

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Paper Laid on the Table of the House by the Leader of the Majority Party on Wednesday 29/08/2018



REPORT

OF

THE AUDITOR-GENERAL

ON

(Afternoon)
[Signature]

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

**FOR THE YEAR ENDED
30 JUNE 2017**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

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

**Reports and Financial Statements
For the year ended June 30, 2017**

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND COMMITTEE (NG-CDFC).....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW.....	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	9
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26

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

**Reports and Financial Statements
For the year ended June 30, 2017**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Tindi Benson
3.	Accountant	Alex Muhando
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Endebess Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the National Government 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.

(e) Endebess CDF Headquarters

P.O. Box 29-30201
Kongasis House
Endebess-Suam Highway
ENDEBESS.

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

Reports and Financial Statements

For the year ended June 30, 2017

(f) Endebess CDF Contacts

Telephone: (+254) 726-271-453
E-mail: cdfendebess@ngcdf.go.ke
Website: www.cdf.go.ke

(g) Endebess CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank of Kenya
Kitale Branch

(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 CONSTITUENCIES DEVELOPMENT FUND- ENDEBESS
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

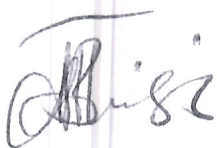
**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

During the 2016/2017 financial year Endebess Constituency Development Fund was allocated Ksh. 81,896,552 (Eight one million, eight hundred ninety six thousand five hundred fifty two shillings only) compared to Ksh. 107,380,138 (One Hundred and seven Million, three hundred eighty thousand, one hundred thirty eight only) in the 2015/2016 financial year by the NG-CDF Board. Total receipts for 2016/2017 was Ksh 50,948,277 compared to Ksh 131,841,717 received in 2015/2016. As at the close of the financial year on 30th June 2017 the board had disbursed all Ksh. 50,948,277 to the constituency representing 62% of the total constituency allocation. In this financial year the committee received funds in tranches and disbursed the funds to the Projects Management Committees (PMC's) as soon as they were received from the board. In the year ended 30th June 2017 Ksh. 2,093,278 was used to pay the CDF staff employees, Ksh. 33,350,000.00 was transferred to government units to finance various projects while Ksh 40,502,214 was disbursed as grants and other transfers to various government institutions. In 2016/2017 the CDFC prioritized to finance Bursary and School infrastructure projects; this was aimed to improve education standards within the constituency.

For instance the committee funded purchase of 1 school bus within the constituency and has plans to purchase of one more school bus for Kokwo Girls Secondary School in the 2017/2018 financial year to enhance education. The committee has now considered full funding for purchase of school bus purchase projects. In the previous years when the committee co-funded the project with school PTA's it was realized that most of the schools were unable to raise the balances thus prompting the committee to consider additional funding. There was also a substantial increase in number of bursary beneficiaries from to 2,950 in 2015/2016 to over 3,500 with an allocation of Ksh 22,159,000 for bursary in 2016/2017. The committee had improved quality of projects by engaging the department of public works in drawing of project Bills of Quantities and structural plans and also involving them in project supervision at various levels of project implementation.

The committee has faced a number of challenges in the implementation of projects; key among them was the delay in approval of project reallocations and resubmissions by the NG-CDF Board. This has had to delay implementation of projects within the stipulated time. We appeal to the Board to ensure timely approval of requests for reallocation. The committee has also experienced sudden high rise in the number of new schools. These new institutions have exerted pressure on the available NG-CDF funds. Most of such new schools lack basic infrastructure like classrooms and toilets. The committee has in the 2017/2018 financial year prioritised to fund construction of laboratories, desks/lockers and complete ongoing projects.

Thank you. God bless Endebess.



CHAIRMAN NG-CDFC

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

Reports and Financial Statements

For the year ended June 30, 2017

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 NG-CDF. 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.

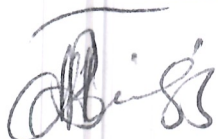
The Accounting Officer in charge of the Endebess Constituency is responsible for the preparation and presentation of the NG-CDF's financial statements, which give a true and fair view of the state of affairs of the CDF for and as at the end of the financial year 2016/2017 ended on June 30, 2017. This 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 NG-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 Endebess Constituency 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 NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of Endebess Constituency further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of Endebess Constituency confirms that the NG-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 NG-CDF's financial statements were approved and signed by the Accounting Officer on 21st July 2017.



Chairman – NGCDFC



Fund Account Manager

REPUBLIC OF KENYA

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

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ENDEBESS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Endebess Constituency set out on pages 5 to 43, which comprise the statement of assets as at 30 June 2017, 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 discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund-Endebess Constituency as at 30 June 2017, 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 National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, public money has not been applied lawfully and in an effective way.

Basis for Adverse Opinion

1.0 Presentation and Errors in the Financial Statements

1.1 Presentation

A review of the financial statements availed for audit review revealed that page numbers 9 to 23 are missing in the set of financial statements.

Under the circumstances, the financial statements are not in line with International Public Sector Accounting Standards (Cash Basis) as prescribed by Public Sector Accounting Standards Board.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Endebess Constituency for the year ended 30 June 2017

1.2.0 Errors in the Financial Statements

1.2.1 Use of Goods and Services

The statement of receipts and payments reflect use of goods and services figure of Kshs.5,301,267 which is at variance with note 5 to the financial statements the figure of Kshs.7,394,545 resulting in unexplained variance of Kshs.2,093,278.

1.2.2 Irregular Charge

Included in the use of goods and services figure of Kshs.7,394,545 reflected note 5 to the financial statement is routine maintenance- vehicles and other transport equipment figure of Kshs.746,568. However, a review of records made available indicate that the routine maintenance - vehicles and other transport equipment expenditure of Kshs.746,568 include an expenditure of Kshs.400,000 incurred on purchase of fuel and lubricants. No explanation has been provided for charging of the expenditure on fuel and lubricants on routine maintenance- vehicles and other transport equipment. Under the circumstance, the validity and accuracy of routine maintenance- vehicles and other transport equipment expenditure of Kshs.746,568 could not be confirmed.

1.2.3 Comparative Figures

A review of the financial statements submitted for audit revealed various variances between the comparative figures in the financial statements with prior year certified financial statement figures as shown below:

Item	Comparative figure in the financial statements 2016/2017 (Kshs)	Comparative figure in the audited financial statements- 2015/2016 (Kshs)	Variance (Kshs)
Note 5 Routine maintenance- Vehicle and other transport equipment	788,565	288,565	500,000
Note 5 Fuel, oil and other lubricants	0	500,000	(500,000)
Note 7- Bursary Tertiary institutions	7,936,000	0	7,936,000
Note 7- Bursary secondary schools	11,062,000	0	11,062,000
Note 10B- Cash in hand	0	39,873,794	(39,873,794)

1.2.4 Summary Statement of Appropriation

The summary statement of appropriation reflects final budget for transfers to other government entities and other grants and transfers figures of Kshs.45,750,000 and

Kshs.39,350,311 respectively which vary with their respective computed figures of Kshs.46,250,000 and Kshs.40,350,311. The resultant 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 (Cash Basis) as prescribed by Public Sector Accounting Standards Board.

2.0 Transfer to Other Government Entities

2.1 Unconfirmed Expenditure

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government units balance of Kshs.33,350,000 relating to funds disbursed to primary and secondary schools for various projects to be implemented by project management committees. However, actual expenditure returns from project management committees and acknowledgement letters from institutions that received funds were not availed for audit verification.

Under the circumstances, it was not possible to confirm whether the funds totaling Kshs.33,350,000 was actually received and utilized for the budgeted projects in the year under review.

2.2 Purchase of Buses

Included in the transfer to other government entities figure of Kshs.33,350,000 reflected in the statement of receipts and payments is an expenditure of Kshs.13,000,000 as shown below for the purchase of two 51 seater buses using request for quotation method.

Date	PV No.	Cheque Number	Project Name	Payee		Amount (Kshs)
1/9/2017	85	002577	Matumbei Secondary School	Central Farmers Garage Limited	002577	6,500,000
5/15/2017	135	003678	Koronga Secondary School	Kenya Coach Industries Limited	003678	6,500,000
			Total			13,000,000

However, the procurement exceeds the threshold for use of quotations and no prequalification procedure was done contrary to Section 93 (1) of the Public Procurement and Assets Disposal Act, 2015 which stipulates that an accounting officer of a procuring entity where applicable, may conduct a pre-qualification procedure as a basic procedure prior to adopting an alternative procurement method other than open

tender for the purpose of identifying the best few qualified firms for the subject procurement. In addition logbooks for the vehicles were not availed for audit review.

Under the circumstance, the management is in breach of the law and ownership status, validity and propriety of the expenditure Kshs.13,000, could not be confirmed.

3.0 Other Grants and Transfers

3.1 Road Projects

Included in the other grants and transfers payments figure of Kshs.40,502,214 reflected in note 7 to the financial statements is a disbursement to road projects figure of Kshs.3,807,974. Available information revealed the amount of Kshs.3,807,974 was paid to a construction firm for the construction of Twiga - Amana road. However, procurement records such bill of quantities, tender advertisement, tender evaluation and award minutes, letter of offer, contract agreement, and minutes of site/inspection meetings were not availed for audit review.

Under the circumstances, the validity and regularity of road projects expenditure of Kshs.3,807,974 could not be confirmed.

3.2 Security Projects

The other grants and transfers figure of Kshs.40,502,214 also include security expenditure of Kshs.3,807,974 out of which two payments amounting to Kshs.2,373,000 was to made to a company but no evidence was provided to confirm what services or goods the company offered/ supplied and the procurement method used. It was therefore not possible to confirm that the procurement of the services was subjected to a competitive bidding process.

Consequently, the validity and propriety of Kshs.2,373,000 on security projects for the year ended 30 June 2017 could not be confirmed.

3.3 Unsupported Expenditure on Emergency Funds

The statement of receipts and payments for the year ended 30 June 2017 reflects grants and transfers figure of Kshs.40,502,214 which include emergency project expenditure of Kshs.8,120,000 out of which an expenditure of Kshs.3,870,000 does not qualify as an emergency by nature as stipulated in Section 6(3) of the National Government Constituencies Development Fund Act, 2015 which state that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

Under the circumstances, the management is in breach of the law and the propriety of the expenditure of Kshs.3,870,000 could not be confirmed.

3.4 Irregular Expenditure

Included in the emergency projects expenditure Kshs.8,120,000 is an amount of Kshs.4,650,000 on various projects. However, available information revealed that these projects were not included in the list of approved projects by the National Government Constituencies Development Fund committee as required by Section 8(2) of the National Government Constituencies Development Fund Act, 2015 which states that the National Government Constituencies Development Fund committee shall determine the allocation of emergency reserves.

Under the circumstance, the validity and propriety of emergency projects expenditure of Kshs.4,650,000 could not be confirmed.

4.0 Construction of NG-CDF Office

The statement of receipts and payment reflects acquisition of assets figure of Kshs.7,204,000 relating to the construction of National Government Constituencies Development Fund office at Endebess. However, procurement records such as bill of quantities, tender advertisement, tender evaluation and award minutes, letter of offer, contract agreement, minutes of site/inspection meetings and interim/completion certificates were not availed for audit review.

Under the circumstances, the validity and propriety of construction of National Government Constituencies Development Fund office expenditure of Kshs.7,204,000 could not be confirmed.

5.0 Cash and Cash Equivalent

The Statement of financial statement reflects bank balance of Kshs.2,370,913 but an audit review of bank reconciliation statement for the month of June 2017 revealed bank charges not yet recorded in the Cash book of Kshs.25,879. However, no explanation has been availed for not taking charge of the bank charges expenditure. Under the circumstance, the validity and accuracy of bank balance of Kshs.2,370,913 could not be confirmed.

6.0 Unsupported Project Management Committee Bank Balances

Annex 4 of the financial statements reflects Project Management Committee (PMC) bank balances totalling to Kshs.596,042 as at 30 June 2017. However, cash books, bank confirmation certificates, bank statements and bank reconciliation statements of the project management committee balance said bank accounts were not provided for audit review.

Consequently, the existence, accuracy, validity and completeness of the project management committee bank balance of Kshs.596,042 as at 30 June 2017 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund –Endebess 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 adverse opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters 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 Budget Control and Performance

1.1 Budget Absorption

During the year under review, the Constituency had a total budget of Kshs.123,270,347 but incurred expenditure of Kshs.88,951,159 resulting in under-expenditure of Kshs.34,819,188 or 28% of the budget as summarized below:

ITEM	Budget 2016/2017 (Kshs)	Actual Expenditure 2016/2017 (Kshs)	Under /Over Absorption (Kshs)	% Under Absorption
Compensation of Employees	4,254,136	2,093,278	2,160,858	51
Use of goods and services	11,426,450	5,301,267	6,125,183	54
Transfer to other Government units	46,250,000	33,350,000	12,900,000	28
Other grants and transfers	40,350,311	40,502,214	(-151,903)	(0)
Acquisition of Assets	20,489,450	7,204,400	13,285,050	65
Other payments	500,000	0	500,000	100
Total	123,270,347	88,451,159	34,819,188	28

Funds not utilized imply that approved programs were not implemented, and thus the budget did not fully meet the objectives of improving delivery of services to the residents.

1.2 Project implementation

During the financial year an amount of Kshs.70,431,035 was allocated to implement 82 projects as detailed in the attached list below:

	Project	Activity	Allocation	Disbursement	% Completion	Status
Completed						
1	Secondary Schools	Payment of bursary to needy students	11,505,173	11,505,173	100%	Completed
2	Tertiary Institution	Payment of bursary to needy students	9,000,000	9,000,000	100%	Completed
3	Chepyalil primary school	Construction of 1 No. Classroom	500,000	500,000	100%	Completed
4	Moss memorial primary school	Purchase of additional 2 acres of land	1,050,000	1,050,000	100%	Completed
5	Keben primary school	Construction of 1 No. Classroom	500,000	500,000	100%	Completed
6	Kapkures primary school	Purchase of school land	500,000	500,000	100%	Completed
7	St.Barnabas Girls secondary School	Additional funds towards purchase of 51 seater school bus	500,000	500,000	100%	Completed
8	Matumbei Secondary School	Purchase of school bus	6,500,000	6,500,000	100%	Completed
9	Mubere Secondary School	Additional funds towards purchase of 51 seater sch bus	500,000	500,000	100%	Completed
10	St.Francis of Asis Koronga Secondary School	Purchase of school bus	6,500,000	6,500,000	100%	Completed
		Sub Total	37,055,173	37,055,173		
On going						
1	Labot Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	95%	on-going
2	Feedlot Primary School	Construction of 1 No. Classroom	500,000	500,000	90%	on-going
3	Nabeki Primary School	Construction of 1 No. Classroom	500,000	500,000	90%	on-going

4	Naminit Primary School	Construction of 1 No. Classroom	500,000	500,000	90%	On-going
5	Nawiyapong Primary School	Construction of 1 No. Classroom	500,000	500,000	85%	On-going
6	Tulwop kesis Primary School	Construction of 1 No. Classroom	500,000	500,000	80%	On-going
7	Nabakwana Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	80%	On-going
8	Rwanda Primary School	Construction of 1 No. Classroom	500,000	500,000	80%	On-going
9	Imbuye Primary School	Construction of 1 No. Classroom	500,000	500,000	80%	On-going
10	Moss memorial Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	70%	On-going
11	Chesitia Primary School	Construction of 2 No. Classrooms	1,000,000	500,000	70%	On-going
12	AIC Cheberem Primary School	Construction of 1 No. Classroom	500,000	500,000	70%	On-going
13	Kamaroko Primary School	Construction of 1 No. Classroom	500,000	500,000	60%	On-going
14	NG-CDF OFFICE BLOCK	Construction of Endeless NG-CDF Office Block	13,000,000	6,500,000	50%	On-going
		Sub Total	21,500,000	14,500,000		
						Not started
1	Sports	Carry out constituency sports tournament	1,637,931	-	0%	Not started
2	Tulwop Kesis Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
3	Amani Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
4	Kitinda Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
5	Chepnyalil Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
6	Chepkwirot Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started

7	AIC Cheberem Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
8	Moss Memorial Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
9	Nabakwana Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
10	Labot Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
11	Mahali Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
12	Chepatantan Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
13	Imbuye Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
14	Nabeki Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
15	Rwanda Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
16	Korong Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
17	Andersen Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
18	Feedlot Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
19	Suam Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
20	Chepsalei Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
21	Cheberem Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
22	Engakha Dispensary	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
23	Titimet Secondary Sch	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
24	Kitum Girls Secondary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
25	Nai Girls Secondary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started

26	Lutaso Secondary Sch	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
27	Cheptantan Secondary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
28	Endebess TTI	Purchase and Planting of Tree Seedlings	60,667	-	0%	Not started
29	Kiboi Primary School	Construction of 2 No classroom	1,000,000	-	0%	Not started
30	Chepkwirot Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
31	Kapkures Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
32	Koibei Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
33	Kitinda Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
34	Suam Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
35	Lutaso Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
36	Amani Primary School	Construction of 2 No. Classrooms	1,000,000	-	0%	Not started
37	AIC Cheberem Primary School	additional funds towards purchase of land	300,000	-	0%	Not started
38	Robinson Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	0%	Not started
39	Mahali Primary School	Construction of 1 No. Classrooms	500,000	500,000	0%	Not started
40	Tulwop kesis Primary School	Supply of 20 desks	57,000	-	0%	Not started
41	Amani Primary School	Supply of 20 desks	57,000	-	0%	Not started
42	Kaishaber Primary School	Supply of 20 desks	57,000	-	0%	Not started
43	Kitinda Primary School	Supply of 20 desks	57,000	-	0%	Not started
44	Chepnyalil primary sch	Supply of 20 desks	57,000	-	0%	Not started

45	Chepkwirot Primary School	Supply of 20 desks	57,000	-	0%	Not started
46	Moss memorial Primary School	Supply of 20 desks	57,000	-	0%	Not started
47	Nabakwana Primary School	Supply of 20 desks	57,000	-	0%	Not started
48	Labot Primary School	Supply of 20 desks	57,000	-	0%	Not started
49	Rwanda Primary School	Supply of 20 desks	57,000	-	0%	Not started
50	Mahali Primary School	Supply of 20 desks	57,000	-	0%	Not started
51	Kamaroko Primary School	Supply of 20 desks	57,000	-	0%	Not started
52	Imbuye Primary School	Supply of 20 desks	57,000	-	0%	Not started
53	AIC Cheberem Primary School	Supply of 20 desks	57,000	-	0%	Not started
54	Kiboi Primary School	Supply of 18 desks	52,000	-	0%	Not started
55	Kitum Girls Secondary School	Supply of 25 sets lockers	150,000	-	0%	Not started
56	Nalulingo Secondary School	Supply of 25 sets lockers	150,000	-	0%	Not started
57	Kimwondo Secondary School	Additional funds towards purchase of 51 seater sch bus	500,000	-	0%	Not started
58	Nai Girls Secondary School	Supply of 25 sets lockers	150,000	-	0%	Not started
		Sub Total	11,875,862	1,500,000		
		Grand Total	70,431,035	53,055,173		

According to the status report ,ten (10) projects with a budget of Kshs.37,055,173 were completed, fourteen (14) projects with a budget of Kshs.21,500,000 were on going and fifty-eight (58) with a budget of Kshs.11,875,862 had not started as at 30 June 2017. As a result, the residents of Endeless National Government Constituency Development Fund did not benefit from the projects that were not implemented as budgeted.

1.3 Project verification

Out of 82 projects costing Kshs.70,431,035, the following observations were made regarding thirteen (13) projects worth Kshs.32,710,127 that were physically verified during the audit for the year under review:

	Date	Payment Voucher Number	Payee	Activity	Amount (Kshs)	Remarks
1	7/12/2016	16	Lutaso Primary School	Construction of two classroom	1,000,000	The project was complete but not done to standard.
2	2/15/2017	94	Moss Memorial Primary School	Construction of two classroom	1,000,000	Painting not done, Glazing not done and project not labelled
3	3/2/2017	114	Moss Memorial Primary School	Purchase of land	1,050,000	The project was complete but no evidence of transfer of land to the school
5	2/15/2017	102	Labot Primary School	Construction of two classroom	1,000,000	The project was complete but not labelled as required by NG-CDF Act
6	1/9/2017	91	Savory Agencies Ltd	Construction of road	3,282,736	The project was complete but not labelled as required by NG-CDF Act
7	3/30/2017	120	Tasco Enterprises	CDF office	7,204,391	The project is at 95% complete
8	9/27/2016	41	Maendeleo Kwa Wote	Fencing of Endeless TTI	1,700,000	The project was complete but the project was not labelled as required by NG-CDF Act
9	1/9/2017	81	Endeless Dcc Office Pmc	Renovation of DCC office	600,000	Completed and in use but returns were not availed for audit

10	1/9/2017	84	Mowlem Market Association CBO	Construction of public toilet	500,000	The project has stalled for almost 6 months and it was financed under emergency vote
11	5/15/2017	135	Koronga Secondary School	Purchase a 51 seater Bus	6,500,000	Purchase and used but no justification on the procurement method used
12	1/9/2017	85	Matumbei Secondary School	Purchase a 51 seater Bus	6,500,000	Purchase and is being used
13	2/27/2017	108	M/S Zadkip Enterprise Ltd	Construction of AP staff houses	2,373,000	Completed and in use
				Total	32,710,127	

Incomplete projects is an indication of projects not implemented as planned. The people of Endebess Constituency failed to receive services from the planned projects hence no value for money on such uncompleted projects.

Responsibilities of Management and those charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund's 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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

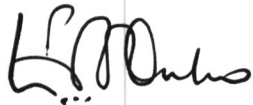
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund's to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund's 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

02 August 2018

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

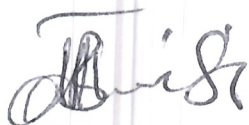
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	50,948,277	131,841,717
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		50,948,277	131,841,717
PAYMENTS			
Compensation of Employees	4	2,093,278	2,054,632
Use of goods and services	5	5,301,267	7,693,286
Transfers to Other Government Units	6	33,350,000	73,500,000
Other grants and transfers	7	40,502,214	36,301,186
Acquisition of Assets	8	7,204,400	-
Other Payments	9	-	30,086
TOTAL PAYMENTS		88,451,159	119,579,190
SURPLUS/DEFICIT		(37,502,882)	12,262,527

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Endebess NG-CDF financial statements were approved on 21st July 2017 and signed by:



Chairman – NG-CDFC



Fund Account Manager

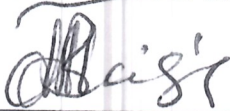
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- ENDEBESS
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

V. STATEMENT OF ASSETS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10A	2,370,913	39,873,795
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		2,370,913	39,873,795
REPRESENTED BY:			
Retention	12	-	-
Fund balance b/fwd	13	39,873,795	27,611,268
Surplus/Deficit for the year		(37,502,882)	12,262,527
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		2,370,913	39,873,795

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Endebess NG-CDF financial statements were approved on 21st July 2017 and signed by:



Chairman – NG-CDFC



Fund Account Manager

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

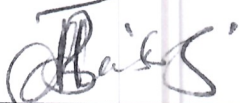
Reports and Financial Statements

For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2017

Receipts for operating income		2016 – 2017	2015 – 2016
Transfers from NG-CDF Board	1	50,948,277	131,841,717
Other Receipts	3	-	-
 Payments for operating expenses			
Compensation of Employees	4	2,093,278	2,054,632
Use of goods and services	5	5,301,267	7,693,286
Transfers to Other Government Units	6	33,350,000	73,500,000
Other grants and transfers	7	40,502,214	36,301,186
Other Payments	9	-	30,086
 Adjusted for:			
Adjustments during the year		-	-
 Net cash flow from operating activities		 (30,298,482)	 12,262,527
 CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	7,204,400	-
Net cash flows from Investing Activities		(7,204,400)	-
 NET INCREASE IN CASH AND CASH EQUIVALENT		 (37,502,882)	 12,262,527
Cash and cash equivalent at BEGINNING of the year	13	39,873,795	27,611,268
Cash and cash equivalent at END of the year	10A	2,370,913	39,873,795

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Endebess NG-CDF financial statements were approved on 21st July 2017 and signed by:



Chairman NG-CDFC



Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c = a+b	Actual on Comparable Basis d	Budget Utilisation Difference e = c-d	% of Utilisation f = d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	41,373,795	123,270,347	90,822,072	32,448,275	74
Proceeds from Sale of Assets	0	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTALS	81,896,552	-	123,270,347	90,822,072	32,448,275	74
PAYMENTS						
Compensation of Employees	2,200,000	2,054,136	4,254,136	2,093,278	2,160,858	49
Use of goods and services	5,170,690	6,255,760	11,426,450	5,301,267	6,125,183	46
Transfers to Other Government Units	33,650,000	12,600,000	45,750,000	33,350,000	12,900,000	72
Other grants and transfers	27,875,862	12,474,449	39,350,311	40,502,214	(151,903)	100
Acquisition of Assets	13,000,000	7,489,450	20,489,450	7,204,400	13,285,050	35
Other Payments	-	500,000	500,000	-	500,000	0
TOTALS	81,896,552	41,373,795	123,270,347	88,451,159	34,819,188	72

The Endebess CDF financial statements were approved on 21st July 2017 and signed by:



Chairman CDF



Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

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

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are 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, 2017.

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

**Reports and Financial Statements
For the year ended June 30, 2017**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
NG-CDF Board			
AIE NO	A825923	1,000,000	
AIE NO	A829543	4,094,828	
AIE NO	A855518	36,853,449	
AIE NO	A839725	9,000,000	
AIE NO	A790777		22,961,579
AIE NO	A724214		10,000,000
AIE NO	A724076		10,000,000
AIE NO	A820549		10,000,000
AIE NO	A820720		23,000,000
AIE NO	A825598		27,000,000
AIE NO	A825698		1,500,000
AIE NO	A825753		27,380,138
(other constituency e.g. parent constituency)		-	-
TOTAL		50,948,277	131,841,717

2. PROCEEDS FROM SALE OF ASSETS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
TOTAL	-	-

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2016 - 2017 Kshs	2015 - 2016 Kshs
Basic wages of contractual employees	1,919,878	1,880,832
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	150,000	150,000
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Employer Contribution to NSSF	23,400	23,800
Total	2,093,278	2,054,632

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015- 2016
	Kshs	Kshs
Committee Expenses	3,344,000	4,285,500
Utilities, supplies and services	51,109	40,761
Communication, supplies and services	144,000	161,160
Domestic travel and subsistence	336,800	368,830
Printing, advertising and information supplies & services	139,690	-
Rentals of produced assets	-	-
Training expenses	-	1,097,600
Hospitality supplies and services	239,700	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	261,200	950,870
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	746,568	788,565
Routine maintenance – other assets	38,200	-
Total	7,394,545	7,693,286

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

**Reports and Financial Statements
For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	15,750,000	28,270,000
Transfers to secondary schools (see attached list)	17,600,000	33,430,000
Transfers to tertiary institutions (see attached list)	-	10,000,000
Transfers to health institutions (see attached list)	-	1,800,000
TOTAL	33,350,000	73,500,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,568,000	11,062,000
Bursary – tertiary institutions (see attached list)	6,591,000	7,936,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	400,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	3,058,240	2,600,000
Roads projects (see attached list)	3,807,974	6,110,185
Sports projects (see attached list)	1,294,500	1,550,000
Environment projects (see attached list)	2,062,500	1,543,000
Emergency projects (see attached list)	8,120,000	5,100,000
TOTAL	40,502,214	36,301,186

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	7,204,400	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Purchase of other office equipments.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Purchase of photocopier	-	-
TOTAL	7,204,400	-

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	Bank Charges	2016 - 2017 Kshs	2015 - 2016 Kshs
		-	30,086
		-	30,086

10A. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017 Kshs	2015 - 2016 Kshs
<i>Equity Bank, 0330261608206</i>	2,370,913	39,873,795
	-	-
	-	-
TOTAL	2,370,913	39,873,795

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B. CASH IN HAND

	2016 - 2017 Kshs	2015 - 2016 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total		-	-	-

12. RETENTION

Supplier/Contractor	PV No	2016 - 2017	2015 - 2016
		Kshs	Kshs
	-	-	-
	-	-	-
	-	-	-
TOTAL		-	-

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Bank accounts	39,873,795	27,611,268
Cash in hand	-	-
Imprest	-	-
TOTAL	39,873,795	27,611,268

14. PRIOR YEAR ADJUSTMENTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
TOTAL	-	-

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

**Reports and Financial Statements
For the year ended June 30, 2017**

15.0 OTHER IMPORTANT DISCLOSURES

15.1 PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016 - 2017 Kshs	2015 - 2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	3,807,974
Supply of goods	-	-
Supply of services	-	-
	-	-
	-	3,807,974

15.2 PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-
	-	-

15.3 OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (<i>specify</i>)	-	-
	-	-
	-	-

15.4 PMC Account balances (See Annex 5)

	Kshs	Kshs
PMC Account Balances (see attached list)	596,042	-
	-	-
	596,042	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted B	Amount Paid To-Date C	Outstanding Balance 2016/2017 d=a-c	Outstanding Balance 2015/2016	Comments
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.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ENEDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/2017	Historical Cost (Kshs) 2015/2016
Land	-	-
Buildings and structures	7,204,400	-
Transport equipment	6,253,343	6,253,343
Office equipment, furniture and fittings	93,835	93,835
ICT Equipment, Software and Other ICT Assets	243,000	243,000
Other Machinery and Equipment	26,750	26,750
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	13,821,328	6,616,928

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ENEDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
MOSS MEMORIAL PRIMARY SCHOOL	EQUITY	0330269273816	201,280	-
IMBUYE PRIMARY SCHOOL	EQUITY	0330269158736	42,715	-
TULWOP KESIS PRIMARY SCHOOL	EQUITY	0330268661063	80,140	-
NAWIYAPONG PRIMARY SCHOOL	EQUITY	0330297426055	73,971	-
KAPKURES PRIMARY SCHOOL	EQUITY	0330198772493	184	-
RWANDA PRIMARY SCHOOL	EQUITY	0330268597051	188	-
NABEKI PRIMARY SCHOOL	EQUITY	0330268550510	188	-
AIC CHEBEREM PRIMARY SCHOOL	EQUITY	0330268578054	49,050	-
CHESTITIA PRIMARY SCHOOL	EQUITY	0330261721889	5,486	-
LABOT PRIMARY SCHOOL	EQUITY	0330268709472	1,480	-
MATUMBEI SECONDARY SCHOOL	EQUITY	0330190813861	14,176	-
KOIBEI PRIMARY SCHOOL	EQUITY	0330266654404	185	-
KIBOI PRIMARY SCHOOL	EQUITY	0330262666896	35	-
KEBEN PRIMARY SCHOOL	EQUITY	0330266850389	1,279	-
CHEPNYALIL PRIMARY SCHOOL	EQUITY	0330268581530	31,485	-
SUAM PRIMARY SCHOOL	EQUITY	0330193433225	-	-
NAMINIT PRIMARY SCHOOL	EQUITY	0330261804916	640	-
LUTASO PRIMARY SCHOOL	EQUITY	0330297420356	61	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ENEDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
NALULINGO SECONDARY SCHOOL	EQUITY	0330266676708	24,925	-
MUBERE SECONDARY SCHOOL	EQUITY	0330290726630	7,116	-
KAISHERBER PRIMARY SCHOOL	EQUITY	0330298964600	43,230	-
KIMWONDO SECONDARY SCHOOL	EQUITY	0330293646213	3,388	-
ST. MARY'S NAI GIRLS SECONDARY SCHOOL	EQUITY	0330263650267	14,840	-
Total			596,042	-



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ENEDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

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 2015/2016	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
ELD-END- CDF-43-13-3	1.0 Presentation and accuracy of the financial statements	Management has responded to the auditor and corrected the financial statements.	Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END- CDF-43-13-3	2.0 Use of Goods and services	Management has responded and undertaken to avail all the required procurement documents	Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END- CDF-43-13-3	3.1 Transfer to other Government Entities	Management has responded to the query	Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END- CDF-43-13-3	3.2 Purchase of land for schools	Management has responded to the query and availed the available land purchase documents	Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END- CDF-43-13-3	3.3 Transfer of Funds to Eneдебесс TTI	Management has responded to the query and availed procurements documents to the auditor	Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END- CDF-43-13-3	4.1 Bursary to Secondary and primary Schools	Management to adhere to auditor's recommendation on bursary	Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END- CDF-43-13-3	4.2 Road Projects	Management to respond to the query	Benson Tindi Fund Account	Not resolved	60 days

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ENEDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

Reference No. on the external audit Report 2015/2016	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
ELD-END-CDF-43-13-3	4.3 Environment Projects	Management to respond to the query and avail procurement documents	Manager Benson Tindi Fund Account Manager	Not resolved	30 days
ELD-END-CDF-43-13-3	4.4 Emergency Projects	Management to respond to the query	Benson Tindi Fund Account Manager	Not resolved	60 days
ELD-END-CDF-43-13-3	5.1 Stale Cheques	Management to respond to the query and reverse all stale cheques	Alex Muhando District Accountant	Not resolved	30 days
ELD-END-CDF-43-13-3	6.1 Budget Absorption	Management to respond to the query.	Benson Tindi Fund Account Manager	Not resolved	60 days
ELD-END-CDF-43-13-3	6.2 Project Implementation	Management to respond to the query	Benson Tindi Fund Account Manager	Not resolved	60 days
ELD-END-CDF-43-13-3	6.3 Project Identification	Management to respond to the query	Benson Tindi Fund Account Manager	Not resolved	60 days