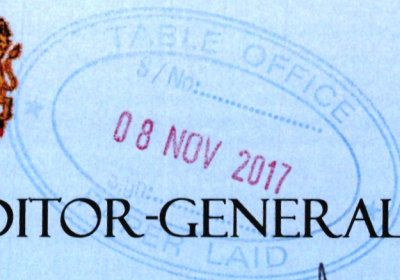
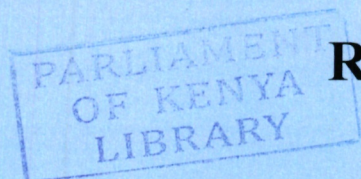


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid by Hon  
Wednesday 8/11/17  
Afternoon  
sitting  
A/d*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100 NAIROBI  
17 AUG 2017  
**RECEIVED**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
AINABKOI CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The National Government *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

### **(b) Key Management**

The *Ainabkoi 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 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Elias Kimaiyo</b>
3.	District Accountant	<b>Philip Kilaka</b>

### **(d) Fiduciary Oversight Arrangements**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKUI  
CONSTITUENCY**

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

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**(e) Entity Headquarters**

**Physical address of the constituency CDF office**

P.O. Box 9882-030100  
Kapsoya, Next to Deputy Commissioner Office,  
Eldoret, KENYA

**(f) Entity Contacts**

**Provide telephone number and email of the constituency NG-CDF office**

Telephone: 0721817241  
E-mail: ainabkoicdf.go.ke  
Website: www.go.ke

**(g) Entity Bankers**

Constituency CDF main banker (provide the bank, branch, account number and address)

1. Cooperative Bank –Eldoret West  
Box 9882, Eldoret.  
A/C NO-01141598004000

**(h) Independent Auditors**

Auditor General  
Kenya National Audit Office  
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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKOI  
CONSTITUENCY**

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

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

Ainabkoi CDF made excellent progress in its planned programmes especially on the completion rates of the funded projects. This report details the performance of the CDFC and financial statements represents the financial status of Ainabkoi Constituency Development Fund for financial year 2015/16. It lays down the receipts and expenditures of all the funds Ainabkoi NG-CDFC received from the NG-CDF Board.

A Total of kshs 105,347,073.35 was received from in the financials year. NG- CDFB disbursed kshs 1 05,153,627 to the constituency and kshs 193,446 was received from the former Eldoret East Account. The total expenditure in the financial in the financial year under review amounted to ksh 110,419,371, this represented the constituency allocation in the FY 2015-2016 and a balance brought forward from the previous financial year of kshs 40,460,586.70.

The Budget utilisation was fairly good considering that the operation of the fund was suspended in the month of February 2016 to provide room for transition from CDF Act 2013 to NG-CDF 2015. Underutilisation in some vote heads was as a result of receipt of disbursements just at the close of the FY as indicated in the appropriation statement.

RECEIPT/EXPENSE ITEM	ALLOCATION	% OF UTILIZATION
Compensation of Employees	1,856,839	66
Use of goods and services	3,769,608	55
Committee Expenses	2,840,000	76
Transfers to Other Government Units	55,250,000	90
Other grants and transfers	39,894,801	62
Social Security Benefits.	12,000	100
Acquisition of Assets	1,530,379	0
Other Payments-Projects inherited from Former Eldoret East	193,446	0

Key achievements in the financial year;

1. A strong collaborative partnership between the Committee and other relevant ministries especially ministry of education that come in handy to train and capacity build the project management committees.
2. 98% of the financial year allocation was fully utilised.
3. NG-CDFC enhances Monitoring and Evaluation which resulted to speedy implementation of the planned activities.

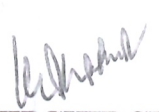
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKOI  
CONSTITUENCY**

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

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**Emerging issues related to CDF are;**

- Project management committees at times change schedule or budget implementation. This makes it very hard for NG-CDFC to monitor project. There is a tendency among the PMC to think one can make it up, but this is a warning: If the tendencies are not corrected quickly, the impact will be unrecoverable. Activities that were expected to already have been completed are still being worked on. There is also need for Quality control steps, testing activities, in order to ensure that palled activities is achieved to standard and on schedule
- The changes in the structure of Board of managements especially in Schools affected the activities of the fund since most BOM's were new and faced difficulties in the implementation of the projects activities
- As highlighted in the last financial year, the Dependency level for NG-CDF funds is still the rise.



**DANIEL KIPCHIRCHIR, CHAIRMAN CDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKOI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

**III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES**

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

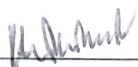
The Accounting Officer in charge of the *Ainabkoi NG-CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility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

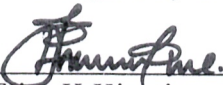
The Accounting Officer in charge of the *Ainabkoi NG-CDF* accepts responsibility for the *NG-CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NG-CDF's* financial statements give a true and fair view of the state of *CDF's* transactions during the financial year ended June 30, 2016, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the *Ainabkoi NG-CDF* further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *CDF's* financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The *CDF's* financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2016.

  
\_\_\_\_\_  
Daniel K Kipchirchir  
Chairman CDF

  
\_\_\_\_\_  
Elias K Kimaiyo  
Fund Account Manager



## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ainabkoi Constituency set out on pages 7 to 18, which comprise the statement of assets and liabilities 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. 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 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 qualified audit opinion.

## **Basis for Qualified Opinion**

### **1.0. Transfer to Other Government Entities**

The statement of receipts and payments reflects transfers to other government units of Kshs.66,351,419 as disclosed in note 7 to the financial statements which include disbursements amounting to Kshs.2,600,000 to the institutions listed below and whose projects had not been implemented as at 30 June 2016.

<b>Date</b>	<b>PV. No.</b>	<b>Cheque No</b>	<b>Details</b>	<b>Purpose</b>	<b>Amount (Kshs)</b>
11 -Aug-2015	425	2131	Kewapmoi Primary	Construction of one classroom	600,000
28-June-2016	703	2995	Drys Girls Sec. School	Construction of Dormitory	1,500,000
19-Jan-2016	568	2678	AIC kaptagat children's home	Construction of one class room	500,000
<b>Total</b>					<b>2,600,000</b>

Although the management has explained that the projects were not implemented during the year due to land ownership issues and that the same have since been resolved, no indication has been given as to when the projects will start and date of completion. Consequently, failure or delay in implementation of the projects has resulted to delayed service delivery to the residents of Ainabkoi Constituency who did not therefore get value for Kshs.2,600,000 transferred to the institutions during the year ended 30 June 2016.

### **2.0 Cash and Cash Equivalents**

#### **2.1 Bank Reconciliation**

The statement of assets and liabilities reflect bank balance of Kshs.35,388,288 as at 30 June 2016. Audit review of the bank reconciliation statement for the month of June 2016 showed unrepresented cheques amounting to Kshs.22,353,504.10 out of which, cheques amounting to Kshs.1,022,103.20 relate to December 2015 and earlier and which had therefore become stale as at 30 June 2016. No reason was however provided for not reversing and replacing the stale cheques. The bank reconciliation statement also reflects payments in bank statement not recorded in cash book amounting to Kshs.22,477 in respect of bank charges and other bank levies and which had not been recorded in the cashbook as at 30 June 2016 and therefore excluded from the total payments amount of

Kshs.110,424,374. No reason has been provided for not recording the bank charges in the cashbook.

Consequently, the accuracy and validity of the cash and cash equivalents balance of Kshs.35,388,288 could not be confirmed as at 30 June 2016.

## 2.2 Bank Balances

The statement of assets and liabilities reflect bank balance of Kshs.35,388,288 as at 30 June 2016 and which is at variance with the bank reconciliation statement balance of Kshs.35,383,288 resulting in a variance of Kshs.5,000. No explanation has been provided for this variance. Consequently, the accuracy of the bank balance of Kshs.35,388,288 as at 30 June 2016 could not be confirmed.

## Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Ainabkoi Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

## Other Matter

### 1.0 Budgetary Control and Performance

#### 1.1 Budget Performance

During the year under review, the Fund had a budget of Kshs.146,307,661 against expenditure of Kshs.110,424,374 or 75% of the approved budget resulting in under-expenditure of Kshs.35,883,287 or 25% as shown below:

Item	Budget (Kshs.)	Expenditure (Kshs)	Under absorption (Kshs)	Under absorption %
Compensation of Employees	2,699,866	1,775,864	924,002	34
Use of goods and services	5,617,528	3,084,818	2,532,710	45
Committee Expenses	4,393,745	3,344,000	1,049,745	24
Transfers to Other Government Units	73,326,554	66,351,419	6,975,135	10
Other grants and transfers	58,539,320	35,856,273	22,183,047	39
Social Security Benefits.	12,000	12,000	0	-
Acquisition of Assets	1,525,202	0	1,525,202	100
Other Payments-Projects inherited from Former Eldoret East	193,446	0	193,446	100
<b>Total</b>	<b>146,307,661</b>	<b>110,424,374</b>	<b>35,883,287</b>	<b>25</b>

Failure to utilize all the funds as budgeted is an indication of lack of delivery of goods and services as planned to the citizens of Ainabkoi 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.

## 1.2 Projects Implementation Status

The project status report availed for audit review indicated that Kshs.96,344,801 was allocated and disbursed to eighty six (86) projects, out of which an amount of, Kshs.83,154,873 or 86% had been spent as at 30 June 2016 on eighty one (81) projects leaving unspent balance of Kshs.2,600,000 or 3% as detailed below:

S/No	PROJECT NAME	Approved Budget (Kshs)	Disbursement (Kshs)	Actual Expenditure (Kshs)	Unspent balance (Kshs)
1	AIC kaptagat children's home	500,000	500,000	-	500,000
2	Arangai primary school	500,000	500,000	500,000	-
3	Arap moi primary school	150,000	150,000	150,000	-
4	arnesens primary school	500,000	500,000	500,000	-
5	Baharini primary school	500,000	500,000	500,000	-
6	berur primary school	300,000	300,000	300,000	-
7	Brockley primary school	200,000	200,000	200,000	-
8	Chepkero Primary school	1,500,000	1,500,000	1,500,000	-
9	Chepkurmum primary school	250,000	250,000	250,000	-
10	Chepngoror primary school	100,000	100,000	100,000	-
11	Chepngoror primary school	300,000	300,000	300,000	-
12	Chelelek primary school	500,000	500,000	500,000	-
13	Chepnwet primary school	800,000	800,000	800,000	-
14	chororget primary school	500,000	500,000	500,000	-
15	Drys farm primary school	1,000,000	1,000,000	1,000,000	-
16	Eldoret border primary school	200,000	200,000	200,000	-
17	Eldoret border primary school	1,000,000	1,000,000	1,000,000	-
18	Eldoret school for the hearing impaired	200,000	200,000	200,000	-
19	illula primary school	250,000	250,000	250,000	-
20	kabore primary school	500,000	500,000	500,000	-
21	kapsemwo primary school	150,000	150,000	150,000	-
22	kapsunde primary school	500,000	500,000	500,000	-
23	kewapmoi primary school	600,000	600,000	-	600,000
24	kewapmoi primary school	500,000	500,000	500,000	-
25	kewet primary school	500,000	500,000	500,000	-
26	kiburur primary school	1,000,000	1,000,000	1,000,000	-
27	kileges primary school	500,000	500,000	500,000	-
28	kiluka primary school	500,000	500,000	500,000	-
29	kipkabus upper primary school	500,000	500,000	500,000	-
30	kipsinende primary school	200,000	200,000	200,000	-
31	kipteimet primary school	1,000,000	1,000,000	1,000,000	-
32	kitoroch primary school	500,000	500,000	500,000	-
33	koibarak primary school	500,000	500,000	500,000	-
34	koilel primary school	150,000	150,000	150,000	-
35	koilel primary school	500,000	500,000	500,000	-
36	koilonget primary school	500,000	500,000	500,000	-
37	lelek primary school	500,000	500,000	500,000	-
38	Lotonyok Primary School	800,000	800,000	800,000	-
39	munyaka primary school	2,000,000	2,000,000	2,000,000	-

40	naiberi primary school	200,000	200,000	200,000	-
41	ngarua primary school	300,000	300,000	300,000	-
42	ngarua primary school	200,000	200,000	200,000	-
43	olare primary school	500,000	500,000	500,000	-
44	Plateau primary school	500,000	500,000	500,000	-
45	Rotuga primary school	400,000	400,000	400,000	-
46	saito primary school	400,000	400,000	400,000	-
47	siliboi primary school	500,000	500,000	500,000	-
48	sirwo primary school	1,000,000	1,000,000	1,000,000	-
49	sky line primary school	500,000	500,000	500,000	-
50	songich primary school	200,000	200,000	200,000	-
51	tingwa primary school	200,000	200,000	200,000	-
52	usalama primary school	800,000	800,000	800,000	-
53	usalama primary school	200,000	200,000	200,000	-
54	waunifor primary school	400,000	400,000	400,000	-
55	AIC kiluka secondary school	1,000,000	1,000,000	1,000,000	-
56	Chelelek Secondary School	400,000	400,000	400,000	-
57	Chelelek Secondary School	1,000,000	1,000,000	1,000,000	-
58	chepkongony coc secondary sch	1,000,000	1,000,000	1,000,000	-
59	Chepkongony coc secondary school	200,000	200,000	200,000	-
60	chepngoror sec school	2,000,000	2,000,000	2,000,000	-
61	chesogor secondary school	2,000,000	2,000,000	2,000,000	-
62	Dry's girls secondary school	1,500,000	1,500,000	-	1,500,000
63	illula secondary school	1,500,000	1,500,000	1,500,000	-
64	katuiyo secondary school	200,000	200,000	200,000	-
65	kipkabus secondary school	1,000,000	1,000,000	1,000,000	-
66	kapsoya secondary school	1,000,000	1,000,000	1,000,000	-
67	koibarak secondary school	200,000	200,000	200,000	-
68	koibarak secondary school	1,000,000	1,000,000	1,000,000	-
69	olare secondary school	500,000	500,000	500,000	-
70	olare secondary school	500,000	500,000	500,000	-
71	rurigi secondary school	1,800,000	1,800,000	1,800,000	-
72	st.peters secondary school	2,000,000	2,000,000	2,000,000	-
73	Tendwo sec school	1,000,000	1,000,000	1,000,000	-
74	Ainabkoi KMTC	8,400,000	8,400,000	8,400,000	-
75	ainabkoi chiefs office	800,000	800,000	800,000	-
76	kapngetuny ap staff houses	1,000,000	1,000,000	1,000,000	-
77	kapsoya Ap Line	1,000,000	1,000,000	1,000,000	-
78	kipkabus loc community project	100,000	100,000	100,000	-
79	kipkorgot multipurpose hall	2,000,000	2,000,000	2,000,000	-
80	Wounifour police station	2,000,000	2,000,000	2,000,000	-
81	Bursary for Secondary Schools	15,000,000	12,829,673	12,829,673	-
82	Bursary Tertiary institutions & universities	10,000,000	6,158,950	6,158,950	-
83	CDF office Car Park	500,000	500,000	500,000	-
84	Constituency Audit	500,000	500,000	-	500,000
85	Emergency	5,767,647	3,785,000	3,785,000	-
86	Enviroment	2,027,154	431,250	431,250	-
	<b>Total</b>	<b>96,344,801</b>	<b>86,754,873</b>	<b>83,654,873</b>	<b>3,100,000</b>

Under the circumstances, the residents of Ainabkoi Constituency may not have received the envisaged goods and services.

### 1.3 Project Verification

During the year under review, thirty one (31) projects costing Kshs.39,106,419 were inspected in the month of May 2017 and the following state of affairs were observed:

No	Project Name	Project activity	Approved Budget (Kshs)	Amount Disbursed (Kshs)	Implementation Status
1	AIC Kaptagat Children's Home	plastering, fixing of windows and doors, fixing of gas and water systems for the laboratory	500,000	500,000	Project not commenced
2	AIC Kiluka Secondary School	Plastering, fixing of windows and doors, fixing of gas and water systems for laboratory	1,000,000	1,000,000	Complete and in use
3	Ainabkoi KMTC	Construction of lecture halls	8,000,000	8,000,000	Lecture halls completed.
4	Ainabkoi KMTC	Fencing of proposed KMTC	500,000	460,000	Fencing completed in use
5	Bishop Birech Sec School	Construction of a dormitory	900,000	900,000	Complete and in use
6	Chelelek Sec School	Construction of two classrooms	1,000,000	1,000,000	Complete and in use
7	Chepkero Pry School	Roofing, plastering, fixing of doors and windows, painting of a dormitory	1,500,000	1,500,000	Plastering poorly done and cracks visible on the walls. Poor workmanship on walls. Doors not fitted. Floor screeding not done.
8	Chepng'oror Sec School	Ring beam, roofing, plastering, fixing of windows and doors, ceiling boards painting and general finishing of a dormitory	2,300,000	2,100,000	Roofing and plastering done. Doors fitted .Ceiling boards, painting and general finishing not yet done
9	Cheptigit Sec School	Construction of four classrooms and laboratory	3,000,000	3,000,000	Classes completed and in use. Ceiling, Gas ,water and wiring not done in laboratory
10	Chesogor Sec School	Construction of a dining hall	2,000,000	1,000,000	Flooring, columns and roofing done, walling and plastering not yet complete.
11	Chesogor Sec School	Purchase of a water pump	500,000	500,000	Pump installed and in use

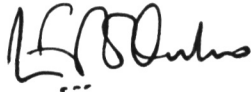
12	Dry's Farm Pry School	Roofing, windows and doors, plastering of a dining hall	1,000,000	500,000	Roofing, windows, doors and plastering done
13	Dry's Girls Secondary School	Construction of dormitory	1,500,000	1,500,000	Project not commenced
14	Eldoret Border Farm Primary	Construction of two classrooms	1,000,000	1,000,000	Windows and doors not fitted. Plastering and keying of walls not done. 60% complete
15	Illula Sec School	Construction of classroom	500,000	500,000	Complete and in use
16	Illula Sec School	Construction of a dining hall	1,000,000	1,000,000	Plastering and doors not done. Ceiling and floor screeding not done.
17	Kabore Primary School	Construction of classroom	1,500,000	1,346,419	Complete and in use
18	Kewapmoi Primary School	Construction of classroom	600,000	600,000	Project not commenced
19	Kiburer Primary School	Construction of classroom	500,000	500,000	Complete and in use
20	Kipkabus High School	Renovation of six classrooms	800,000	800,000	Renovation complete in use
21	Kipkabus Sec School	Construction of a septic tank	600,000	600,000	Septic complete but not in use
22	Kipkabus Upper Pry School	Repair of roof and floors of four classrooms	500,000	500,000	Complete and in use
23	Kipteimet Primary School	Construction of two classrooms	1,000,000	1,000,000	Complete and in use
24	Kitoroch Primary School	Construction of classroom	500,000	500,000	Classroom 80% done. Window panes not fitted. Keying of walls not done
25	Munyaka Pry School	Construction of four classrooms	2,000,000	2,000,000	Complete and in use
26	Naiberi Sec School	Construction of classroom	500,000	500,000	Complete and in use
27	Siliboi Primary School	Construction of classroom	500,000	500,000	Complete and in use
28	Soliat Sec School	Construction of three classrooms	1,000,000	1,000,000	Complete and in use
29	St. Peters Sec School	Construction of a laboratory	2,000,000	2,000,000	Gas system and ceiling not yet done. Laboratory in use
30	Usalama Primary School	Plastering, windows and doors, ceiling boards painting and general painting of administration block	800,000	800,000	Complete and in use
31	Wounifour Police Station	Construction of staff quarters	2,000,000	2,000,000	On going
<b>Total</b>			<b>41,000,000</b>	<b>39,106,419</b>	

It was observed that three (3) projects with funding of Kshs.2,600,000 had not commenced, while two (2) other projects costing Kshs.8,600,000 were complete but had not been put to use and no reason was provided. Nine (9) projects with funding of Kshs.13,100,000 were still ongoing.

The completion of dormitory at Chepkero Primary School at a cost of Kshs.1,500,000 was observed to have been poorly done. The walls and plastering was poorly done and cracks were visible on the walls. Further, the doors had not been fitted.

Sixteen (16) projects costing Kshs.13,306,419 were complete and in in use but completion certificates and handing over minutes were not availed for audit review.

In view of the forgoing, it is evident that the citizens of Ainabkoi Constituency did not get value for money in respect of the projects that did not commence, those poorly done and partially completed or completed but not in use.



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

**Nairobi**

**22 September 2017**


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKOI  
CONSTITUENCY**

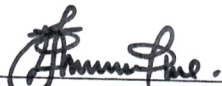
**Reports and Financial Statements  
For the year ended June 30, 2016**

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	105,153,627	102,998,181
Proceeds from Sale of Assets	2		0
Other Receipts	3	193,446	0
<b>TOTAL RECEIPTS</b>		<b>105,347,073</b>	<b>102,998,181</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,775,864	1,139,460
Use of goods and services	5	3,084,818	1,756,453
Committee Expenses	6	3,344,000	5,137,000
Transfers to Other Government Units	7	66,351,419	51,234,690
Other grants and transfers	8	35,856,273	38,611,484
Social Security Benefits	9	12,000	8,800
Acquisition of Assets	10	0	9,147,955
Other Payments	11	0	0
<b>TOTAL PAYMENTS</b>		<b>110,424,374</b>	<b>107,035,842</b>
<b>SURPLUS/DEFICIT</b>		<b>(5,077,300)</b>	<b>(4,037,661)</b>

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

  
\_\_\_\_\_  
**Chairman - CDFC**

  
\_\_\_\_\_  
**Fund Account Manager**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKOI  
CONSTITUENCY**

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

**IV. STATEMENT OF ASSETS AND LIABILITIES**

<b>Note</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>

**FINANCIAL ASSETS**

**Cash and Cash Equivalents**

Bank Balances ( as per the cash book)	12A	35,388,288	40,460,587
Cash Balances (cash at hand)	12B	0	0
Outstanding Imprests	12C	0	0

**TOTAL FINANCIAL ASSETS**

	<b>35,388,288</b>	<b>40,460,587</b>
--	-------------------	-------------------

**REPRESENTED BY**

<b>Fund balance b/fwd 1st July...</b>	13	40,460,587	44,498,248
<b>Surplus/Deficit for the year</b>		-5,077,300	-4,037,661
<b>Prior year adjustments</b>	14	0	0
<b>NET LIABILITIES</b>		<b>35,383,288</b>	<b>40,460,587</b>

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

  
\_\_\_\_\_  
**Chairman - CDFC**

  
\_\_\_\_\_  
**Fund Account Manager**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AINABKOI  
CONSTITUENCY**

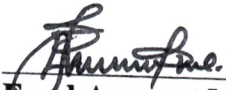
**Reports and Financial Statements  
For the year ended June 30, 2016**

**V. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>
<b>Transfers from CDF Board</b>	<b>1</b>	<b>105,153,627</b>	<b>102,998,181</b>
Other Receipts	3	193,446	
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,775,864	1,139,460
Use of goods and services	5	3,084,818	1,756,453
Committee Expenses	6	3,344,000	5,137,000
Transfers to Other Government Units	7	66,351,419	51,234,690
Other grants and transfers	8	35,856,273	38,611,484
Social Security Benefits	9	12,000	8,800
<b>Other Payments</b>	<b>11</b>		
		<b>110,424,374</b>	<b>97,887,887</b>
<b>Adjusted for:</b>			
<b>Adjustments during the year</b>			
<b>Net cash flow from operating activities</b>		<b>-5,077,300</b>	<b>5,110,295</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	10	0	9,147,955
<b>Net cash flows from Investing Activities</b>			<b>9,147,955</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>-5,077,300</b>	<b>-4,037,661</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>40,460,587</b>	<b>44,498,248</b>
<b>Cash and cash equivalent at END of the year</b>	<b>12</b>	<b>35,383,288</b>	<b>40,460,587</b>

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

  
\_\_\_\_\_  
**Chairman CDFC**

  
\_\_\_\_\_  
**Fund Account Manager**

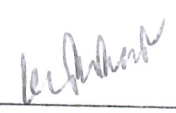
**CONSTITUENCIES DEVELOPMENT FUND – AINABKOI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

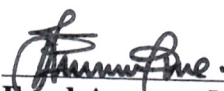
**VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Over/underutilization comment
	a	b	c=a+b	d	e=c-d	f=d/c %	
<b>RECEIPTS</b>							
Transfers from CDF Board	105,653,627	40,460,587	146,114,214	145,807,661	806,554		
Transfer from Former Eldoret East Constituency.		193,446	193,446	193,446	0		
	105,653,627	<b>40,654,033</b>	<b>146,307,660</b>	<b>146,001,107</b>	<b>806,554</b>		Kshs 500,000 was not received from CDFB as at end of the financial year.
<b>PAYMENTS</b>							
Compensation of Employees	1,856,839	843,027	2,699,866	1,775,864	924,002	66	The utilization differences is as a result of funds brought forward from the Financial year 2013/2014 kshs 644,208 being unspent salaries. This was because some employees were employed mid of the financial year.
Use of goods and services	3,769,608	1,847,920	5,617,528	3,084,818	2,532,710	55	The motor vehicle was purchased late in the financial year hence minimal expenditure was incurred on service and fuel.
Committee Expenses	2,840,000	1,553,745	4,393,745	3,344,000	1,049,745	76	The budgeted committee meetings was not exhausted as a result of delayed disbursement of funds from CDFB
Transfers to Other Government Units	55,250,000	18,076,554	73,326,554	66,351,419	6,975,135	90	100% utilization was not achieved due to late disbursement of funds from the CDFB
Other grants and transfers	39,894,801	18,144,519	58,039,320	35,856,273	22,183,047	62	100% utilization was not achieved due to late disbursement of funds from the CDFB
Social Security Benefits.	12,000		12,000	12,000	0	100	
Acquisition of Assets	1,530,379	(5,177)	1,525,202	0	1,525,202	0	Assets were not acquired during the financial year because the funds were received late.
Other Payments-Projects inherited from Former Eldoret East		193,446	193,446	0	193,446	0	The funds have not been disbursed to the projects till the close of the financial year.
<b>TOTALS</b>	105,653,627	40,960,588	146,307,661	<b>110,424,374</b>	<b>35,383,288</b>		

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) The **AINABKOI** CDF financial statements were approved on \_\_\_\_\_ 2016 and signed by:

  
 \_\_\_\_\_  
**Chairman CDF**

  
 \_\_\_\_\_  
**Fund Account Manager**

## VII. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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.

**Reports and Financial Statements**

**For the year ended June 30, 2016**

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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**5. Pending bills**

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

**6. Budget**

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

**7. Comparative figures**

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

**8. Subsequent events**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINABKOI  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015-2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	724190	10,000,000	
Normal Allocation	820525	10,000,000	
Normal Allocation	724060	10,000,000	49,880,814
Normal Allocation	820694	22,000,000	24,940,407
Normal Allocation	825717	53,153,627	3,236,554
<b>TOTAL</b>		<b>105,153,627</b>	<b>102,998,181</b>

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

3510000		2015- 2016	2014 - 2015
		Kshs	Kshs
	<b>Total</b>	-	<b>Nil</b>

3 OTHER REVENUES

		2015 - 2016	2014 - 2015
		Kshs	Kshs
Receipt from other Constituency	6106601	193,446	
	<b>Total</b>	<b>193,446</b>	<b>Nil -</b>

4. COMPENSATION OF EMPLOYEES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Basic wages of contractual employees		1,760,864	1,092,460
Basic wages of casual labour		15,000	47,000
<b>Personal allowances paid as part of salary</b>			
House allowance			0
Transport allowance			0
Leave allowance			0
Other personnel payments			
Gratuity			
<b>Total</b>		<b>1,775,864</b>	<b>1,139,460</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINABKOI  
**CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

**5. USE OF GOODS AND SERVICES**

Description	2015- 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	43,288	84,646
Office rent		0
Communication, supplies and services	60,270	63,820
Domestic travel and subsistence	585,200	405,900
Telephone Allowance	144,000	
Printing, advertising and information supplies & services	51,960	49,610
Rentals of produced assets		2,500
Training expenses	753,000	513,000
Hospitality supplies and services	426,342	209,519
Insurance costs		0
Specialised materials and services		0
Office and general supplies and services	331,791	157,400
Fuel ,oil & lubricants	400,000	160,500
Other operating expenses	147,795	13,800
Routine maintenance – vehicles and other transport equipment	131,172	66,258
Routine maintenance – other assets	10,000	29,500
		0
<b>Total</b>	<b>3,084,818</b>	<b>1,756,453</b>

**6. COMMITTEE EXPENSES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Other committee expenses		167,000
Commitee allowance	3,344,000	4,970,000
<b>TOTAL</b>	<b>3,344,000</b>	<b>5,137,000</b>

**7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	30,086,419	21,951,931
Transfers to secondary schools	30,200,000	24,800,000
Transfers to Tertiary institutions	5,665,000	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINABKOI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

Transfers to Health institutions		400,000	4,482,759
<b>TOTAL</b>		<b>66,351,419</b>	<b>51,234,690</b>

**8. OTHER GRANTS AND OTHER PAYMENTS**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary		
Bursary -Tertiary	12,829,673	9,716,873
Bursary-Special schools	6,158,950	10,523,427
Mocks & CAT		0
water	717,300	717,300
	1,000,000	5,150,000
Agriculture (food security)		
Electricity projects	900,000	700,000
Security		1,300,000
Roads	10,000,000	4,700,000
Sports		0
Environment	34,100	0
	431,250	430,584
Emergency Projects (specify)		
<b>Total</b>	<b>3,785,000</b>	<b>5,373,300</b>
	<b>35,856,273</b>	<b>38,611,484</b>

**9. SOCIAL SECURITY BENEFITS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Employer contribution to NSSF		
<b>Total</b>	12,000	8,800
	<b>12,000</b>	<b>8,800</b>

**10. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	2015- 2016	2014- 2015
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		2,347,805
Refurbishment of Buildings		0
Water And Sewarage supply		3,000
Purchase of Vehicles		6,161,095
Purchase of Bicycles & Motorcycles		0
Overhaul of Vehicles		0
Purchase of Office furniture and fittings		391,828

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINABKOI  
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Reports and Financial Statements

For the year ended June 30, 2016

Purchase of computers ,printers and other IT equipments			104,228
Purchase of photocopier			110,000
Purchase of other office equipments			29,999
Purchase of soft ware			0
Acquisition of Land			0
<b>Total</b>		0	9,147,955

11: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

	Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
		Kshs	Kshs
	<i>Cooperative Bank, Eldoret West Brach Ac 01141598004000</i>	35,388,288	40,460,587
	<b>Total</b>	35,388,288	40,460,587

12A CASH IN HAND)

		2015- 2016	2014 - 2015
		Kshs	Kshs
	<b>Total</b>		Nil

12B. OUTSTANDING IMPRESTS

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

13. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	40,460,587	44,268,748

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINABKOI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

Total	40,460,587	44,268,748
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**14. PRIOR YEAR ADJUSTMENTS**

		2015 - 2016	2014 - 2015
		Kshs	Kshs
	<b>Total</b>	-	-

**15. OTHER IMPORTANT DISCLOSURES**

**15.1 OTHER PENDING PAYABLES (See Annex 1)**

Amounts due to other Government entities (see attached list)		6,352,425
Amounts due to other grants and other transfers (see attached list)		23,146,243
Others ( <i>specify</i> ) Salaries, use of goods and services and acquisition of Assets.		5,884,625
		<b>35,383,288</b>

**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2015/16</b>	<b>Historical Cost (Kshs) 2014/15</b>
Buildings and structures	5,435,305	5,435,305
Transport equipment	6,161,095	6,161,095
Office equipment, furniture and fittings	639,055	639,055
<b>Total</b>	<b>12,235,435</b>	<b>12,235,435</b>