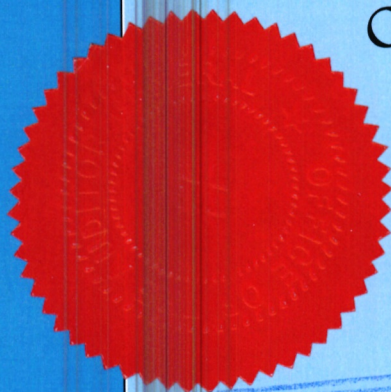


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 31 JUL 2019

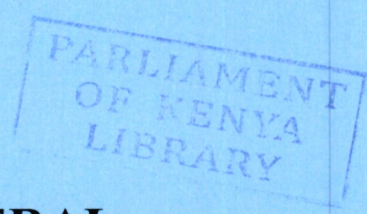
DAY: Wednesday

THE AUDITOR-GENERAL

ON

TABLED BY: Hon Benjamin Mutitu (Majority Whip)

CLERK: Halima Ahmed



THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – TURKANA WEST
CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018



Revised Template 30th June 2018



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
TURKANA WEST CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

	Page
Table of Content	
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	5
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	6
IV. STATEMENT OF RECEIPTS AND PAYMENTS	7
V. STATEMENT OF ASSETS	8
VI. STATEMENT OF CASHFLOW	9
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	11
VIII. SIGNIFICANT ACCOUNTING POLICIES	15
IX. NOTES TO THE FINANCIAL STATEMENTS.....	16

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TURKANA WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

The main purpose of the Fund is to enhance infrastructural and socio-economic development at the grass root level in order to reduce poverty by dedicating a minimum of two and half per cent (2.5%) of all National Government's share of annual revenue towards community projects identified at constituency level by the communities. The Fund is managed by the National Government CDF Board at the National level, the NG-CDF committees at the constituency level and the Project Management Committees (PMC) at the community level. The project Management committees and the NG-CDF committees collaborates for efficient project management through technical support of relevant government department within the sub-county.

Turkana West constituency NG-CDF is part of the national government. Turkana County is situated in North Western Kenya. The constituency is part of the larger Turkana County which borders West Pokot and Baringo Counties to the south, Samburu County to the South East, and Marsabit County to the East. Internationally it borders South Sudan to the North, Uganda to the West and Ethiopia to the North East.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;



Vertical text or markings along the right edge of the page, possibly bleed-through from the reverse side.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA WEST CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF TURKANA WEST Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Paul N. Adome
3.	Sub-County Accountant	Joel K. Waweru
4.	Chairman NGCDFC	Ekal E. Wycliffe
5.	Member NG-CDFC	Margaret Nakaina



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TURKANA WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF TURKANA WEST Constituency Headquarters

P.O. Box 14-30501
Kakuma



Vertical text or markings along the right edge of the page, possibly bleed-through from the reverse side.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA WEST CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

(f) NG-CDF TURKANA WEST Constituency Contacts

Telephone: (254) 721 776 554
E-mail: cdfturkanawest@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF TURKANA WEST Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank Ltd
Account No.0990261750094
Branch Lodwar

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



12

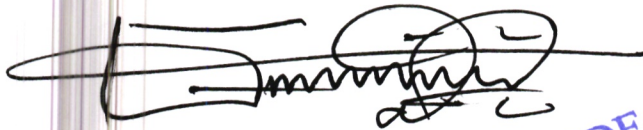
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Turkana West NG-CDFC wish to have in summary the budget performance against actual amount for the current year based on economic classification and programmes. The NG-CDFC have have improved the education, Security and infrastructure of Turkana West.

Howeve there has been staff turnover challenges i.e Fund Account Manager transfers which resulted to time consumption in understanding, the constituency environment with its operational challenges.

Despite the fact that the financial year 2017/18 has had a fare share of challenges i.e the board gave the first disbursement in February, 2018. The absorpion rate of the constituency has been good given the odds of events.



**WYCLIFFE E. EKAL
CHAIRMAN
TURKANA WEST NGCDFC**

**NG-CDF-CHAIRMAN
TURKANA WEST
P. O. Box 14-30501,
KAKUMA**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TURKANA WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 the Public Sector Accounting Standards Board of Kenya from time to time.

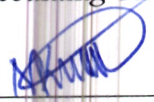
The Accounting Officer in charge of the NG-CDF-TURKANA WEST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-TURKANA WEST Constituency accepts responsibility for the entity'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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-TURKANA WEST Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

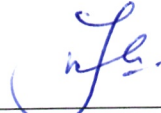
The Accounting Officer in charge of the NGCDF-TURKANA WEST Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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-TURKANA WEST Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.


Mathew Kipsanai
Fund Account Manager

**FUND ACCOUNT MANAGER,
TURKANA WEST NG-CDFC,
P. O. Box 14 - 30501
KAKUMA**


Joel K. Waweru
Sub-County Accountant

**SUB-COUNTY ACCOUNTANT
P. O. Box 309-30500,
LODWAR**



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 - TURKANA WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Turkana West Constituency set out on pages 7 to 30, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Turkana West Constituency as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Adverse Opinion

1.0 Presentation and Accuracy of Financial Statements

A review of the financial statements for the year ended 30 June 2018 submitted for audit revealed the following anomalies:

- i) The statement of the entity management responsibility quoted Section 81 (1) of the Public Finance Management Act, 2013 which does not exist. Further, the statement has not been signed by the fund account manager.
- ii) Included in the total payments for operating activities figure of Kshs.79,039,869.05 reflected in the statement of cash flows is acquisition of assets figure of Kshs.1,500,000 which is not an operating activity and which had not been paid as shown on note 15.1 to the financial statements.
- iii) The statement of cash flows reflects cash and cash equivalents at end of the year of negative Kshs.689,453.85 which is at variance with the cash and cash equivalents

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Turkana West Constituency for the year ended 30 June 2018

figure of Kshs.810,546.15 reflected in the statement of assets resulting to a variance of Kshs.1,500,000 which has not been explained or reconciled.

- iv) Documentary evidence in support of how progress on follow up of auditor recommendations were resolved was not availed for audit verification as the fund had received a disclaimer of opinion in 2016/2017 and none of the audit issues had been resolved as at 30 June 2018.
- v) The financial statement reflects figures which are at variance with the supporting documents figures as shown below:

No.	Expenditure Item	Financial Statements Figure (Kshs)	Supporting Documents Figure (Kshs)	Variance (Kshs)
1	Compensation of employees	658,729	704,238	(45,509)
2	Committee Allowances	1,956,000	2,812,690	(856,690)
3	Bursary Secondary Schools	12,202,300	19,402,300	(7,200,000)
4	Transfers to secondary schools	10,600,000	15,600,000	(5,000,000)

However, the variances have not been explained or reconciled. Under the circumstances, the financial statements are not accurately presented in accordance with International Public Sector Accounting Standards.

2.0 Cash and Cash Equivalents

2.1 Bank Balances

The statement of assets reflects bank balances figure of Kshs.810,546.15. However, a review of the bank reconciliation statement for the month of June 2018 revealed that cheques payments totaling to Kshs.2,212,504 paid out were stale and had not been reversed in the cashbook. Under the circumstance, the accuracy, validity, and completeness of the bank balance of Kshs.810,546.15 as at 30 June 2018 could not be confirmed.

2.2 PMC Bank Balances

Annex 4 to the financial statements reflect PMC bank account balances of Kshs.13,730,000. However, Project bank account cashbooks, bank statements and bank reconciliation statements for the year were not availed for audit verification. Under the circumstance, the validity, accuracy, completeness and existence of Project Management Committee bank account balances of Kshs.13,730,000 as at 30 June 2018 could not be confirmed.

3.0 Use of Goods and Services

3.1 Training Expenses

Included in the training expenses figure of Kshs.723,520 for the year ended 30 June 2018 reflected in note 5 to the financial statements is an expenditure of Kshs.310,000 in respect

of training expenses. However, management did not provide invitation letters, attendance registers, and work tickets in support of this expenditure. Under the circumstances, the validity and propriety of Kshs.310,000 expenditures on training expenses for the year ended 30 June 2018 could not be confirmed.

4.0 Transfers to Other Government Units

4.1 Transfers to Emiliat Primary School

Included in the transfers to primary schools figure of Kshs17,600,000 reflected in note 6 to the financial statements is environment and emergency projects expenditure of Kshs.1,130,000 and Kshs.1,100,000 respectively. However, the expenditure has been charged to transfers to other government entities instead of other grants and transfers. Further, the transfer were made to Emiliat Primary School's bank account instead of opening separate PMC bank accounts for each project as provided for in Section16(1) of National Government Constituencies Development Fund Regulation, 2016 which stipulates that the management committees of institutions in which Constituency Development Fund funded projects are undertaken shall serve as the project management committees for such institutions, and shall open separate bank accounts for the said funds. No explanation has been provided for not opening separate bank accounts for each project.

Under the circumstances, the accuracy, validity and completeness of environment and emergency projects expenditure of Kshs.1,130,000 and Kshs.1,100,000 respectively transferred to Emiliat Primary for the year ended 30 June 2018 could not be confirmed.

4.2 Transfers to Secondary Schools

Note 6 to the financial statements reflects transfers to secondary schools figure of Kshs.10,600,000. However, expenditure returns by the project management committee were not availed for audit verification. Further, the transfers were made to one project management committee bank account used for the secondary school projects contrary to 29(3) of the National Government Constituencies Development Fund Regulations, 2016 which stipulates that the constituency committee shall ensure that the project management committee opens separate bank account in an approved bank for each approved project.

As a result, the accuracy, validity and propriety of transfers to secondary schools of Kshs.10,600,000 for the year ended 30 June 2018 could not be confirmed and the management is in breach of the law.

5.0 Other Grants and Transfers

5.1 Bursary

Included in other grants and other payments of Kshs.40,361,740 reflected in note 7 to the financial statement is bursary figure of Kshs.12,202,300 and 16,062,000 for secondary schools and tertiary institutions respectively. However, acknowledgement letters from recipient institutions were not availed for audit review. Under the circumstance, the validity

and propriety of the bursary expenditure of Kshs.28,264,300 for the year ended 30 June 2018 could not be ascertained.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

1.1. Budget Absorption and Performance

During the year under review, the National Government Constituencies Development Fund - Turkana West Constituency had an approved budget Kshs.134,634,898 against actual expenditure of Kshs.79,039,869 or approximately 59% of the budget resulting to under expenditure of Kshs.48,754,174 or 41% of the budget as shown below:

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Absorption (Kshs)	%Under Absorption
Compensation of Employees	1,876,723	658,729	1,217,994	65%
Use of Goods and Services	6,006,295	5,319,400	686,895	11%
Transfer to Other Government Entities	66,179,500	28,200,000	37,979,500	57%
Other Grants and Transfers	54,903,123	40,361,740	14,541,383	26%
Acquisition of Assets	1,500,000	1,500,000	0	0%
Other Payments	4,169,257	3,000,000	1,169,257	28%
Total	134,634,898	79,039,869	55,595,029	41%

Non-utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered and therefore the budget did not meet the intended objectives of improving the service delivery to the residents of Turkana West Constituency or the management may have over budgeted on its activities.

2.0 Project Status Report

2.1 Project Implementation Status

According to the project implementation status report availed for audit, the National Government Constituencies Development Fund –Turkana West Constituency had budgeted to spend Kshs.79,012,636 towards implementation of 21 projects during the 2017/2018. Six (6) projects with a budget of Kshs.31,502,000 were fully funded and are 100% complete although completion certificates were not availed for audit review, thirteen(13) projects budgeted for Kshs.41,841,379 were still ongoing at various levels of completion of between 50% and 95%, while two(2) projects with a total budget of Ksh.5,669,257 had not started as shown below:

	Project	Project Activity	Approved Budget (Kshs)	Amount Disbursed (Kshs)	Percentage (%) of Completion	Status
1	Bursary - Secondary Schools	Bursary for Secondary Schools	11,702,000	11,700,000	100	Complete
2	Bursary - Tertiary Institutions	Bursary for Tertiary Institutions	10,000,000	10,000,000	100	Complete
3	Namon Chiefs office project	Supply and delivery of office furniture: 2 Conference tables, 2 Executive tables, 2 high leather chairs, 10 Conference Chairs amounting to Kshs.300,000 & Construction of 2 door pit latrine block for male Kshs.250,000 and Construction of 2 door pit latrine block for Female Kshs.250,000	800,000	800,000	100	Complete
4	Lomidat AP camp project	Completion of 2016/17 houses construction project (Flooring, Walling, Roofing, Pit Latrines and Bathrooms construction)	2,500,000	2,500,000	100	Complete
5	Nawountos NPR camp	Construction of office, Armoury/store	3,000,000	3,000,000	100	Complete

	Project	Project Activity	Approved Budget (Kshs)	Amount Disbursed (Kshs)	Percentage (%) of Completion	Status
6	Nalapatui Chief's office	Construction of Chief's Office Kshs.2,700,000, Supply and Delivery of office furniture: 2 Conference tables, 2 Executive tables, 2 high leather chairs, 10 Conference Chairs amounting to Kshs.300,000 & Construction of 2 door pit latrine block for male Kshs.250,000 and Construction of 2 door pit latrine block for Female Kshs.250,000	3,500,000	3,500,000	100	Complete
	Sub Total		31,502,000	31,500,000		
1	Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,568,966	4,568,966	80	Ongoing
2	Sports	Support to sporting activities in the constituency to promote sports talents	1,736,207	1,730,000	70	Ongoing
3	Environment	Promotion of environmental and conservation activities in the constituency	1,736,207	1,730,000	50	Ongoing
4	Loukomor NPR camp	Construction of office, Armoury/store to completion	3,000,000	3,000,000	69	Ongoing
5	Loteteleit Chief's office project	Supply and delivery of office furniture: 2 Conference tables, 2 Executive tables, 2 high leather chairs, 10 Conference Chairs amounting to Kshs.300,000 & Construction of 2 door pit latrine block for male Kshs.250,000 and Construction of 2 door pit latrine block for Female Kshs.250,000	800,000	800,000	85	Ongoing

	Project	Project Activity	Approved Budget (Kshs)	Amount Disburse (Kshs)	Percentage (%) of Completion	Status
6	Emilait primary school project	Completion of the girls dormitory (Walling, flooring, painting, roofing and branding)	1,100,000	1,100,000	95	Ongoing
7	Teremkus primary school project	Completion of the 2 Classrooms (Walling, flooring, painting, roofing and branding Kshs.500,000 with 50 desks Kshs.300,000	800,000	800,000	75	Ongoing
8	Oropoi primary school project	Completion of the Dining Hall/Kitchen project (Walling, flooring, painting, branding, roofing, water piping, electricity installation)	2,000,000	2,000,000	65	Ongoing
9	Lokichoggio secondary school project	Construction to completion of multipurpose Dining Hall-Flooring, Walling, Painting, Roofing, Labelling Kshs.2,000,000, Supply and Delivery of 400 student lockers Kshs.1,500,000/ & 400 students chairs Kshs.1,000,000, Supply and delivery of 150 double decker Beds Kshs.1,500,000, School wiring and Power connection Kshs.1,000,000, Construction to completion 2 Ablution blocks: for boys Kshs.1,000,000, and girls Kshs.1,000,000, Construction of Laboratory Kshs.3,000,000	12,000,000	12,000,000	78	Ongoing
10	Tarach Secondary school project	Construction of Staff house duplex	3,600,000	3,600,000	85	Ongoing

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Turkana West Constituency for the year ended 30 June 2018

	Project	Project Activity	Approved Budget (Kshs)	Amount Disbursed (Kshs)	Percentage (%) of Completion	Status
11	AIC Songot secondary school project	Construction of Administration Office block	4,000,000	4,000,000	65	Ongoing
12	Lopiding girls secondary school project	Construction of Library block to completion	3,500,000	3,500,000	75	Ongoing
13	Strategic Plan Project	Development of 5 year Constituency Development Plan	3,000,000	3,000,000	80	Ongoing
	Sub Total		41,841,379	41,828,966		
1	Kalobeyei secondary school project	Completion of incomplete projects : Completion of Girls' Dormitory (Walling, Flooring, Roofing, labelling and equipping with 40 double decker beds (2M), Completion of staff house duplex - Walling, Flooring, Roofing, Plastering, Labelling (1.5M) and Completion works at the Laboratory - Partitioning, Ceiling, Construction of Combustion Chambers, Shelving of the Lab reagents store(1M)	4,500,000	4,500,000	0	not started
2	Turkana West Constituency Innovation ICT Hubs Project	Support for Implementation of Constituency Innovation ICT Hub	1,169,257	1,169,257	0	not started
	Sub Total		5,669,257	5,669,257		
	Grand Total		79,012,636	78,998,222		

Delay in implementation and completion of planned projects is an indication that the residents of Turkana west Constituency failed to receive the benefits accruing from the planned programs and activities for the year ended 30 June 2018.

3.0 Project Verification

3.1 Project Verification

During the year under review, three (3) projects funded for Kshs.7,000,000 were physically verified and were found to be complete as shown below:

Payee	Date	Project Activity	Amount (Kshs)	Audit Comment
Teremkus Primary School PMC A/C	23/05/2018	Completion of two classrooms	800,000	Project completed and in use but PMC returns were not availed for Audit verification
Kalemchuch Primary School PMC	13/03/2018	construction of classrooms and four pit latrines	3,500,000	Project completed and in use but PMC returns were not availed for Audit verification
Natiira Primary School PMC A/C	21/04/2018	Construction of chain link perimeter fence with steel metal gate	2,700,000	Project completed and in use but PMC returns were not availed for audit verification
Total			7,000,000	

However, there was no documentary evidence availed to confirm that Project Management Committees undertook project closure, labelling and handover upon completion

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources/ Adverse Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Use of Goods and Services

1.1 Committee Expenses

Included in the use of goods and services figure of Kshs.5,319,400 are other committee expenses and committee allowance of Kshs.1,259,550 and Kshs.1,956,000 respectively. However, no documentary evidence in support of preparation and tabling of scheduled meeting before the constituency committee by the secretary as stipulated in Section 7(9) of the National Government Constituencies Fund Regulations, 2016 which states that the secretary shall at the beginning of every financial year, in consultation with the officer of the board seconded to the constituency, prepare and table before a constituency committee a schedule of the meetings to be held during the year. Further, it was not confirmed whether or not copies of the minutes of the meetings held were submitted to the board within thirty days after the confirmation and execution of the minutes in the manner prescribed by the board as per Section 7(12) of the National Government Constituencies Fund Regulations, 2016. Under the circumstance, the management might pay for meeting which were planned for contrary to the provisions of law.

2.0 Transfers to Other Government Units

2.1 Projects Implemented without the Relevant Ministry's Input

A review of documents made available revealed that projects with total expenditure of Kshs.19,350,000 were implemented as shown below:

Payee	Date	Project Activity	P.V No.	Cheque No.	Amount (Kshs)
Teremkus Primary School PMC A/C	23/05/2018	Completion of two classrooms	50	3089	800,000.00
Kalemchuch Primary School PMC	13/03/2018	Construction of classrooms and four pit latrines	032D	2694	3,500,000.00
Emilait Primary School PMC A/C	23/05/2018	Completion of girls dormitory	54	3093	1,100,000.00
Lochor-Edome Primary School PMC	13/03/2018	Fencing of school compound	032C	2693	2,500,000.00
Lokipoto Primary School PMC A/C	13/03/2018	Fencing of school compound	032B	2692	2,500,000.00
Nanam Primary School PMC A/C	13/03/2018	Fencing of school compound	032A	2691	2,500,000.00
Natiira Primary School PMC A/C	21/04/2018	Construction of chain link perimeter fence with steel metal gate	032G	2770	2,700,000.00
Oropoi Primary School PMC A/C	23/05/2018	Completion of dinning hall/kitchen	51	3090	2,000,000.00
Turkana West Flood Response PMC A/C	06/08/2018	Transfer of funds to cater for floods stricken people in Turkana west constituency PMC A/C	83	3176	1,550,000.00
Kaeris Enterprises Ltd	21/06/2018	Purchase of non food stuffs and house holds items to the floods stricken people in Turkana West	84	3177	200,000.00
Total					19,350,000.00

However, no consultation was made with relevant government departments to ensure that cost estimates for projects are realistic as provided for in Section 11 (1)(f) of National Government Constituencies Development Fund Regulation, 2016 which stipulates that the Constituency Committee shall be to consult with relevant government departments to ensure that cost estimates for projects are realistic. Under the circumstance, the management was in breach of the law and the cost of the projects may not be competitive.

3.0 Other Grants and Transfers

3.1 Emergency Projects

Included in the other grants and transfers figure of Kshs.40,361,740 reflected in the statement of receipts and payments is disbursements to emergency projects of Kshs.2,937,440 as shown in below:

Payee	Date	Project Activity	P.V No.	Cheque No.	Amount (Kshs)	Remarks
Lodakach Agencies	10/12/2017	Repairs at Girls Dormitory at St, Lukes Nakururum primary school	017	2623	711,207	Approved and funded
Commissioner Domestic Tax	10/12/2017	Repairs at Girls Dormitory at St, Lukes Nakururum primary school	018	2624	38,793	Approved and funded
Turkana West Flood Response PMC A/C	06/08/2018	Transfer of funds to cater for floods stricken people in Turkana west constituency PMC A/C	83	3176	1,550,000	Not approved but funded
Kaeris Enterprises Ltd	21/06/2018	Purchase of non food stuffs and households items to the floods stricken people in Turkana West	84	3177	200,000	Not approved but funded
Paul Ngasike Adome	22/06/2018	Surrender of imprest to cater for emergency response on livestock recovery in Uganda	103	Imprest	437,440	Not approved but funded
Kalobeyei primary school	0	0	0	0	-	Approved but not funded
Total					2,937,440	

However, there was no documentary evidence availed to confirm that the projects were emergency in nature. Further, the expenditure included an expenditure of Kshs.2,187,440 which had not been approved by the constituency committee. Under the circumstance, the

propriety of emergency expenditure of Kshs.2,937,440 for the year ended 30 June 2018 could not be confirmed.

3.2 Security Projects Expenditure

Included in the other grants and transfers figure of Kshs.40,361,740 reflected in note 7 to the financial statements is security projects expenditure of Kshs.4,100,000 as shown below:

Date	Payment Voucher Number	Cheque Number	Payee	Activity	Amount (Kshs)
23.02.2018	32	2769	Loteteleit chief office	Construction of chief office	2,500,000
28.05.2018	47	3086	Loteteleit chief office	Construction of chief office	800,000
28.05.2018	49	3088	Namon Chief Office	Construction of chief office	800,000
				Total	4,100,000

However, the project management committee expenditure returns were not availed for audit verification. Under the circumstance, the accuracy and propriety of security projects expenditure of Kshs.4,100,000 for the year ended 30 June 2018 could not be confirmed.

4.0 Other Payments

4.1 Strategic Plan

The statement of receipts and payments reflects other payments expenditure of Kshs.3,000,000 incurred on the develop of a strategic plan for period 2018-2022. However, available information indicate that the contract was awarded to a consultant at a contract sum of Kshs.2,950,000 resulting to an over expenditure of Kshs.50,0000 which has not been explained. Further, the contract does not have completion timelines. Under the circumstance, the management is in breach of the terms of the contract.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for [Conclusion on Effectiveness of Internal Controls, Risk Management and Governance/Adverse Opinion section of my

report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Development Fund- Turkana West Constituency ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the National Government Constituencies Development Fund- Turkana West Constituency or to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the National Government Constituencies Development Fund- Turkana West Constituency financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the National Government Constituencies Development Fund- Turkana West Constituency policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

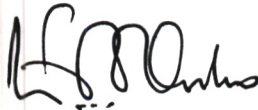
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the National Government Constituencies Development Fund- Turkana West Constituency Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the National Government Constituencies Development Fund- Turkana West Constituency to cease to continue as a going concern or to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund- Turkana West Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

8 May 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TURKANA WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	78,253,447.10	130,007,335.60
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		78,253,447.10	130,007,335.60
PAYMENTS			
Compensation of employees	4	658,729.05	3,605,131.40
Use of goods and services	5	5,319,400.00	5,608,271.60
Transfers to Other Government Units	6	28,200,000.00	90,829,200.00
Other grants and transfers	7	40,361,740.00	50,010,993.00
Acquisition of Assets	8	1,500,000.00	603,200.00
Other Payments	9	3,000,000.00	
TOTAL PAYMENTS		79,039,869.05	150,656,796.00
SURPLUS/DEFICIT		(786,421.95)	(20,649,460.40)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA WEST Constituency financial statements were approved on _____ 2018 and signed by:

Mathew Kipsanai
Fund Account Manager

FUND ACCOUNT MANAGER
TURKANA WEST NG-CDF
P. O. Box 14 - 30501
KAKUMA

Joel K. Waweru
Sub-County Accountant

SUB-COUNTY ACCOUNTANT
P. O. Box 309-30500,
LODWAR

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

V. STATEMENT OF ASSETS

II. STATEMENT OF FINANCIAL ASSETS			
	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	810,546.15	1,596,968.10
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		810,546.15	1,596,968.10
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July.....	13	1,596,968.10	22,246,428.50
Surplus/Deficit for the year		(786,421.95)	(20,649,460.40)
Prior year adjustments	14		-
NET LIABILITIES		810,546.15	1,596,968.10

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA WEST Constituency financial statements were approved on _____ 2018 and signed by:

Mathew Kipsanai
Fund Account Manager

FUND ACCOUNT MANAGER
TURKANA WEST NG-CDFC,
P. O. Box 14 - 30501
KAKUMA

Joel K. Waweru
Sub-County Accountant

SUB-COUNTY ACCOUNTANT
P. O. Box 309-30500,
LODWAR

Handwritten scribbles at the top right corner.



Handwritten notes in the bottom left corner, including the number "100" and some illegible text.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

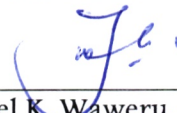
VI. STATEMENT OF CASHFLOW			
Receipts for operating income		2017 - 2018	2016- 2017
Transfers from CDF Board	1	78,253,447.10	130,007,335.60
Other Receipts	3	-	
		78,253,447.10	130,007,335.60
Payments for operating expenses			
Compensation of Employees	4	658,729.05	3,605,131.40
Use of goods and services	5	5,319,400.00	5,608,272.60
Transfers to Other Government Units	6	28,200,000.00	90,829,200.00
Other grants and transfers	7	40,361,740.00	50,010,993.00
Acquisition of Assets	8	1,500,000.00	
Other Payments	9	3,000,000.00	-
		79,039,869.05	150,055,796.00
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(786,421.95)	(20,046,260.40)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,500,000.00)	(603,200.00)
Net cash flows from Investing Activities		1,500,000.00	
NET INCREASE IN CASH AND CASH EQUIVALENT		(2,286,421.95)	(20,649,460.40)
Cash and cash equivalent at BEGINNING of the year	13	1,596,968.10	22,246,428.50
Cash and cash equivalent at END of the year		(689,453.85)	1,596,968.10

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA WEST Constituency financial statements were approved on _____ 2018 and signed by:


 Mathew Kipsanai

Fund Account Manager

FUND ACCOUNT MANAGER
 TURKANA WEST NG-CDFC
 P. O. Box 309-30500
 KAKUMA


 Joel K. Waweru
 Sub-County Accountant

SUB-COUNTY ACCOUNTANT
 P. O. Box 309-30500,
 LODWAR




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

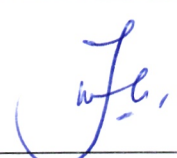
**I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED**

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	86,810,344.83	47,824,553.54	134,634,898.37	79,850,415.20	54,784,483.17	59.3%
Proceeds from Sale of Assets						
Other Receipts		-				
TOTAL RECEIPTS	86,810,344.83	47,824,553.54	134,634,898.37	79,850,415.20	54,784,483.17	59.3%
PAYMENTS						
Compensation of Employees	1,800,000.00	76,723.10	1,876,723.10	658,729.05	1,217,994.05	35.1%
Use of goods and services	4,982,157.37	1,024,137.94	6,006,295.31	5,319,400.00	686,895.31	88.6%
Transfers to Other Government Units	45,100,000.00	21,079,499.87	66,179,499.87	28,200,000.00	37,979,499.87	42.6%
Other grants and transfers	30,758,930.58	24,144,192.63	54,903,123.21	40,361,740.00	14,541,383.21	73.5%
Acquisition of Assets		1,500,000.00	1,500,000.00	1,500,000.00	-	100.0%
Other Payments	4,169,256.88		4,169,256.88	3,000,000.00	1,169,256.88	72.0%
TOTAL	86,810,344.83	47,824,553.54	134,634,898.37	79,039,869.05	55,595,029.32	58.7%

The NGCDF-TURKANA WEST Constituency financial statements were approved on _____ 2018 and signed by:


Mathew Kipsanai
Fund Account Manager

FUND ACCOUNT MANAGER,
TURKANA WEST NG-CDFC,
P. O. Box 14 - 30501
KAKUMA


Joel K. Waweru
Sub-County Accountant



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-TURKANA WEST Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 201

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

VI. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Normal Allocation			
5/2/2018	A892533	5,500,000.00	
20/2/2018	A892571	34,848,275.10	
26/4/2018	A892803	37,905,172.00	
	14/10/2016	A750254	89,059,059.00
	14/10/2016		4,094,827.60
	9/2/2017		36,853,449.00
Receipt from other Constituency			-
TOTAL		78,253,447.10	130,007,335.60

1. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of Office and General Equipment		-	-
TOTAL		-	-
3 OTHER RECEIPTS			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Interest Received		-	-
Rents		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 TURKANA WEST CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

Sale of Tender Documents			-
Other Receipts Not Classified Elsewhere (specify)			-
TOTAL			-
4 COMPENSATION OF EMPLOYEES			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Basic wages of contractual employees		658,729.05	2,494,148.40
Basic wages of casual labour			
Personal allowances paid as part of salary			
House allowance			
Transport allowance			
Leave allowance			
Other personnel payments			
Employer contribution to NSSF			
Gratuity-contractual employees			1,110,983.00
TOTAL		658,729.05	3,605,131.40
5 USE OF GOODS AND SERVICES			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Utilities, supplies and services			-
Electricity			-
Water & sewerage charges			
Office rent			-
Communication, supplies and services			65,000.00
Domestic travel and subsistence		580,360.00	-
Printing, advertising and information supplies & services			112,267.00
Rentals of produced assets			-
Training expenses		723,520.00	1,066,900.00
Hospitality supplies and services		60,830.00	-
Other committee expenses		1,259,550.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

Committee allowance		1,956,000.00	3,620,904.60
Insurance costs			
Specialised materials and services			
Office and general supplies and services		161,480.00	14,000.00
Fuel , oil & lubricants		138,080.00	711,000.00
Other operating expenses			-
Bank service commission and charges			
Security operations			-
Routine maintenance - vehicles and other transport equipment		439,580.00	18,200.00
Routine maintenance- other assets			-
TOTAL		5,319,400.00	5,608,271.60
6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Transfers to Primary schools		17,600,000.00	66,121,200.00
Transfers to Secondary schools		10,600,000.00	22,700,000.00
Transfers to Tertiary institutions			-
Transfers to Health institutions		-	2,008,000.00
TOTAL		28,200,000.00	90,829,200.00
7 OTHER GRANTS AND OTHER PAYMENTS			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Bursary -Secondary		12,202,300.00	11,924,000.00
Bursary -Tertiary		16,062,000.00	3,976,500.00
Bursary-Special schools			
Mocks & CAT			
Water		-	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

Food security		-	-
Electricity		-	-
Security		4,100,000.00	17,250,000.00
Roads and Bridges			5,000,000.00
Sports		3,330,000.00	-
Environment		1,730,000.00	3,495,000.00
Cultural Projects		-	
Agriculture		-	-
Emergency Projects		2,937,440.00	7,365,493.00
Loritit Community social hall			1,000,000.00
TOTAL		40,361,740.00	50,010,993.00
8 ACQUISITION OF ASSETS			
<u>Non Financial Assets</u>		2017 - 2018	2016 - 2017
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	-
Purchase of Vehicles			-
Purchase of Bicycles & Motorcycles			603,200
Overhaul of Vehicles		-	-
Purchase of office furniture and fittings		1,500,000.00	
Purchase of computers ,printers and other IT equipments		-	-
Purchase of photocopier		-	-
Purchase of other office equipments		-	-
Purchase of soft ware		-	-
Acquisition of Land		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

TOTAL		1,500,000.00	603,200.00
9 Other Payments			
Strategic		3,000,000.00	-
specify		-	-
TOTAL		3,000,000.00	-
10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2017 - 2018	2016 - 2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
<i>Equity Bank Ltd, Kakma Branch . T/W NG-CDF</i>	<i>A/C no. 099026175 0094</i>	810,546.15	1,596,968.10
10B: CASH IN HAND)			
		2017 - 2018	2016 - 2017
		Kshs (30/6/2017)	Kshs (30/6/2016)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 TURKANA WEST CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

			<i>[Provide cash count certificates for each]</i>
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>
			-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
12 Retention			
Supplier/Contractor	PV No.	2017 - 2018	2016 - 2017
TOTAL			
13 BALANCES BROUGHT FORWARD			
		2017 - 2018	2016 - 2017
		Kshs (1/7/2017)	Kshs (1/7/2016)
Bank accounts		1,596,968.10	19,496,928.50
Cash in hand			-
Imprest			2,749,500.00
TOTAL		1,596,968.10	22,246,428.50

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

	<i>[Provide short appropriate explanation as necessary]</i>		
14			
	PRIOR YEAR ADJUSTMENTS		
		2017 - 2018	2016 - 2017
		Kshs	Kshs
Bank accounts			
Cash in hand		-	-
Imprest		-	-
TOTAL		-	-
15			
	OTHER IMPORTANT DISCLOSURES		
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2017 - 2018	2016 - 2017
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of office furniture		-	1,500,000.00
TOTAL		-	1,500,000.00
15.2: PENDING STAFF PAYABLES (See Annex 2)			
		2017 - 2018	2016 - 2017
Senior management		Kshs	Kshs



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 TURKANA WEST CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

Middle management		-	-
Unionisable employees		-	-
Others (staff Gratuity)		-	647,504.00
		-	-
15.3: OTHER PENDING PAYABLES (See Annex 3)			
		2017 - 2018	2016 - 2017
		Kshs	Kshs
Amounts due to other Government entities (see attached list)		-	-
Amounts due to other grants and other transfers (see attached list)		-	-
Others (specify)		-	-
		-	-



Handwritten text, possibly bleed-through from the reverse side of the page. The text is mostly illegible due to fading and is arranged in a vertical column.

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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

Reports and Financial Statements

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

12.					
Sub-Total					
Grand Total					

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4. Joseph Alinga	j	279,000.00					
5. Sarah Etot	h	184,252.00					
6. Locheriang Eregae	h	184,252.00					
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers				
Sub-Total				
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Grand Total				

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

Reports and Financial Statements

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2017/18	Historical Cost (Kshs) 2016/17
Land	0	-
Buildings and structures		
Transport equipment	8,032,803.00	8,032,803.00
Office equipment, furniture and fittings	2,074,469.70	574,469.70
ICT Equipment, Software and Other ICT Assets	483,700.00	483,700.00
Other Machinery and Equipment	0	-
Heritage and cultural assets	0	-
Intangible assets	0	-
Total	10,590,972.70	9,090,972.70

1

10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

101

102

103

104

105

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Lokichoggio Mixed Secondary School PMC a/c			7,000,000	
Oropoi Primary School PMC a/c			2,000,000	
Loteteleit Chief Office PMC a/c			800,000	
Nalapatui Chief's Office PMC a/c			3,500,000	
Lomidat AP Camp PMC a/c			100,000	
Emilait Primary School PMC a/c			1,130,000	
Total			13,730,000	

4

1

2

3

4

5

6

7

8

9

0

1

2

3

4

5

6

7

8

9



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REF: ELD/TURWCDF/33/ 16/2	Irregular payment of bursaries to both secondary and tertiary school	Query responded	FAM	Not Resolved	
REF: ELD/TURWCDF/33/ 16/2	Transfers to secondary schools and other grants transfers	Query responded	FAM	Not Resolved	
REF: ELD/TURWCDF/33/ 16/2	Irregular expenditure of Emergency funds	Query responded	FAM	Not Resolved	

