,234

However documentary evidence of CDF Board approval of excess expenditure of Kshs.8,240,234 was not provided for audit review.

Consequently, the propriety of over expenditure of Kshs.8,240,234 could not be confirmed.

11.0 Budgetary Control and Performance

11.1 Budget Performance

During the year 2015/2016, Turkana Central Constituency Development Fund had an approved budget of Kshs.164,440,309 out of which only Kshs.120,180,239 or 73.08% was spent on various expenditure items. The budget reflected overall under expenditure of Kshs.44,260,070 or 26.92% as summarized below:

Item	Approved budget for 2015/2016 (Kshs)	Actual Expenditure for 2015/2016 (Kshs)	Under Expenditure (Kshs)	Over Expenditure (Kshs)	Under/ (over) Absorption (%)
Compensation of employees	3,826,706	3,808,595	18,111		0.47
Use of goods and services	6,435,377	12,242,568		5,807,191	(90.24)
Committee expenses					
Transfer from other government units	91,500,000	49,084,976	42,415,024		46.36

Other grants and transfer	36,621,057	39,054,100		2,433,043	(6.64)
Social security					
Acquisition of assets	8,500,000	7,800,000	700,000		8.24
Other payments	17,557,169	8,190,000	9,367,169		53.35
Total	164,440,309	120,180,239	52,500,304	8,240,234	

Failure to utilize all the funds as budgeted is an indication that programs or activities are not being implemented as planned thus not achieving the intended objective of improving delivery of goods and services to the people of Turkana Central Constituency. It may also be an indication that the budgetary process was not properly estimated and thus there may be need for the management to relook at the budgeting process to ensure that only priority areas are allocated funds.

12.0 Project Implementation Status

During the financial year 2015/2016, Turkana Central Constituency Development Fund had an approved budget of Kshs.164,440,309 to be spent during the year out of which an amount of Kshs.76,832,129 was disbursed to finance fifty one (51) projects which were undertaken and completed during the year and only three (3) projects with a budget of Kshs.12,550,000 were not completed despite the fact that the same had received funding as detailed below:

No	Project Name	Activity	Approved Budget	Disbursements 2015/2016	Amount Paid as at 30.06.2016	Status as At 30.06.2016	Percentage of Completion as at 30.06.2016
1	Turkana Talent high	Construction of Dormitory construction of two classrooms and 50 Desks of kitchen equipment	5,000,000.00	5,000,000.00	5,000,000.00	100%	Complete and in use
2	PAG Sec school	completion of laboratory	1,000,000.00	1,000,000.00	1,000,000.00	100%	Complete and in use
3	Loturerei sec. sch.	1 classrooms (1.1),dorm,4 latrines	3,900,000.00	3,900,000.00	3,900,000.00	100%	Complete and in use
4	Eliye Boys sec	2 classrooms (and 50 desks	2,200,000.00	2,200,000.00	2,200,000.00	100%	Complete and in use
5	Kalokol Chiefs office	Construction of chiefs office and purchase of furniture	1,300,000	1,300,000	1,300,000	100%	Complete and in use
6	Namukuse chiefs office	Construction of chiefs office and	1,300,000	1,300,000	1,300,000	100%	Complete and in use

		purchase of furniture					
7	Ille AP post	3 officers' quarters and 2 latrines-	2,500,000	2,500,000	2,500,000	100%	Complete and in use
8	Lorengelup Chiefs office	Construction of chiefs office and purchase of furniture	1,300,000	1,300,000	1,300,000	100%	Complete and in use
9	Lodwar Township Chiefs office & Nyumba Kumi	Construction of chiefs office	1,100,000	1,100,000	1,100,000	100%	Complete and in use
10	Eliye community saleyard	Completion of saleyard and purchase of furniture	353,000.00	353,000.00	353,000.00	100%	Complete and in use
11	Nakwamek wi women market	Completion of women market	500,000.00	500,000.00	500,000.00	100%	Complete and in use
12	Chok-chok pry school	2 classrooms & desks	2,200,000.00	2,200,000.00	2,200,000.00	100%	Complete and in use
13	Nakoriongo rapry school	2 classrooms & desks	2,200,000.00	2,200,000.00	2,200,000.00	100%	Complete and in use
14	St. Mary pry school	Dormitory with beds	2,000,000.00	2,000,000.00	2,000,000.00	100%	Complete and in use
15	Kawalasepr y school	Purchase of beds and mattress	500,000.00	500,000.00	500,000.00	100%	Complete and in use
16	Natootpry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
17	Lolupepry school	Dormitory and 25 double decker beds	2,000,000.00	2,000,000.00	2,000,000.00	100%	Complete and in use
18	Kakemerapry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
19	Napuu pry school	Fencing	1,500,000.00	1,500,000.00	1,500,000.00	100%	Complete and in use
20	Lokadwarapry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
21	Nadipoepry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
22	Lochor-Esekonpry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
23	Katamatpry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
24	Nakepokan pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
25	Nakingolpry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
26	Lokalaliopr	1 classroom	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete

	y school	and 25 desks					and in use
27	Lokatikon pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
28	Kapua pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
29	Kalotum pry school	2 classrooms & 50 desks	2,200,000.00	2,200,000.00	2,200,000.00	100%	Complete and in use
30	Lochuga pry school	1 classroom & 4 Latrines	1,800,000.00	1,800,000.00	1,800,000.00	100%	Complete and in use
31	Naipa pry school	completion of dormitory	1,000,000.00	1,000,000.00	1,000,000.00	100%	Complete and in use
32	Namukuse pry school	1 dormitory and 25 double decker beds	2,000,000.00	2,000,000.00	2,000,000.00	100%	Complete and in use
33	Loyoro pry school	1 dormitory and 25 double decker beds	2,000,000.00	2,000,000.00	2,000,000.00	100%	complete and in use
34	Eliye pry school	Fencing	2,000,000.00	2,000,000.00	2,000,000.00	100%	Complete and in use
35	Katula pry school	1 classrooms and 50 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
36	Akatuman pry school	1 classrooms and 25 desks and completion of 1 classrooms	1,300,000.00	1,300,000.00	1,300,000.00	100%	Complete and in use
37	Narengo pry school	1 classrooms and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
38	Kaikol pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
39	Nanyangaki pi pry school	2 classrooms and 50 desks	2,200,000.00	2,200,000.00	2,200,000.00	100%	Complete and in use
40	Lotukumo pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
41	LochorAkw aan pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
42	Nakoret pry school	1 dormitory and 25 double decker beds	2,000,000.00	2,000,000.00	2,000,000.00	100%	Complete and in use
43	Kangirisae pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
44	Nangolekur uk pry school	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
45	Nakwamek wi Pry	Purchase of bed-25 double decker's and mattress	1,000,000.00	1,000,000.00	1,000,000.00	100%	Complete and in use
46	Loporio Pry	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use

47	St.Lukes Sch for the deaf	1 classroom and 25 desks	1,100,000.00	1,100,000.00	1,100,000.00	100%	Complete and in use
48	CDF Office	Purchase of furniture at deputy county commissioners office	500,000.00	500,000.00	500,000.00	100%	Complete and in use
49	CDF Office	Renovation of CDF office(repair of the floor and walls)	500,000.00	500,000.00	500,000.00	100%	Complete and in use
50	Turkana Central Environmental PMCs	Allocation to support Environmental activities(indigenous tree planting) in Turkana Central	2,739,564.52	2,739,564.52	2,739,564.52	100%	complete and in use
51	Turkana Central Sports PMCs	Community/divisional, cross border/sports for peace and school sports competitions	2,739,564.52	2,739,564.52	2,739,564.52	100%	complete and in use
Sub-total					76,832,129.04		
52	Bp.Mahon pry school	Fencing	1,500,000.00	1,500,000.00	1,500,000.00	80%	Ongoing
53	Nakurio Girls sec sch	Construction of 2 classrooms two dormitories. kitchen/ dining Hall and 2 pit latrines	10,000,000.00	10,000,000.00	10,000,000.00	90%	Ongoing
54	Lomanima nia pry school	1 classroom and 25 desks	1,050,000.00	1,050,000.00	1,050,000.00	80%	Ongoing
Sub-total					12,550,000.00		
GRAND TOTAL					89,382,129.04		

13.0 Project Verification

During the year under review, nineteen (19) projects costing Kshs.27,744,289 were verified during the month of April 2017, sixteen (16) were found to be complete and in use and three (3) projects were incomplete as detailed below.

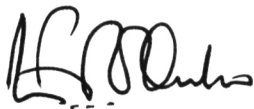
No	Project Name	Beneficiary Payee	Name of Contractors	Contract Sum Kshs	Method of Procurement	Project Status	Comment
1	Construction of 1 classroom & 4 pit latrine	Loturerei Secondary School	Turkana hardware & construction	1,900,000	Quotation	100	Completed but not in use
2	Construction of social hall at kanamkemer	Kanamkemer community social hall	Lokone Emporium	1,999,000	Quotation	80	On-going-Painting not done, floor not done
3	Akitare Ekai Akiyar	Akitare Ekai Akiyar	Laika Constuction Company	1,418,800	Open Tender	100%	Completed but not in use, Gate vandalised, fence collapsing
4	Construction of dormitory	St mary's primary school	PMC	1,997,860	Quotation	100%	Project had been completed and in use
5	Purchase of double metal beds	Kawalase primary school	PMC	500,000	Quotation	100%	Project had been completed and in use
6	Purchase of bed and mattress	Nakwamekwi primary school	PMC	999,500	Quotation	100%	Project had been completed and in use
7	Completion of laboratory	PAG secondary school	PMC	1,000,000.00	Quotation	100%	Complete and in use
8	2 Classrooms & desks	Nakoriogorap ry school	PMC	2,200,000.00	Quotation	100%	Complete and in use
9	Dormitory with beds	St.Marypry school	PMC	2,000,000.00	Quotation	100%	Complete and in use
10	Purchase of beds and mattress	Kawalasepry school	PMC	500,000.00	Quotation	100%	Complete and in use
11	1 classroom and 25 desks	Natootpry school	PMC	1,100,000.00	Quotation	100%	Complete and in use
12	Dormitory and 25 double decker beds	Lolupepry school	PMC	2,000,000.00	Quotation	100%	Complete and in use
13	1 classroom and 25 desks	Kakemerapry school	PMC	1,100,000.00	Quotation	100%	Complete and in use
14	Purchase of furniture at deputy county commissioners office	CDF OFFICE	PMC	500,000.00	Quotation	100%	Complete and in use
15	Renovation of CDF office (repair of the floor and walls)	CDF OFFICE	PMC	500,000.00	Quotation	100%	Complete and in use

16	Allocation to support Environmental activities(indigenous tree planting) in Turkana Central	Turkana Central Environmental PMCs	PMC	2,739,564.52	Quotation	100%	Complete and in use
17	Community/divisional, cross border/sports for peace and school sports competition	Turkana Central Sports PMCs	PMC	2,739,564.52	Quotation	100%	Complete and in use
18	Fencing	Bp. Mahon pry school	PMC	1,500,000.00	Quotation	80%	Ongoing
19	1 classroom and 25 desks	Lomanimania pry school	PMC	1,050,000.00	Quotation	80%	Ongoing
Total				27,744,289			

The residents of Turkana Central Constituency may not have got value for money from the three (3) partially completed projects costing Kshs.2,550,000.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

Nairobi

9 October 2017

TURKANA CENTRAL CONSTITUENCY DEVELOPMENT FUND- TURKANA
CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

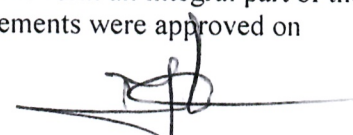
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	161,678,226	157,872,944.10
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		161,678,226	157,872,944
PAYMENTS			
Compensation of employees	4	3,808,595	2,458,999.00
Use of goods and services	5	12,242,568	13,105,909.04
Transfers to Other Government Units	6	49,084,976	65,958,019.00
Other grants and transfers	7	39,054,100	37,390,853.00
Acquisition of Assets	8	7,800,000	-
Other Payments	9	8,190,000	9,100,000.00
TOTAL PAYMENTS		120,180,239	128,013,780
SURPLUS/DEFICIT		41,497,987	29,859,164

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TURKANA CENTRALNGCDF financial statements were approved on _____ 2015 and signed by:



Chairman - NGCDFC



Fund Account Manager

CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

V. STATEMENT OF ASSETS

II. STATEMENT OF FINANCIAL ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	69,460,070	27,023,744
Cash Balances (cash at hand)	10B		-
Outstanding Imprests	11	-	-
			938,340
TOTAL FINANCIAL ASSETS		69,460,070	27,962,084
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	27,962,083	-
Surplus/Deficit for the year		41,497,987	29,859,164
Prior year adjustments	14	-	-
NET LIABILITIES		69,460,070	29,859,164

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TURKANA CENTRALNGCDF financial statements were approved on _____ 2016 and signed by:

NTA

Chairman - NGCDFC

[Signature]

Fund Account Manager

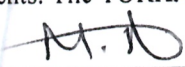
6

CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

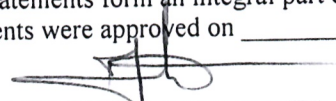
VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	161,678,226	157,872,944
Other Receipts	3	-	-
		161,678,226	157,872,944
Payments for operating expenses			
Compensation of Employees	4	3,808,595	2,458,999
Use of goods and services	5	12,242,568	13,105,909
Transfers to Other Government Units	6	49,084,976	65,958,019
Other grants and transfers	7	39,054,100	37,390,853
Other Payments	9	8,190,000	9,100,000
		112,380,239	128,013,780
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		49,297,987	29,859,164
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(7,800,000)	-
Net cash flows from Investing Activities		(7,800,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		41,497,987	29,859,164
Cash and cash equivalent at BEGINNING of the year	13	27,962,083	
Cash and cash equivalent at END of the year		69,460,070	29,859,164

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TURKANA CENTRALNGCDF financial statements were approved on _____ 2016 and signed by:



Chairman NGCDFC



Fund Account Manager

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	136,478,226.00	27,962,083	164,440,309	189,640,309	(25,200,000)	115.3%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	136,478,226	27,962,083	164,440,309	189,640,309	(25,200,000)	115.3%
PAYMENTS						
Compensation of Employees	3,600,000	226,706	3,826,706	3,808,595	(5,807,191)	99.5%
Use of goods and services	5,200,000.00	1,235,377	6,435,377	12,242,568	(5,807,191)	190.2%
Transfers to Other Government Units	73,500,000	18,000,000	91,500,000	49,084,976	42,415,024	53.6%
Other grants and transfers	36,621,057		36,621,057	39,054,100	42,415,024	106.6%
Acquisition of Assets		8,500,000	8,500,000	7,800,000	700,000	91.8%
Other Payments	17,557,169		17,557,169	8,190,000	9,367,169	46.6%
TOTAL	136,478,226	27,962,083	164,440,309	120,180,239	83,282,835	73.1%

Reports and Financial Statements
For the year ended June 30, 2016 (Kshs'000)

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

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

The TURKANA CENTRALNGCDF financial statements were approved on _____ 2016 and signed by:



Chairman NGCDF



Fund Account Manager

Reports and Financial Statements

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

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VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2015 - 2016	2014 -2015
		Kshs	Kshs
Normal Allocation	A820852	18,000,000.00	64,545,454.00
	A796385	20,000,000.00	39,845,454.50
	A724033	4,500,000.00	53,482,035.60
	A796251	16,200,000.00	
	A724168	30,000,000.00	
	A825816	68,978,226.00	
	A724186	4,000,000.00	
Conditional grants			-
Receipt from other Constituency			-
TOTAL		161,678,226	157,872,944

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NATIONAL GOVERNMENT ENTITY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

2. PROCEEDS FROM SALE OF ASSETS

	2015 – 2016	2014 – 2015
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

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NATIONAL GOVERNMENT ENTITY
 Reports and Financial Statements
 For the year ended June 30, 2014 (Kshs'000)

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
3510000	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-	
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-	-
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		2015 - 2016	2014 - 2015
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Interest Received		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	Total		-	-

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**Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)**

2110000		4 COMPENSATION OF EMPLOYEES	
Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
2110201	Basic wages of contractual employees	3,273,693	2,380,325.00
2110202	Basic wages of casual labour		20,754.00
Personal allowances paid as part of salary			
2110301	House allowance		
2110314	Transport allowance		
2110320	Leave allowance		
2110326	Other personnel payments		
2120101	Employer contribution to NSSF		
2710120	gratuity	534,903	
	Total	3,808,595	2,401,079
2200000		5 USE OF GOODS AND SERVICES	
Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
2210100	Utilities, supplies and services	1,920,000	24,200.00
2210104	Office rent		
2210200	Communication, supplies and services	565,422	13,840.00
2210300	Domestic travel and subsistence		785,960.00
2210500	Printing, advertising and information supplies & services		500,000.00
2210600	Rentals of produced assets		

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**Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)**

2210700	Training expenses		3,690,160	1,720,707.00
2210800	Hospitality supplies and services			
2210802	Other committee expenses		2,412,986	1,500,000
2210809	Committee allowance		2,889,000	4,618,020
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services			870,020.00
2211200	Fuel ,oil & lubricants		765,000	1,406,936.40
2211300	Other operating expenses			
2220100	Routine maintenance - vehicles and other transport equipment			944,666.00
2220200	Routine maintenance - other assets			721,560.00
	Total		12,242,568	13,105,909
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
2630204	Transfers to primary schools		38,995,210	23,498,019.00
2630205	Transfers to secondary schools			

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Reports and Financial Statements

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

			8,889,766	36,000,000.00
2630206	Transfers to Tertiary institutions			-
2630207	Transfers to Health institutions		1,200,000	6,460,000.00
	TOTAL		49,084,976	65,958,019
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description			
			2015 - 2016	2014 - 2015
			Kshs	Kshs
2640101	Bursary -Secondary		17,466,000	7,197,080.00
2640102	Bursary -Tertiary		4,465,000	17,544,000.00
2640104	Bursary-Special schools			-
2640105	Mocks & CAT		216,000	216,000.00
2640504	water		2,000,000	4,000,000.00
2640505	Agriculture (food security)			
2640506	Electricity projects			
2640507	Security		500,000	400,000.00
2640508	Roads			-
2640509	Sports		5,234,600	250,000.00

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Reports and Financial Statements

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

2640510	Other capital grants and transfer			
2640200	Emergency Projects (specify)		9,172,500	6,490,773.00
	Total			
			39,054,100	36,097,853
3100000	8 ACQUISITION OF ASSETS			
	Non Financial Assets			
			2015 - 2016	2014 - 2015
			Kshs	Kshs
3110102	Purchase of Buildings			
3110202	Construction of Buildings		-	-
3110302	Refurbishment of Buildings			
3110701	Purchase of Vehicles			
3110704	Purchase of Bicycles & Motorcycles		7,800,000	
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			-
			7,800,000	-

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Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

9 Other Payments				
	social halls		3,990,000	-
	Environment		4,200,000	1,293,000.00
	specify		-	-
	TOTAL		8,190,000	1,293,000
	10A: Bank Balances (cash book bank balance)			
	Name of Bank, Account No. & currency		2015 - 2016	2014 - 2015
		Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
	KCB LODWAR	,1107296 684	69,460,070	27,023,744
	Total		69,460,070	27,023,744
	10B: CASH IN HAND)			
			2015 - 2016	2014 - 2015

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

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			Kshs (30/6/2015)	Kshs (30/6/2015)
	Location 1		-	-
	Location 2		-	-
	Location 3		-	-
	Other receipts (specify)		-	-
	Total		69,460,070	-
			[Provide cash count certificates for each]	
	11: OUTSTANDING IMPRESTS			
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
		<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>
				938,340
			-	-
			-	-

Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

			-	-
			-	-
			-	938,340
	12 Retention	PV no		
	Supplier/Contractor		2015 - 2016	2014 - 2015
	13 BALANCES BROUGHT FORWARD			
			2015 - 2016	2014 - 2015
			Kshs	Kshs (1/7/2014)
			(1/7/2015)	
	Bank accounts			
	Cash in hand		27,023,744	
	Imprest			
	Total		938,340	-
			27,962,083	-
		[Provide short appropriate		

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Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

		explanati ons as necessar y]		
	14			
		PRIOR YEAR ADJUST MENTS		
	Bank accounts		2015 - 2016	2014 - 2015
	Cash in hand		Kshs	Kshs
	Imprest		-	
			-	
	Total		-	
			-	
	15			

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Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

	OTHER IMPORT ANT DISCLOS URES		
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2015 - 2016	2014 - 2015
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	-
		-	-
15.2: PENDING STAFF PAYABLES (See Annex 2)			
		Kshs	Kshs
Senior management		-	-
Middle management		-	-
Unionisable employees		-	-
Others (specify)		-	-
		-	-

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Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

	15.3: OTHER PENDING PAYABLES			
	(See Annex 3)			
			Kshs	Kshs
	Amounts due to other Government entities (see attached list)		-	-
	Amounts due to other grants and other transfers (see attached list)		-	-
	Others (specify)		-	-
			-	-
			-	-

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ANNEX 1 - ANALYSIS OF PENDING
 ACCOUNTS PAYABLE

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
				2,014	
Construction of buildings	a	b	c		
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					

Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

ANNEX 2 - ANALYSIS OF PENDING STAFF
PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Outstanding Balance	Outstanding Balance	Commen
				2,015	2,014	
		a	b	d=a-c		
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						

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Reports and Financial Statements
 For the year ended June 30, 2014 (Kshs'000)

Unionisable Employees					
7.					
8.					
9.					
Sub-Total					
Others (specify)					
10.					
11.					
12.					
Sub-Total					
Grand Total					

ANNEX 3 - ANALYSIS OF OTHER
 PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Outstanding Balance	Outstanding Balance	Comments
				2,015	2,014	
Amounts due to other Government entities		a	b	d=a-c		
1.						

Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

2.						
3.						
Sub-Total						
Amounts due to other grants and other transfers						
4.						
5.						
6.						
Sub-Total						
Others (specify)						
7.						
8.						
9.						
Sub-Total						
Grand Total						

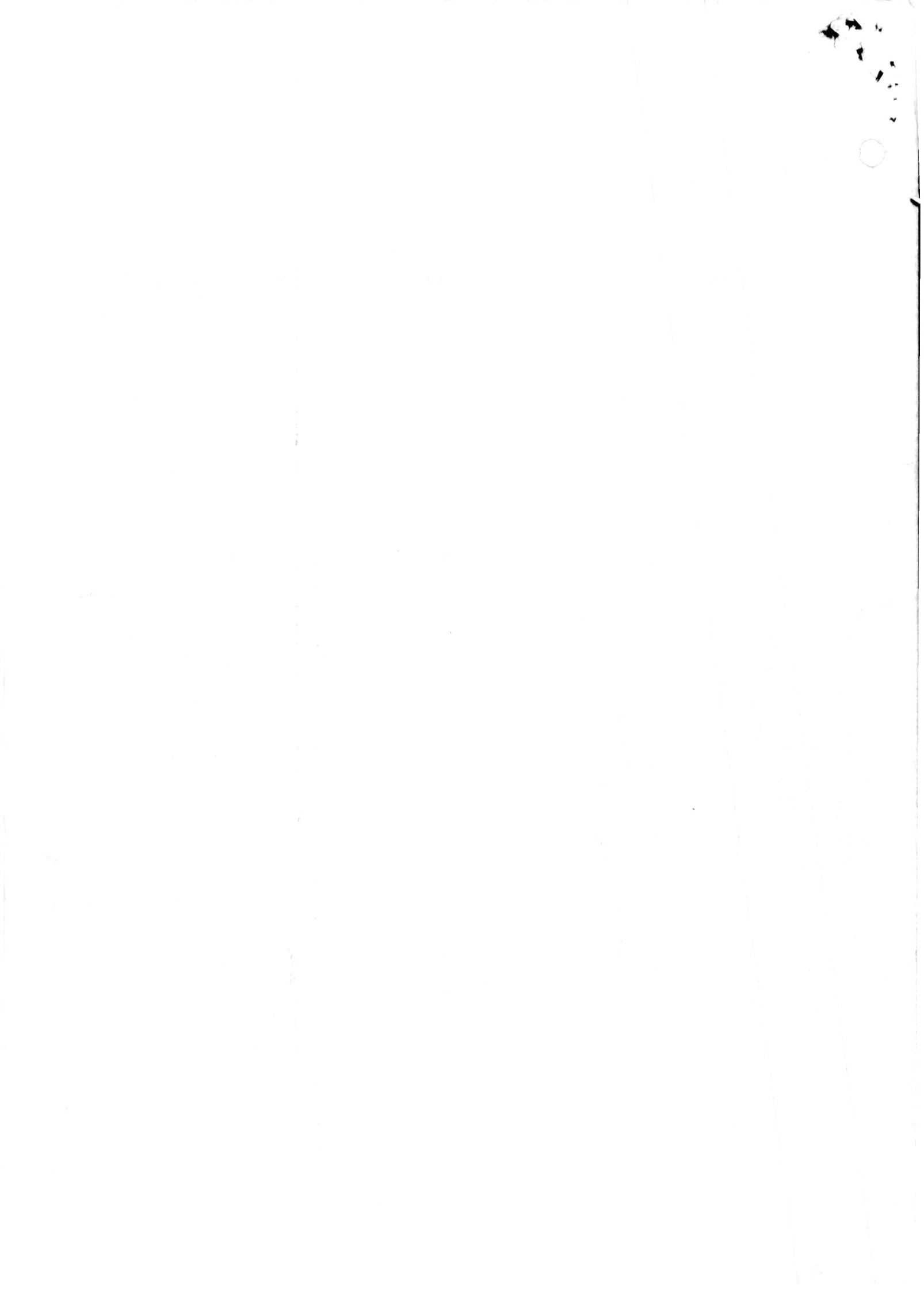
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NAI DVE ME ENT (i ate l ne of th ity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

Asset class	Historical Cost	Historical Cost
	(Kshs) 2015-2016	(Kshs) 2014-2015
Land		
Buildings and structures	12,000,000	12,000,000
Transport equipment	7,800,000	
Office equipment, furniture and fittings	1,000,000	1,000,000
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	20,800,000	13,000,000

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XXXXX - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2016 (Kshs'000)



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KESSES CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND – KESSES**

REPORTS AND FINANCIAL STATEMENTS

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	AIE holder	Joseph K.N.Rotich
3.	District Accountant	Anetyv.wAngote

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall Fiduciary oversight on the activities of Kesses Constituency .The report and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the National Government Constituency Development Fund Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the cabinet secretary and National Assembly Select Committee.

Physical address of the constituency NG-CDF office

Kesses Constituency
P.O. Box 6742-30100
WarengSub-County,HEADQUATERS.
Eldoret

(e) Entity Contacts

Telephone: (254)722864244/0726374389
E-mail: Kesses@cdf.go.ke
Website: www.go.ke

(f) Entity Bankers

Constituency CDF main banker
Cooperative Bank-Eldoret Branch
A/C No.01141443590500
P.o.box 2948
Eldoret

(g) Independent Auditors

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

(h) Principal Legal Adviser

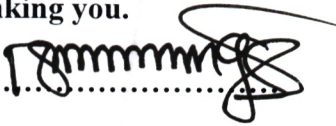
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II.FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND.

On behalf of the National Government Constituency Development Fund-Kesses, I wish to comment of the great role and positive impact that National government constituency development fund has caused in the lives of the constituents. Many projects which include, schools, water, Buses, roads, environment, capacity building, sports activities, and health project has transformed the society. Poverty has been alleviated and more enrolment has been witnessed in school intake and job opportunities have been created. However, challenges have been there, the fund is too little compared to great demand. Bursary allocation need to be increased further. However, National Government, Kesses constituency development fund do appreciate the good work of the general management of NG-CDF.

Thanking you.

Sign.....



CHAIRMAN NG-CDFC.



111. 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 Kesses *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 Kesses *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 Kesses *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 Kesses *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 Kesses *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 Kesses CDF financial statements were approved and signed on _____ 2016

Stephen Kosgey
Chairman –NG.CDFC



Joseph K.N. Rotich
Fund Account Manager

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KESSES CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Kesses Constituency set out on pages 5 to 20, which comprise the statement of financial assets and liabilities as at 30 June 2016, and the statement of receipts and payments and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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(7) 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

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

assessments, the auditor considers internal control relevant to the entity's 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 adverse audit opinion.

Basis for Adverse Opinion

1.0 Statement of Cash Flows

The financial statements availed for audit review do not include the statement of cash flows contrary to International Public Sector Accounting Standards (IPSAS) 2 which requires an entity to present a cash flow statement as an integral part of its financial statements for each period for which the financial statements are prepared. Consequently, the financial statements do not comply with the prescribed reporting format.

2.0 Statement of Financial Assets and Liabilities

The statement of financial assets and liabilities reflects restated prior year cash and cash equivalent balance of Kshs.33,454,187 which is at variance with the previous year certified financial statement balance of Kshs.35,049,945 resulting in unexplained difference of Kshs.1,595,758. Further, the total assets figure of Kshs.33,454,187 is also at variance with net liabilities figure of Kshs.33,489,687 resulting in a variance of Kshs.35,500 that has not been explained or reconciled. Under the circumstances, the accuracy and validity of the comparative figures in the statement of financial assets and liabilities as at 30 June 2016 cannot be confirmed.

3.0 Cash and Cash Equivalents

The statement of financial assets and liabilities reflects bank balances of Kshs.50,843,132 as at 30 June 2016. However, audit review of the bank reconciliation statement for the month of June 2016 revealed unrepresented cheques totalling Kshs.8,256,062 out of which cheques totalling Kshs.280,364 related to the period December 2015 and earlier and which cheques had therefore become stale but had not been reversed in the cash book. The balance of Kshs.280,364 has therefore been excluded from the bank balance of Kshs.50,843,132. Consequently, the accuracy and validity of the bank balance of Kshs.50,843,132 as at 30 June 2016 cannot be confirmed.

4.0 Lack of Bursary Sub-Committee

The statement of receipts and payments reflects other grants and transfers amount of Kshs.23,760,590 as disclosed under Note 7 to the financial statements and which includes bursaries to secondary and tertiary institutions amounting to Kshs.7,000,000 and 5,000,000 respectively. However, the bursary subcommittee did not co-opt two members who are not members of the CDFC and one of whom must be the local education officer or a representative of the Ministry of Education as required by the CDF Board bursary guidelines. Although the management has explained that Ministry of Education representatives are invited to attend public participation meetings, no reason has been provided for failure to follow the CDF Board guidelines. Consequently the management has breached the law and the propriety of the bursaries disbursement of Kshs.12,000,000 for the year ended 30 June 2016 cannot be confirmed.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund – Kesses Constituency as at 30 June 2016, and of its financial performance 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.

Other Matter

1.0 Budgetary Control and Performance

1.1 Budget Performance

During the year under review, the Fund had a budget of Kshs.143,798,642 against actual expenditure of Kshs.92,318,710 resulting in under-expenditure of Kshs.51,479,932 or (36%) of the budgeted amount as detailed below:

Item	Budget (Kshs.)	Expenditure (Kshs)	Under Absorption (Kshs)	Under Absorption %
Compensation of Employees	1,704,033	773,662	930,371	55
Use of goods and services	2,814,989	1,211,419	1,603,570	57
Committee expenses	4,726,354	1,914,860	2,811,494	59
Transfers to Other Government Units	89,253,358	63,362,629	25,890,729	29
Other grants and transfers	43,382,787	23,760,590	19,622,197	45
Social Security Benefits	164,040	66,800	97,240	59

Acquisition of Assets	204,550	204,550	0	-
Other Payments- Capacity building- PMCs/NG-CDFCs	1,548,531	1,024,200	524,331	34
TOTALS	143,798,642	92,318,710	51,479,932	36

Failure to utilize the funds indicates that services and approved programs were not delivered, and therefore the budget did not meet its objectives of improving service delivery to the residents of Kesses Constituency, or alternatively, the management may have over budgeted on its activities.

1.2 Project Implementation

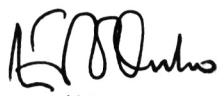
The project implementation report availed for audit review indicated that Kshs.95,470,788 was allocated to finance one hundred and forty six (146) projects out of which Kshs.80,670,788 was disbursed and spent on one hundred and thirty nine (139) projects while seven (7) projects with a budget of Kshs.14,800,000 were not funded during the year as shown in the attached appendix marked I:

However, no reason has been provided for failure to fund the seven (7) projects budgeted for Kshs.14,800,000 while the Fund had idle cash at bank amounting to Kshs.50,843,132 as at 30 June 2016. Non-implementation of the planned projects denied the residents of Kesses Constituency the benefits due from the projects.

1.3 Project Verification

During the audit in June 2017, thirty seven (37) projects costing Kshs.34,855,648 were verified. Twenty three (23) of the projects were found to be either complete and in use while fourteen (14) were on-going as detailed in the attached appendix marked II.

The slow pace of completion of some projects has caused unwarranted delay in delivery of services to the citizens of Kesses Constituency.



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

Nairobi

18 October 2017

APPENDIX I

PROJECT IMPLEMENTATION EXPENDITURE

No	Project Name	Major Activity	Approved Budget (Kshs)	Disbursement (Kshs)	Actual Expenditure (Kshs)	Unspent Balance (Kshs)
1	Kaplelach Community Water Project	Construction Of Water Tank And Purchase Of Installation Pipes	3,000,000	3,000,000	3,000,000	-
2	Rukuine Secondary School	Purchase Of School Bus	2,000,000	2,000,000	2,000,000	-
3	Koiluget Primary	Completion Of Girls Dormitory	1,556,348	1,556,348	1,556,348	-
4	Daroco Enterprises Ltd	Tree Planting	1,499,970	1,499,970	1,499,970	-
5	Itoik Company Limited	Purchase Of School Desks	1,499,300	1,499,300	1,499,300	-
6	Kaplelach Community Water Project	Construction Water Tank Installation Of Pipes	3,000,000	3,000,000	3,000,000	-
7	Avensca Investment Limited	Organising Constituency Tournaments	1,470,620	1,470,620	1,470,620	-
8	Ndungulu Secondary	Construction Of Administration Block	1,000,000	1,000,000	1,000,000	-
9	Koiluget Sec	Completion Of Laboratory	1,000,000	1,000,000	1,000,000	-
10	St. Mark Teldet Sec	Construction Of Laboratory	1,000,000	1,000,000	1,000,000	-
11	Ng'eny Primary	Completion Of Two Classrooms	900,000	900,000	900,000	-
12	Muchorwe Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
13	Racecourse Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
14	Kapranga Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
15	Chagaiya Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
16	Kerita Kosyin Pry	Construction Of Two Classrooms.	900,000	900,000	900,000	-
17	Kapilat Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
18	Barekeiwo Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
19	Kapyemit Pry	Construction Of Two Classrooms.	900,000	900,000	900,000	-
20	Chepkitiny Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
21	Tarakwa Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
22	Keringet Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
23	Lingwai Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
24	Chorwet Primary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
25	AIC Rev Mesis	Construction Of Two Classrooms.	900,000	900,000	900,000	-
26	Lelmolok Secondary	Construction Of Two Classrooms.	900,000	900,000	900,000	-
27	Koitebes Sec	Construction Of Two Classrooms.	900,000	900,000	900,000	-

28	Lainguse Sec	Construction Of Two Classrooms.	900,000	900,000	900,000	-
29	AIC Kaptumo Sec	Construction Of Two Classrooms.	900,000	900,000	900,000	-
30	Rehema Sec	Construction Of Two Classrooms.	900,000	900,000	900,000	-
31	Chagaiya Sec	Construction Of Two Classrooms.	900,000	900,000	900,000	-
32	Chesegem Primary	Construction Of Administration Block	800,000	800,000	800,000	-
33	Chesunet Primary	Construction Of Administration Block	800,000	800,000	800,000	-
34	Bishop Muge Secondary	Construction Of Administration Block	800,000	800,000	800,000	-
35	Tulwopng'etuny Secondary	Construction Of Administration Block	800,000	800,000	800,000	-
36	Mkombozi Secondary	Purchase Of Land Two Acres	800,000	800,000	800,000	-
37	Tarakwa Sec	Construction Of Girls Dormitory	800,000	800,000	800,000	-
38	R. C. E. A Seiyo Secondary	Construction Of Administration Block	800,000	800,000	800,000	-
39	Barekeiwo Sec	Construction Of Administration Block	800,000	800,000	800,000	-
40	Chuiyat Chief's Office	Construction Of Chief's Office	800,000	800,000	800,000	-
41	Chuiyat Chief's Office	Construction	800,000	800,000	800,000	-
42	Mugundoi Primary	Construction Of Girls Dormitory	700,000	700,000	700,000	-
43	Tumoge Secondary	Completion Of Laboratory	700,000	700,000	700,000	-
44	Hill School Sec	Completion Of Home Science Lab	700,000	700,000	700,000	-
45	Tumoge Sec	Completion Of Laboratory	700,000	700,000	700,000	-
46	Koiluget Primary	Completion Of Girls Dormitory	600,000	600,000	600,000	-
47	Kamuyu Sec	Completion Of Dining Hall	600,000	600,000	600,000	-
48	Chuiyat Sec	Completion Of Dining Hall	600,000	600,000	600,000	-
49	All Saints Chepkigen Sec	Completion Of Laboratory	600,000	600,000	600,000	-
50	Chuiyat Primary	Completion Of Administration Block	500,000	500,000	500,000	-
51	Tulwopng'etuny Primary	Renovation Of 5 Classrooms	500,000	500,000	500,000	-
52	Koiwoarusen Primary	Construction Of 6 New Toilets	500,000	500,000	500,000	-
53	Koitebes Primary	Renovation of 5 Classrooms	500,000	500,000	500,000	-
54	Chirchir Secondary	Lab Equipping	500,000	500,000	500,000	-
55	Keringet Sec	Completion Of Laboratory	500,000	500,000	500,000	-
56	Lingwai Sec	Completion Of Laboratory	500,000	500,000	500,000	-
57	St. Luke Cheptiret Sec	Completion Of Dining Hall	500,000	500,000	500,000	-
58	Cheplaskei Boys Sec	Completion Of Dormitory	500,000	500,000	500,000	-
59	Cengalo Secondary	Construction Of Toilets	450,000	450,000	450,000	-
60	Lengut Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
61	Matharu Primary	Construction Of One Classroom.	450,000	450,000	450,000	-

62	Kiptega Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
63	Tulwopng'etuny Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
64	Cheplaskei Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
65	A.I.C Kaptumo Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
66	Kaplamai Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
67	Kapranga Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
68	Tuiyobei Gaa Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
69	Moi University Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
70	Teldet Chuiyat Pry	Construction Of One Classroom.	450,000	450,000	450,000	-
71	Chemare Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
72	Silaga Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
73	Toror Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
74	Rongai Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
75	Asurriet Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
76	Ndungulu Primary	Construction Of One Classroom.	450,000	450,000	450,000	-
77	St. Cornelius Tilolwo	Construction Of One Classroom.	450,000	450,000	450,000	-
78	R.C.E.A Seiyo Secondary	Construction Of One Classroom.	450,000	450,000	450,000	-
79	Saroiyot Sec	Construction Of One Classroom.	450,000	450,000	450,000	-
80	Ng'eny Primary	Construction Of Toilets	440,000	440,000	440,000	-
81	Koisagat Primary	Construction Of Toilets	400,000	400,000	400,000	-
82	Kamuyu Primary	Construction Of Toilets	400,000	400,000	400,000	-
83	Chirchir Primary	Construction Of Toilets	400,000	400,000	400,000	-
84	Rukuini Primary	Construction Of 6 New Toilets	400,000	400,000	400,000	-
85	Cheboror Primary	Completion Of Administration Block	400,000	400,000	400,000	-
86	Matharu Primary	Construction Of 8 Door Toilets	400,000	400,000	400,000	-
87	Kapkoi Primary	Renovation Of Classrooms Wall And Plastering	400,000	400,000	400,000	-
88	Korimat Primary	Construction Of 6 Door Toilets	400,000	400,000	400,000	-

89	Chereber Primary	Renovation Of 6 Classrooms	400,000	400,000	400,000	-
90	Kerita Pry	Construction Of 8 Door Toilets	400,000	400,000	400,000	-
91	Seiyo Primary	Construction Of 6 Door Toilets	400,000	400,000	400,000	-
92	Koisagat Primary	Construction Of 8 Door Toilets	400,000	400,000	400,000	-
93	Ng'eny Primary	Completion Of Two Classrooms	400,000	400,000	400,000	-
94	Sosiani Primary	Renovation Of 8 Classrooms	400,000	400,000	400,000	-
95	Kapserton Primary	Completion Of Four Classrooms	400,000	400,000	400,000	-
96	Chemenei Primary	Completion Of 6 Classrooms	400,000	400,000	400,000	-
97	Tarakwa Special Unit	Completion Of Dormitory	400,000	400,000	400,000	-
98	Ndungulu Secondary	Completion Of Administration Block	400,000	400,000	400,000	-
99	Aic Isaac Kosgei Sec	Completion Of Dormitory	400,000	400,000	400,000	-
100	Kerita Primary	Completion Of Administration Block	300,000	300,000	300,000	-
101	Chagaiya Pry	Completion Of Three Classrooms	300,000	300,000	300,000	-
102	Boror Primary	Completion Of Two Classrooms	300,000	300,000	300,000	-
103	Mugundoi Primary	Completion Of Four Classrooms	300,000	300,000	300,000	-
104	Teldet Chuiyat Pry	Purchase Of One Acre Land	300,000	300,000	300,000	-
105	Chuchuniat Primary	Completion Of Administration Block	300,000	300,000	300,000	-
106	Kaplamai Primary	Completion Of Two Classrooms	300,000	300,000	300,000	-
107	Tumoge Primary	Paining Of 13 Classrooms	300,000	300,000	300,000	-
108	Mogochoret Primary	Completion Of 3 Classrooms	300,000	300,000	300,000	-
109	Koiluget Cattle Dip	Renovation Of Cattle Dip	300,000	300,000	300,000	-
110	Lainguse Cattle Dip	Renovation Of Cattle Dip	300,000	300,000	300,000	-
111	Koiluget Cattle Dip	Renovation	300,000	300,000	300,000	-
112	Lainguse Cattle Dip	Renovation	300,000	300,000	300,000	-
113	Rehema Secondary	Construction Of Toilets	250,000	250,000	250,000	-
114	Chebii Primary	Construction Of Toilets	250,000	250,000	250,000	-
115	Oasis Primary	Construction Of Toilets	250,000	250,000	250,000	-
116	Kapyemit Primary	Construction Of Toilets	250,000	250,000	250,000	-
117	Chepkoiya Primary	Construction Of Toilets	250,000	250,000	250,000	-
118	Chagaiya Secondary	Construction Of Toilets	250,000	250,000	250,000	-
119	Toror Primary	Construction Of Toilets	250,000	250,000	250,000	-
120	Kapchorua Primary	Construction Of 4 New Toilets	250,000	250,000	250,000	-
121	Muchorwe Primary	Completion Of Two Classrooms	250,000	250,000	250,000	-

122	Assets	Purchase Of Office Furniture And Fittings	204,550	204,550	204,550	-
123	Sigilai Primary	Construction Of Toilets	200,000	200,000	200,000	-
124	Cheplosgei Primary	Construction Of Toilets	200,000	200,000	200,000	-
125	Chemare Primary	Completion Of Two Classrooms	200,000	200,000	200,000	-
126	Chebii Primary	Completion Of Two Classrooms	200,000	200,000	200,000	-
127	Sosiani Sec	Completion Of Two Classrooms	200,000	200,000	200,000	-
128	Chepkigen Cattle Dip	Renovation Of Cattle Dip	200,000	200,000	200,000	-
129	Kapserton Cattle Dip	Final Payment For Purchase Of Land	200,000	200,000	200,000	-
130	Masaba Cattle Dip	Renovation Of Cattle Dip	200,000	200,000	200,000	-
131	Kaptumo Chief's Office	Completion Of Chief's Office	200,000	200,000	200,000	-
132	Chepkigen Cattle Dip	Renovation	200,000	200,000	200,000	-
133	Kapserton Cattle Dip	Renovation	200,000	200,000	200,000	-
134	Masaba Cattle Dip	Renovation	200,000	200,000	200,000	-
135	Kaptumo Chief's Office	Completion Of Office	200,000	200,000	200,000	-
136	Mugundoi Primary	Completion Of Administration Block	150,000	150,000	150,000	-
137	Kapyemit Primary	Final Payment For 2 Acres Of Land	150,000	150,000	150,000	-
138	Mugundoi Cattle Dip	Renovation Of Cattle Dip	150,000	150,000	150,000	-
139	Mugundoi Cattle Dip	Renovation	150,000	150,000	150,000	-
140	Matharu Dispensary	Completion - Installation Of Sink Pipes And Painting	100,000	-	-	100,000
141	Chepkongony-Kaptumo-Koitebes Road	Gravelling, Grading, Culvert	3,400,000	-	-	3,400,000
142	Muchorwe-Bishop Muge-Chagaiya Road	Gravelling, Grading, Culvert	3,400,000	-	-	3,400,000
143	Kesses Constituency Strategic Plan	Strategic Plan	3,000,000	-	-	3,000,000
144	CDF Office	Construction Of CDF Office	4,000,000	-	-	4,000,000
145	Lainguse Chiefs Office	Construction	800,000	-	-	800,000
146	Cengalo Dispensary	Completion - Installation Of Sink Pipes And Painting	100,000	-	-	100,000
	Total		95,470,788	80,670,788	80,670,788	14,800,000

APPENDIX II

PROJECT VERIFICATION

S/No	Project Name	Major activity	Amount (Kshs)	Actual Expenditure (Kshs)	Status
1	Ngeny Primary	Completion of two classrooms	900,000	899,036	Construction complete and in use
2	Muchorwe Primary	Construction of two classrooms.	900,000	900,000	Construction complete and in use
3	Racecourse Primary	Construction of two classrooms.	900,000	898,855	Construction complete and in use
4	Kaprangia Primary	Construction of two classrooms.	900,000	900,000	Construction complete and in use
5	Chagaiya Primary	Construction of two classrooms.	900,000	900,000	Construction complete and in use
6	Koiluget Primary	Completion of girls dormitory	1,556,348	569,691	Ongoing - roofed, windows & doors fitted
7	Kerita Kosyin Primary	Construction of two classrooms.	900,000	397,642	Construction complete and in use
8	Kapilat Primary	Construction of two classrooms.	900,000	870,454	Construction complete and in use
9	Koiwoarusen Primary	Construction of 6 new toilets	500,000	498,858	Construction complete and in use
10	Chesegem Primary	Construction of administration block	800,000	798,968	Roofed, windows and doors installed
11	Barekeiwo Primary	Construction of two classrooms.	900,000	795,010	Construction complete and in use
12	Kapyemit Primary	Construction of two classrooms.	900,000	249,160	Construction complete and in use
13	Chepkitiny Primary	Construction of two classrooms.	900,000	899,505	Construction complete and in use
14	Koisagat Primary	Construction of 8 door toilets	400,000	400,000	Complete and in use
15	Tarakwa Primary	Construction of two classrooms.	900,000	897,795	Construction complete and in use
16	Chesunet Primary	Construction of administration block	800,000	728,765	Ongoing - roofed
17	Keringet Primary	Construction of two classrooms.	900,000	898,919	Construction complete and in use
18	Lingwai Primary	Construction of two classrooms.	900,000	899,397	Construction ongoing
19	Itoik Company Limited	Purchase of school desks	1,499,300	1,499,300	Desks delivered
20	Chorwet Primary	Construction of two classrooms.	900,000	898,841	Construction complete and in use

21	Aic Rev Mesis	Construction of two classrooms.	900,000	900,000	Construction complete and in use
22	Bishop Muge Secondary	Construction of administration block	800,000	774,655	Ongoing foundation stage
23	Tulwopng'etuny Secondary	Construction of administration block	800,000	800,000	Ongoing - roofed, windows & doors fitted
24	Ndungulu Secondary	Construction of administration block	1,000,000	997,903	Ongoing - roofed
25	Rukuine Secondary School	Purchase of school bus	2,000,000	2,000,000	Bus KCA658F delivered
26	Lelmolok Secondary	Construction of two classrooms.	900,000	900,000	Construction complete and in use
27	Koitebes Sec	Construction of two classrooms.	900,000	900,000	Construction complete and in use
28	Lainguse Sec	Construction of two classrooms.	900,000	876,308	Construction complete and in use
29	Aic Kaptumo Sec	Construction of two classrooms.	900,000	400,538	Roofed, plastered, windows and doors fitted
30	Koiluget Sec	Completion of laboratory	1,000,000	999,570	Roofed, plastered, painted, windows and doors fitted & fittings
31	Rehema Sec	Construction of two classrooms.	900,000	900,000	Roofed, plastered, windows and doors fitted
32	Tarakwa Sec	Construction of girls dormitory	800,000	612,320	Ongoing - walling stage
33	R.C.E.A Seiyo Secondary	Construction of administration block	800,000	800,000	Ongoing - walling stage
34	Barekeiwo Sec	Construction of administration block	800,000	795,010	Ongoing - walling stage
35	Kaplelach Community Water Project	Construction of water tank and purchase of installation pipes	3,000,000	1,496,087	Tank constructed and pipes installed
36	Ng'eny Primary	Tree planting	150,000	150,000	Delivered and planted
37	Racecourse Secondary	Tree planting	150,000	150,000	Delivered and planted
	Total		3 4,855,648	30,252,584	

**National Government Constituency Development Fund-Kesses Constituency
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015 Re-stated	2014-2015
		Kshs	Kshs	Kshs
RECEIPTS				
Transfers from NG-CDF board.	1	109,672,155	103,992,333	103,992,333
Proceeds from Sale of Assets	2	0		0
Other Receipts	3	0		0
TOTAL RECEIPTS		109,672,155	103,992,333	103,992,333
PAYMENTS				
Compensation to Employees	4	840,462	893,886	893,886
Use of goods and services	5	3,126,279	7,749,761	7,941,261
Transfers to Other Government Units	6	63,362,629	64,014,469	64,736,740
Other grants and transfers	7	23,760,590	24,249,791	23,538,062
Acquisition of Assets-214/15 F/Y	8	204,550	1,434,000	
Other Payments-Capacity building of Pmc&Cdfcs	9	1,024,200	191,500	
TOTAL PAYMENTS		92,318,710	98,533,407	97,109,950
SURPLUS/DEFICIT		17,353,445	5,458,925	6,882,383

6,882,384

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kesses CDF financial statements were approved on _____ 2016 and signed by:

Stephen Kosgey
Chairman - CDFC

Joseph K.N.Rotich
Fund Account Manager



**National Government Constituency Development Fund-Kesses Constituency
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For the year ended June 30, 2016**

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014- 2015 Re-stated Kshs	2014-2015 Kshs
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances (as per the cash book)	14	50,843,132	33,626,487	38,246,727
Cash Balances (sale of tenders, hire of grader)				
Receivable -Outstanding Imp rests				
TOTAL FINANCIAL ASSETS		<u>50,843,132</u>	<u>33,454,187</u>	<u>38,246,727</u>
REPRESENTED BY				
Payable- Retention				
Fund balance b/fwd 1st July		33,489,687	27,995,261	
Surplus/Deficit for the year		17,353,445	5,458,925	38,246,727
Prior year adjustments				
NET LIABILITIES		<u>50,843,132</u>	<u>33,489,687</u>	<u>38,246,727</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kesses CDF financial statements were approved on _____ 2016 and signed by:

Stephen Kosgey
Chairman -NC- CDFC




Joseph K.N.Rtich
Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KESSES CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

V1: SUMMARY STATEMENT OF APPROPRIATION

Receipts/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation
	A	B	C=A+B	D	E=C-D	F=D/C %
RECEIPTS						
Transfers from CDF Board	110,172,155	33,626,487	143,798,642	143,298,642	500,000	99%
PAYMENTS						
Compensation of Employees	1,332,272.76	371,760	1,704,032	773,662	930,370	45.4 %
Use of goods and services	2,500,000	314,989	2,814,989	1,211,419	1,603,570	43.04%
Committee expenses	4,351,904.20	374,450	4,726,354	1,914,860	2,811,494	41%
Transfers to Other Government Units	60,600,000	28,653,358	88,753,358	63,362,629	25,390,729	71.4%
Other grants and transfers	40,167,647	3,215,140	43,382,787	23,760,590	19,622,197	55%
Social Security Benefits	140,000	24,040	164,040	66,800	97,240	41%
Acquisition of Assets		204,550	204,550	204,550	0	100%
Other Payments- Capacity building- PMCs/NG-CDFCs	1,080,331	468,200	1,548,431	1,024,200	524,231	66.1 %
TOTALS	110,172,155	33,626,487	143,798,642	92,318,710	51,479,832	

Kesses CDF financial statements were approved on _____ 2016 and
 Stephen Kosgey.....
 Chairman - CDFC
 Date : 29/8/2017

signed by:
 Joseph K.N.Rotich.....
 Fund Account Manager
 Date : 29/8/2017



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KESSES
CONSTITUENCY**

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

VII. 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 off to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

b) Recognition of revenue and expenses

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

c) In-kind contributions

In-kind contributions are donations that are made to the Constituency 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 Constituency 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 Constituency Development Fund-Kesses Constituency
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include short term cash imp rests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

e) Receivables and payables

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables 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 Constituency'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 Constituency'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

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

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 Constituency Development Fund-Kesses Constituency
Reports And Financial Statements
For the year ended June 30, 2016**

VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2015-2016	Description	2014 - 2015
		Kshs		Kshs
Normal Allocation	AIE NO: 724100	30,000,000	AIE NO:750463	25,998,083
	AIE NO :820806	25,000,000	AIE NO:796570	14,598,850
	AIE NO : 825728	54,672,155	AIE NO:796764	11,399,233
	AIE NO :	0	AIE NO:750463	25,998,083
	AIE NO.	0	AIE NO:735842	25,998,084
Conditional grants	0	0	0	0
		109,672,155	TOTAL	103,992,333

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

	2015 – 2016	2014 - 2015
	Kshs	Kshs
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Receipts from the Sale of office and general equipment	0	0
Total	0	0

**National Government Constituency Development Fund-Kesses Constituency
Reports And Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER REVENUES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere (specify)	0	0
Total	0	0

4 COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	773,662	874,446
Basic wages of casual labour	0	0
Social security benefits		
<i>Employer contribution to NSSF</i>	38,880	19,440
<i>Employer contribution to NHIF</i>	27,920	
Total	66,800	19,440
Total	840,462	893,886

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2015 - 2016	2014- 2015
	Kshs	Kshs
Utilities, supplies and services		14,821
electricity	2,759	5,721
Water		
Office rent		
Communication, supplies and services	26,500	100,000
Domestic travel and subsistence	20,000	159,700
Printing, advertising and information supplies & services	39,500	19,169
Rentals of produced assets		
Training expenses	352,880	761,000
Hospitality supplies and services		144,510
Insurance costs		
Specialized materials and services/consultancy	133,750	
Office and general supplies and services		257,511
Fuel ,oil & lubricants	62,000	
Other operating expenses	168,350	27,620
Postal services	11,680	
Routine maintenance – other assets	394,000	
Total	1,211,419	1,484,331

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Committee expenses	1,914,860	6,265,430
	1,914,860	6,265,430
TOTAL	3,126,279	7,749,761

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	39,862,629	37,903,981
Transfers to secondary schools	23,500,000	22,350,000
Transfers to Tertiary institutions	0	0
Transfers to Health institutions	0	
	0	3,760,488
TOTAL	63,362,629	64,014,469

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	7,000,000	7,573,350
Bursary -Tertiary	5,000,000	5,890,500
Bursary-Special schools		
Mocks & CAT		711,729
`water	3000,000	800,000
Agriculture (Cattle dips)	1,350,000	1,284,372
Electricity projects		0
Security	1,000,000	200,000
Roads		0
Sports	1,470,620	1,490,640
Environment	1,499,970	933,000
Emergency Projects (specify)-school projects	3,440,000	5,366,200
Total	23,760,590	24,249,791

8. ACQUISITION OF ASSETS

Non Financial Assets	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles	0	0
Purchase of Bicycles & Motorcycles	0	0

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Overhaul of Vehicles	0	0
Purchase of Office furniture and fittings	204,550	1,434,000
Purchase of computers ,printers and other IT equipment	0	0
Purchase of photocopier	0	0
Purchase of other office equipment	0	0
Purchase of soft ware	0	0
Acquisition of Land	0	0
	0	
Total	204,550	1,434,000

9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
Other payments	1,024,200	191,500
TOTAL		191,500

NOTES TO THE FINANCIAL STATEMENTS (Continued)

TOTAL		191,500

10. BANK BALANCES (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
<i>Cooperative Bank, Eldoret Branch A/C no.01141443590500</i>	50,843,132	33,454,187
Total	50,843,132	33,454,187

11. CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
0		

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Sale of tender		0
Hire of graders		0
Hire of hall		0
Other receipts (specify)		0
Total		0

12. OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		-	0
Total			

13. CASH EQUIVALENTS (SHORT-TERM DEPOSITS)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2015 - 2016	2014 - 2015
			Kshs	Kshs
<i>Describe the nature of deposit</i>	0	0		0
<i>Describe the nature of deposit</i>	0	0		0
Total				0

14. BALANCES BROUGHT FORWARD

0	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	50,843,132	33,626,487
Cash in hand	-	0
Cash equivalents (short-term deposits)	-	0
Imprest	-	0
	-	0
Total	50,843,132	33,626,487

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15. OTHER IMPORTANT DISCLOSURES

15.1 FIXED ASSETS REGISTER

S/NO	TYPE OF FURNITURE	ASSET NO.	SERIAL NO.	ACQUISITION DATE	COST	CURRENT CONDITION	REMARKS
1.	DESK TOP COMPUTER	CDF/KE/146/001		Sent from Board		GOOD	
2.	PRINTER(HP LASERJET PRO 400M401DN)	CDF/KE/146/002	PHHGB18981	Sent from Board.		GOOD	
3.	SPEAKERS	CDF/KE/146/003		Sent from Board.		GOOD	
4.	SPEAKERS	CDF/KE/146/004		Sent from Board.		GOOD	
5.	SCANNER	CDF/KE/146/005	Hp scan jet 5590	Sent from Board.		GOOD	
6.	PHOTOCOPIER(KYOCERA)	CDF/KE/146/006	>ABC<LM100D1	11.04.2014	94,000	GOOD	
7.	STAPLER	CDF/KE/146/007	Kangaroo DS-45	10.04.2014	525	GOOD	
8.	STAPLER	CDF/KE/146/008	Kangaroo DS-45	10.04.2014	525	GOOD	
9.	STAPLER	CDF/KE/146/009	KANGARO HD-1224	10.04.2014	1785	GOOD	
10.	PAPER PUNCH	CDF/KE/146/010	Kangaroo DP 540	10.04.2014	440	GOOD	
11.	PAPER PUNCH	CDF/KE/146/011	Kangaroo DP 520	10.04.2014	440	GOOD	
12.	CAMERA	CDF/KE/146/012	Model no Disc – W710	11.04.2014	19,000	GOOD	
13.	FLASH DISK	CDF/KE/146/013	2 GB	10.04.2014	1,260	GOOD	
14.	FLASH DISK	CDF/KE/146/014	2 GB	10.04.2014	1,260	GOOD	
15.	LAPTOP	CDF/KE/146/015	5CB40110992	11.04.2014	64,000	GOOD	
16.	OFFICE STAMP	CDF/KE/146/016			2,500	GOOD	
17.	OFFICE STAMP	CDF/KE/146/017			2,500	GOOD	
18.	OFFICE STAMP	CDF/KE/146/018			2,500	GOOD	
19.	LAND ROVER DOUBLE CABIN	CDF/KE/146/019	110022- GKB 501F		4,800,000	GOOD	
20.	EXECUTIVE TABLE	CDF/KE/146/020			47,500	GOOD	

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21.	EXECUTIVE CHAIR	CDF/KE/146/0 21			31,000	GOOD	
22.	TABLE	CDF/KE/146/0 22			3,500	GOOD	
23.	STEEL CHAIR	CDF/KE/146/0 23			4,600	GOOD	
24.	STEEL CHAIR	CDF/KE/146/0 24					
25.	UPS	CDF/KE/146/0 25		SENT FROM BOARD	4,600	GOOD	
26.	COMBINE GLASS TABLE	CDF/KE/146/0 26		17.06.2015	29,690	GOOD	
27.	37*42 FILE HOLDER	CDF/KE/146/0 27		17.06.2015	35,000	GOOD	
28.	4*8 SHELVED BOOK CABINET	CDF/KE/146/0 28		17.06.2015	39,850	GOOD	
29.	RUSSIAN C. CHAIR	CDF/KE/146/0 29		17.6.2015	4,818	GOOD	
30.	RUSSIAN C. CHAIR	CDF/KE/146/0 30		17.6.2015	4,818	GOOD	
31.	RUSSIAN C. CHAIR	CDF/KE/146/0 31		17.6.2015	4,818	GOOD	
32.	RUSSIAN C. CHAIR	CDF/KE/146/0 32		17.6.2015	4,818	GOOD	
33.	RUSSIAN C. CHAIR	CDF/KE/146/0 33		17.6.2015	4,818	GOOD	
34.	RUSSIAN C. CHAIR	CDF/KE/146/0 34		17.6.2015	4,818	GOOD	
35.	RUSSIAN C. CHAIR	CDF/KE/146/0 35		17.6.2015	4,818	GOOD	
36.	RUSSIAN C. CHAIR	CDF/KE/146/0 36		17.6.2015	4,818	GOOD	
37.	RUSSIAN C. CHAIR	CDF/KE/146/0 37		17.6.2015	4,818	GOOD	
38.	RUSSIAN C. CHAIR	CDF/KE/146/0 38		17.6.2015	4,818	GOOD	
39.	RUSSIAN C. CHAIR	CDF/KE/146/0 39		17.6.2015	4,818	GOOD	
40.	RUSSIAN C. CHAIR	CDF/KE/146/0 40		17.6.2015	4,818	GOOD	
41.	RUSSIAN C. CHAIR	CDF/KE/146/0 41		17.6.2015	4,818	GOOD	
42.	RUSSIAN C. CHAIR	CDF/KE/146/0 42		17.6.2015	4,818	GOOD	
43.	RUSSIAN C. CHAIR	CDF/KE/146/0 43		17.6.2015	4,818	GOOD	
44.	RAMPTONS WATER DISPENSER	CDF/KE/146/0 44	14150418	17.6.2015	27,740	GOOD	

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45.	METAL CABINET WITH DRAWERS	CDF/KE/146/0 45		INHERITED FROM ELDORET SOUTH CDF		GOOD	
46.	METAL CABINET WITH DRAWERS	CDF/KE/146/0 46		INHERITED FROM ELDORET SOUTH CDF		GOOD	
47.	METAL CABINET DOUBLE LEAVE WITH DRAWERS	CDF/KE/146/0 47		INHERITED FROM ELDORET SOUTH CDF		GOOD	
48.	CPU	CDF/KE/146/0 48		INHERITED FROM ELDORET SOUTH CDF		GOOD	
49.	MONITOR	CDF/KE/146/0 49		INHERITED FROM ELDORET SOUTH CDF		GOOD	
50.	MONITOR	CDF/KE/146/0 50		INHERITED FROM ELDORET SOUTH CDF		GOOD	
51.	PRINTER	CDF/KE/146/0 51		INHERITED FROM ELDORET SOUTH CDF		GOOD	
52.	HEAVY DUTY STAPLER	CDF/KE/146/0 52		INHERITED FROM ELDORET SOUTH CDF		GOOD	
53.	HEAVY DUTY STAPLER	CDF/KE/146/0 53		INHERITED FROM ELDORET SOUTH CDF		GOOD	

18.2 RECEIVABLES FROM CDF BOARD AND OTHER RECEIVABLES

<i>RECEIVABLES FROM THE BOARD</i>	
<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
109,672,155	2015/16

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<i>OTHER RECEIVABLES (SPECIFY)</i>	

18.3 PAYABLES

Kshs	Kshs
0	xxx
0	xxx
0	xxx
0	xxx
0	xxx

18.4 FUNDS DUE TO PROJECT-33,626,487

PROJECTS DUE AS AT 1ST JULY 2016

S/NO	NAME OF PROJECT	ACTIVITY	AMOUNT
1.	BURSARY		1,100,000
2.	KONDOO FARM NINE PRIMARY	CONSTRUCTION OF TWO CLASSROOMS	900,000
3.	BURETI KAPSOEN PRIMARY	PURCHASE OF LAND ONE ACRE	600,000
4.	BURETI KAPSOEN PRIMARY	CONSTRUCTION OF ONE CLASSROOM	450,000
5.	MUCHORWE PRIMARY	CONSTRUCTION OF ONE CLASSROOM	450,000
6.	TULWOPNG'ETUNY PRIMARY	CONSTRUCTION OF ONE CLASSROOM	450,000
7.	CHEPTIRET PRIMARY	RENOVATION, PAINTING AND GENERAL REPAIRS OF CLASSROOMS.	350,000
8.	KIPKOROSYO PRIMARY	COMPLETION OF ADMINISTRATION BLOCK	800,000
9.	ST. CORNELIUS TILOLWO PRIMARY	CONSTRUCTION OF TWO CLASSROOMS	900,000
10.	MATHARU SECONDARY	CONSTRUCTION OF TWO CLASSROOMS	900,000
11.	TULWOPNG'ETUNY SECONDARY	COMPLETION OF ADMINISTRATION BLOCK	500,000
12.	KIPTEGA SECONDARY SCHOOL	PURCHASE OF LAND	2,000,000
13.	CENGALO DISPENSARY	COMPLETION OF STAFF HOUSES	100,000
14.	MATHARU DISPENSARY	COMPLETION OF STAFF HOUSES	100,000
15.	OLAINGUSE CHIEF'S OFFICE	CONSTRUCTION OF CHIEF'S OFFICE	800,000

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16.	CHUCHUNIAT PRIMARY	COMPLETION OF ADMINISTRATION BLOCK	300,000
17.	MUGUNDOI PRIMARY	RENOVATION OF CLASSROOMS	270,000
18.	KOILUGET SECONDARY	PURCHASE OF SCHOOL BUS	3,000,000
19.	RACECOURSE SEC SCHOOL	COMPLETION OF LABORATORY	500,000
20.	NG CDF OFFICE CONSTRUCTION	CONSTRUCTION OF OFFICE	9,324,190
21.	SOSIANI PRIMARY	RENOVATION OF TOILETS	350,000
22.	CHEPKITINY PRIMARY	CONSTRUCTION OF TOILETS	250,000
23.	SPORTS	ORGANIZING TOURNAMENTS	1,200,000
24.	ENVIRONMENT	PLANTING OF TREES	1,200,000
25.	CONSTITUENCY STRATEGIC PLAN	STRATEGIC PLAN FORMULATION	3,000,000
26.	OFFICE ADMINISTATION	RECCURENT EXPENDITURES	3,330,291
27.	MONITORING AND EVALUATION		502,006
	TOTAL		33,626,487

18.5 DISBURSEMENTS FROM THE BOARD

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
724100	30,000,000	2015/2016
820806	25,000,000	2015/2016
825728	54,672,155	2015/2016
TOTAL	109,672,155	