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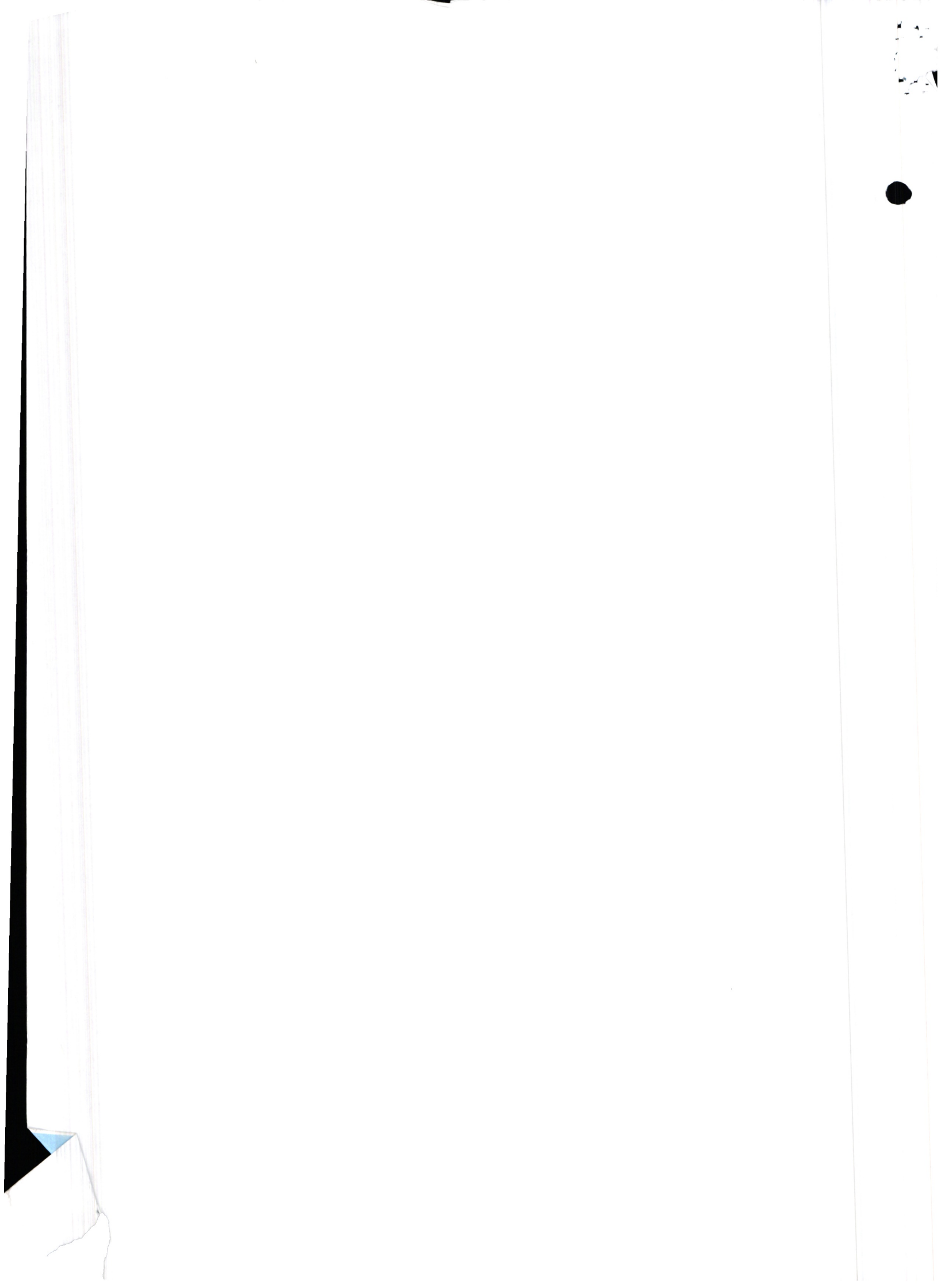
REPORT

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2018**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND KESSES
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**



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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) KESSES
CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY**

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

Core Values

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

(b) Key Management

The NGCDF Kesses day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Gloria Mwasi
3.	Sub-County Accountant	Winston Kalema
4.	Chairman NGCDFC	Joseph Rop
5.	Member NGCDFC	Stephen Kosgei

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KESSES Constituency Headquarters

P.O. Box 6742 -30100
Annex off Miti moja access road
Nakuru Eldoret Highway
Eldoret, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF KESSES Constituency Contacts

E-mail: cdfkesses@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF KESSES Constituency Bankers

1. Co-operative Bank of Kenya
Nakuru Nairobi highway
P.O. Box 2948
Eldoret, Kenya

(h) Independent Auditors

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

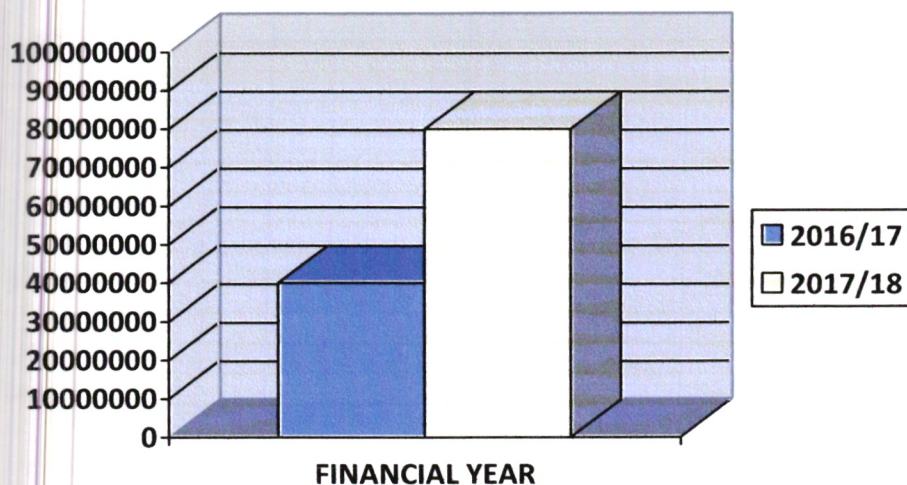
(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

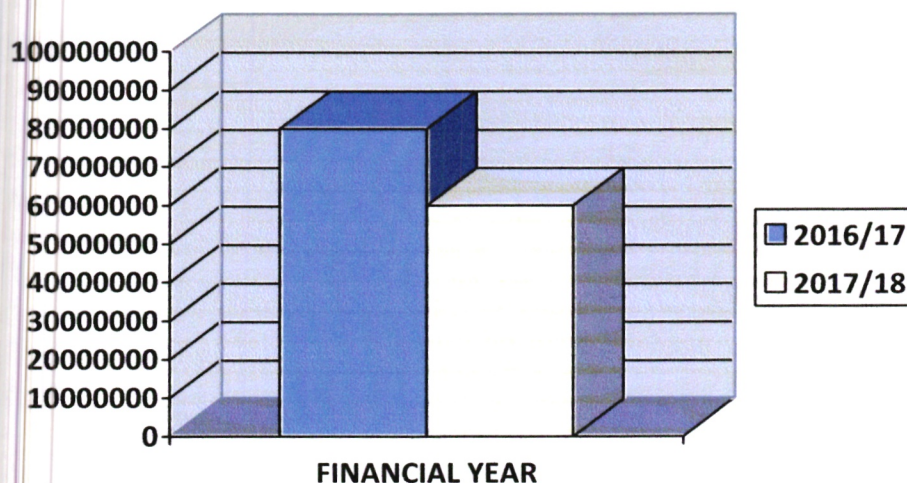
The budget performance of the constituency was a bit better than that of 2016/17 as funds received during the financial year was utilized on projects as planned. Actual amounts received for the current year was more than what was received in the previous year as shown in the graph below:

Bar graph for receipts



Expenditure for the current financial year was a bit lower than previous financial year. This was occasioned by the dissolution of the Ng-cdfc committees whereby by the time new committees were formed, time had elapsed and funds for the current financial year had not been received thus delay in disbursement to Pmcs and hence delayed expenditure.

Bar graph for expenditures



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY**

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

The constituency has been able to construct modern classrooms for schools within the constituency, administration blocks, and libraries to mention but a few.



Mogobich primary school administration block



Sosiani primary school replacement of asbestos roof with iron sheets



On-going chesunet primary administration block

Challenges

Monitoring of projects has been a challenge because means of transport is not always available. However, the Ng-cdfc have allocated funds to purchase a vehicle to assist in monitoring. Understaffing has also been a challenge as there are only three employees who are overworked. The committee have identified the gaps in staffing and already advertised for the positions to boost the work force.

Sign

CHAIRMAN NG-CDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KESSES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Kesses Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kesses Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Kesses Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF-Kesses Constituency financial statements were approved and signed by the Accounting Officer on 10/4/2019.



Fund Account Manager
Name: Gloria Mwasi



Sub-County Accountant
Name: Mary Kalulu Waa
ICPAK Member Number: 73/2

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KESSES CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kesses Constituency set out on pages 1 to 25, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kesses Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Project Management Committee Bank Account Balances

Note 15.4 to the financial statements reflects project management committee bank account balance of Kshs.20,180,889 as at 30 June 2018 in respect of unutilized funds held by project management committees. Out of this figure, an amount of Kshs.2,109,637 in respect of five PMC account balances, have not been supported by certificates of bank balances, while 4 PMC bank accounts show balances which differ from certificates of bank balances, as detailed on the attached Appendix 1.

Consequently, the accuracy, validity and completeness of the project management committee bank accounts balances totaling Kshs.20,180,889 for the year ended 30 June 2018 could not be confirmed.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Kesses Constituency for the Year Ended 30 June 2018

2.0 Bursary - Secondary Schools

Included in the other grants and transfers figure of Kshs.4,923,237 is bursaries to Secondary schools and tertiary institutions of Kshs.4,426,787 as disclosed under note 7 to the financial which is at variance with the supporting documentation resulting in an unexplained difference of Kshs.4,426,787 as summarized below;

Item	Supporting Schedule Figure (General Ledger) Kshs.	Returns from Institutions Kshs.	Financial statements Kshs.
Bursary - Secondary schools	2,225,142	2,932,891	2,873,708
Bursary - Tertiary institutions	1,553,079.	1,567,079	1,553,079
Total	3,778,221	4.499.970	4,426,787

In consequence, the accuracy, validity and completeness of the bursaries total figure of Kshs.4,426,787 for the year ended 30 June 2018 could not be confirmed.

3.0 Unutilized Funds

Annex 3 reflects unutilized funds figure of Kshs.82,031,286 as at 30 June 2018 which is at variance with the summary statement of appropriation figure of Kshs.39,751,981 resulting in an unexplained difference of Kshs.42,279,305. Under the circumstance, the validity, accuracy and completeness of the unutilized funds figure of Kshs.82,031,286 as at 30 June 2018 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 - Kesses Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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

Other Matter

1.0 Budget Performance

During the year under review, the Fund had approved budget of Kshs.103,075,944 against actual expenditure of Kshs.66,624,681.00 or 38% resulting in an under expenditure of Kshs.63,323,963 or 39% of the approved budget as detailed below:

Receipt/ Expense Item	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Under/(Over) Kshs.	Under/ (Over) (%)
Compensation of Employees	2,028,864	1,316,830	712,034	35
Use of Goods and Services	9,270,356	3,215,402	6,054,954	65
Transfers to other Government Units	49,286,769	54,516,424	(5,229,655)	-11
Other Grants and Transfers	31,312,928	4,275,307	27,037,621	86
Acquisition of Assets	6,500,000	-	6,500,000	100
Other Payments	4,677,027	-	4,677,027	100
Total Payments	103,075,944	63,323,963	39,751,981	39

As analyzed above, although the NGCDF overspent on Transfers to other government units, it is evident that the CDF under-spent on most of its budget line with acquisition of assets, other payments, Other grants and transfers and use of goods and services with the highest amount of unutilized allocations of 100%, 100%, 86% and 65% respectively. Although the committee has attributed the underutilization of budgeted funds to delays in receipt of the funds from the National Government Constituencies Development Fund board, the residents of Kesses constituency were denied the benefits that would have accrued from the projects that were to be implemented.

2.0 Project Implementation Status Report

During the financial year, the Fund disbursed Kshs.55,012,874 to one hundred and twenty six (126) projects against an approved allocation of Kshs.103,075,944. Out of these, thirty projects with actual disbursements of Kshs.12,000,000 were complete and in use, forty one (41) projects with an allocation of Kshs.17,996,450 were ongoing while fifty five (55) projects with actual disbursements of Kshs.25,016,424 had not started as at 30 June 2018 as analyzed in the attached appendix. The delay in implementation resulted from late disbursements of funds by the NGCDF Board and non-funding of the entire approved budget of Kshs.103,075,944 for the financial year in which only Kshs.88,340,236 was received during the year.

Consequently, the residents of Kesses constituency were denied the benefits that would have accrued from the completion of projects during the financial year.

3.0 Project verification

During the year under review, twenty (10) projects costing Kshs.7,446,450 were verified in the month of January 2019 and the following observations were made:

S/No	Project Name	Project Activity	Amount Disbursed During the Year Kshs.	Observation
1	Sosiani Primary school	replacement of asbestos with iron sheets for eight (8) class rooms	700,000	Complete and the class rooms were occupied by the students but not labelled, No Documentary evidence was not availed to confirm empowerment (training) of previous PMC members.
2	Chuiyat Chief's Office	Completion of the Chief's office - wall plastering and painting	400,000	Completion works had not started, project was on going and not labelled.
3	Oasis primary school	construction of library, that is, foundation, walling, roofing, doors and windows	800,000	At the lintel level but not labelled.
4	Tarakwa Secondary school	Completion of dormitory, that is, wall plastering, roofing, windows, doors and painting work	300,000	The project was on going and was at the lintel level, Completion works had not started and the project was not labelled
5	Rukuini Primary	renovation of thirteen (13) classrooms, that is, floor, wall plastering, painting work, windows and door fitting	400,000	The project was complete and in use, Documentary evidence was not availed to confirm empowerment (training) of previous PMC members, Certificates of inspection and acceptance committee for the works were not prepared and issued and the project not labelled.
6	St. mark Teldet Secondary School	Purchase of 1-acre land	400,000	The plot was purchased, secured and in use by the school, the plot was not labeled
7	Chagaiya Secondary school	Completion and equipping the laboratory, that is, installation of lab fittings, pipes, plastering, shelves, apparatus and painting work	300,000	Completion works had not started
		completion of 4 door girl's latrine	200,000	The works had not started

S/No	Project Name	Project Activity	Amount Disbursed During the Year Kshs.	Observation
		Construction of one classroom to completion	200,000	The project was on going and had reached at the lintel level, certificate of inspection and acceptance committee was not prepared and issued, project not labelled.
		Purchase of seedlings, planting of trees, fencing and labour charges	96,450	Project was complete-planted trees, but not labelled
8	Toror Primary school	Construction of 4 door toilets	400,000	Project was on going and was at the lintel level, Certificate of inspection and acceptance committee was not prepared and issued and project was not labelled
9	Matharu primary school	Construction of one classroom to completion	600,000	The class room was complete and in use, Certificate of inspection and acceptance committee was not prepared and issued and project was not labelled.
		Completion of toilets-wall plastering, roofing, doors and painting	250,000	Project was not identifiable
		Renovation of 2 classrooms - wall and floor plastering and painting work, windows and floor fittings	150,000	The project was not identified
10	Kuiluget secondary school	Purchase of school bus	2,250,000	Logbook of the motor vehicle was not availed and the bus was under the custody of the parish at Burnt Forest town instead of the school management.
		TOTAL	7,446,450	

4.0 Unresolved Prior Year Audit Matters

Annexed to the financial statements submitted for audit, is the progress on follow up of auditor recommendations, which includes the following matters which were raised in the

audit report for 2016/2017 financial year, but remains unresolved contrary to section 68(2)(l) of the public finance management act,2012 which require accounting officers to take appropriate measures to resolve any issues arising from audit which may remain outstanding.

4.1 Un-Supported Expenditure

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government units figure of Kshs.50,470,000 which comprises transfers to primary schools' figure of Kshs.27,370,000, transfers to secondary schools amount of Kshs.22,900,000 and to health institutions amount of Kshs.200,000 to fund various projects that were to be implemented by project management committees. However, the actual expenditure returns together with supporting documents and acknowledgement letters from the respective project management committees availed for audit verification accounted for only Kshs.900,000 leaving Kshs.49,570,000 un-supported.

Under the circumstances, it was not possible to confirm whether the total transfers of Kshs.49,570,000 was actually received by the institutions and utilized towards the planned projects during the year under review.

4.2 Renovation of Classrooms at Cheptiret Primary School

Included in the transfers to other government units figure of Kshs.50,470,000 is an amount of Kshs.27,370,000 in respect of transfer to primary schools out of which an amount of Kshs.350,000 was disbursed to Cheptiret Primary School for renovation of 20 classrooms. The works to be done included painting the roofs, plastering floors and replacement of window panes. However, audit inspection of the project in June 2018 revealed that although the renovation works were complete, the floors in respect of three (3) classrooms had major cracks which is an indication of poor workmanship and therefore there was no value for money spent on the project. In addition, completion certificate and hand over report were not availed for audit review.

Consequently, the propriety of the expenditure of Kshs.350,000 incurred on renovation of the classrooms could not be confirmed.

4.3 Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.28,704,480 for the year ended 30 June 2017 which includes bursaries to secondary schools amounting to Kshs.10,610,000 and bursaries to tertiary institutions amounting to Kshs.6,795,000 all totalling to Kshs.17,405,000. Although the bursary disbursements during the year were done by CDFC bursary subcommittee, the subcommittee as constituted did not co-opt two members one who must be the area education officer or representative of the of Ministry of Education as required by Constituencies Development Fund Board circular VOL1/111 dated 13 September 2010. In addition, only an amount of Kshs.945,000 was supported as having been received by the recipient institutions hence leaving Kshs.16,460,000 un-supported.

Consequently, the propriety of the bursary disbursements amounting to Kshs.16,460,000 could not be confirmed.

4.4 Unaccounted for Fuel

The statement of receipts and payments reflects use of goods and services amount of Kshs.5,318,132 which include Kshs.389,942 paid to a petroleum dealer for supply of fuel in bulk. However, quotations, evaluation and award minutes, fuel register, supplier statement and work tickets showing how the fuel purchased was utilized were not availed for audit review.

Consequently, the propriety of the expenditure of Kshs.389,942 on fuel could not be confirmed.

4.5 Bank Balance

The statement of assets and liabilities as at 30 June 2017 reflects a bank balance of Kshs.4,386,789. An audit review of the bank reconciliation statement for the month of June 2017 showed unrepresented cheques amounting to Kshs.1,914,390 out of which cheques amounting to Kshs.1,027,709 were dated 3 August 2016 and earlier and were therefore stale. Further cheques totalling Kshs.635,851 out of the balance of unrepresented cheques amounting to Kshs.886,680 had not been cleared by 31 December 2017 and were therefore stale. Further, as at the time of audit in June 2018, all the stale cheques totalling to Kshs.1,663,559.55 had not been written back to the cash book and replaced and no reason was given for not clearing these stale cheques.

The bank reconciliation statement further reflects payments in bank statement not recorded in cash book amounting to Kshs.56,609.60 relating to bank charges which were also not recorded in the cashbook.

Consequently, the accuracy and validity of the bank balance of Kshs.4,386,789 could not be confirmed.

4.6 Long Outstanding Imprest

The statement of assets and liabilities as at 30 June 2017 reflects outstanding imprests balance of Kshs.99,500. Available information revealed that the outstanding imprest was issued to the Fund Account Manager and has been outstanding for long. No justification was provided for failure to surrender or recover the imprest from the Manager's salary as required by the Public Finance Management (National Government) Regulations, 2015. Although management has indicated that the imprest has since been surrendered, the surrender voucher together with supporting documents were however not provided for audit verification.

Under the circumstances, the propriety of the outstanding imprest balance of Kshs.99,500 could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Compensation of Employees - Salaries

The statement of receipts and payments reflects compensation of employees figure of Kshs.1,316,830 which includes Kshs.298,920 paid to a driver during the year under review.

Available information indicated that, the NG-CDF vehicle attached to the driver was damaged and taken to a garage on 25 July 2016 for repairs. However, the driver has been on payroll while the vehicle was grounded earning a salary total salary of Kshs.522,920 from July 2016 to June 2018 .

Under the circumstances, the propriety of the expenditure of Kshs.522,920 for the year ended 30 June 2018 could not be confirmed.

2.0 Loan Repayment for school bus (Queen of Peace High School-Rukuini)

During the year under review, the NG-CDF Committee allocated and disbursed Kshs.1,000,000 for the Construction of a multipurpose dining hall at Queen of peace high School-Rukuini . Later on, the NG-CDF Board re-allocated the funds to the repayment of an outstanding loan which had been used to purchase a school bus after the school requested for change of activity.

Available information indicated that, the school bus was a joint project between the parents and NGCDF at a cost of Kshs.6,100,000. The NG-CDF was to contribute Kshs.4,000,000 while parents had already contributed Kshs.1,000,000 .Consequently, the NGCDFC disbursed the funds in two tranches of Kshs.2,000,000 each to the project account.

Further, the school obtained a loan of Kshs.4,100,000 from Family Bank in Eldoret in November, 2014, under the following conditions;

Total cost of the unit (Bus)	Kshs.6,100,000.00
Customer contribution (Down Payment)	Kshs.2,000,000.00
Balance payable by Family Bank	Kshs.4,100,000.00

Although a physical verification confirmed that the existence of the bus and in good condition, the following unsatisfactory matters were noted;

- (i) Management of the school obtained a loan of Kshs.4,100,000 although parents had already contributed Kshs.1,000,000 and the NG-CDFC had approved a further disbursement of Kshs.2,000,000 in the following school term.
- (ii) The PMC maintained two bank accounts (Family bank and KCB) contrary to NGCDF Regulations.
- (iii) The expenditure of the last disbursed tranche of Kshs.2,000,000 and Kshs.1,000,000 contributed by parents were not confirmed.
- (iv) The logbook of the school bus is registered jointly in the names of the school and Family bank.
- (v) Repayment of loans is not among the Nation Government functions as defined under section 24 of the National Government Constituencies Development Fund Act, 2015 and section 11 (1)(e) of the NGCDF Regulation, 2016.

3.0 Transfers to Other Government Units

Included in the transfers to other government units figure of Kshs.54,516,424 is an amount of Kshs.37,250,000 in respect of transfer to primary schools out of which an amount of Kshs.400,000 was disbursed to Rukuini Primary School for renovation of thirteen (13) classrooms, that is, floor, wall plastering, painting work, windows and door fitting.

Physical verification of the project revealed that the project was complete and in use. However, certificates of inspection and acceptance committee for the works were not prepared and issued and the project was not labelled. Consequently, it was not possible to confirm whether the work was done to specification.

4.0 Chagaiya Secondary School

4.1 Completion and Equipping of Laboratory

The National Government Constituencies Development Fund Committee (NGCDFC) allocated and disbursed Kshs.300,000 for Completion and equipping of the laboratory, that is, installation of lab fittings, pipes, plastering, shelves, apparatus and painting work. Physical verification of the project revealed that completion works had not started. Under the circumstances, the objective of the project has not been achieved and no value for money has been obtained.

4.2 Completion of 4 Door Girl's Latrine

The National Government Constituencies Development Fund Committee (NGCDFC) allocated and disbursed Kshs.200,000 for the completion of 4 door girl's latrine.

However, during the physical verification of the project, it was noted that, the works had not started. Under the circumstances, the objective of the project has not been achieved and no value for money has been obtained.

4.3 Construction of One Classroom to Completion

The National Government Constituencies Development Fund Committee (NGCDFC) allocated and disbursed Kshs.200,000 for the construction of one classroom to completion.

Physical verification of the project revealed that the project was on going and had reached lintel level, certificate of inspection and acceptance committee was not prepared and issued and the project was not labelled. Under the circumstances, the objective of the project has not been achieved and no value for money has been obtained

5.0 Matharu Primary School

5.1 Construction of One Classroom to Completion

The National Government Constituencies Development Fund Committee (NGCDFC) allocated and disbursed Kshs.600,000 for the construction of one classroom to completion .Further, during the physical verification of the project, it was noted that, the class room was complete and in use. Certificate of inspection and acceptance committee was not prepared and issued and the project was not labelled

5.2 Completion of Toilets-wall Plastering, Roofing, Doors and Painting

The National Government Constituencies Development Fund Committee (NGCDFC) allocated and disbursed Kshs.250,000 for Completion of toilets, that is, wall plastering, roofing, doors and painting. However, physical verification revealed that the project does not exist hence the propriety of this expenditure could not be confirmed.

5.3 Renovation of 2 Classrooms-wall and Floor Plastering and Painting Work, Windows and Floor Fittings

The National Government Constituencies Development Fund Committee (NGCDFC) allocated and disbursed Kshs.150,000 for Completion of Renovation of 2 classrooms, that is, wall and floor plastering and painting work, windows and floor fittings. However, during the physical verification of the project, the project was not identifiable.

The PMC for Matharu Primary School did not avail procurement documents such as request for quotations, tender documents, evaluation reports and signed contracts were not availed for audit. Consequently, it is not possible to confirm that the procurements was competitively sourced.

6.0 Purchase of School Bus for KUILUGET SECONDARY SCHOOL

Included in the transfers to other government units figure of Kshs.54,516,424 is an amount of Kshs.17,266,424 in respect of transfers to secondary schools out of which an amount of Kshs.2,250,000 was disbursed to KUILUGET SECONDARY SCHOOL towards Purchase of a school bus.

As reported in 2016/2017, Kshs.3,000,000 was disbursed to KUILUGET SECONDARY SCHOOL for purchase of a school bus. The Project Management Committee (PMC) invited quotations for the purchase of a 33 seater luxury body bus and the evaluation done on 26 May 2016. According to the evaluation minutes, four (4) bidders submitted quotations after which the tender was awarded to the second highest bidder to supply the school bus at cost of Kshs.5,020,000 excluding insurance. Subsequently, three (3) instalments of Kshs.995,000 each, all totalling to Kshs.2,985,000 were made to the firm indicated as deposit for the purchase of a 51 seater bus. According to the acknowledgement of payments by the motor company on 21 October 2016, it indicated that the deposit was in respect of a 51 seater luxury bus. Available information revealed that on 23 December 2016, the motor company wrote to the school informing the management that the 51 seater bus Isuzu FRR was ready for branding/registration and need to pay the balance of Kshs.3,251,720 out of the price of Kshs.6,236,720 and insurance for one year amounting to Kshs.264,969.

However, the tender documents including, tender opening minutes, notification and acceptance letters, signed contract agreement, and performance bond guarantee were not availed for audit verification.

Further, the management has not provided any information including CDFC approval of variation from a 33 seater bus costing Kshs.5,020,000 to 51 seater costing Kshs.6,236,720 a variation of Kshs.1,216,720 or 24% contrary to Section 139(1)(4)(b) of the Public Procurement and Assets Disposal Act, 2015 which states that the quantity variation for goods and services does not exceed fifteen (15%) per cent of the original contract quantity.

In addition, as at the time of audit in June 2018 there was no evidence that the bus had been supplied which is over 20 months since the deposit of Kshs.2,985,000 was made. Consequently, the propriety of the expenditure of Kshs.2,985,000 disbursed towards the purchase of the school bus could not be confirmed.

However, during the physical verification of the project in February 2019, it was observed that management had not obtained the document of ownership (Logbook) of the motor vehicle which was under the custody of the parish at Burnt Forest town instead of the school management.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Qualified Opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Development Fund - Kesses Constituency ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the National Government either intends to liquidate the National Government Constituencies Development Fund - Kesses Constituency or to cease operations, or have no realistic alternative but to do so. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Those charged with governance are responsible for overseeing the National Government Constituencies Development Fund - Kesses Constituency financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

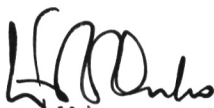
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Government Constituencies Development Fund - Kesses Constituency ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the National Government Constituencies Development Fund - Kesses Constituency to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Kesses Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

06 June 2019

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Kesses Constituency for the Year Ended 30 June 2018

Appendices

Appendix 1

PMC Account Balances Not Supported by Certificates of Bank Balances

	PMC	Bank	Account Number	Bank Balance 2017/18 as per Financial Statement (Kshs.)	Certificate of Bank Balance (Kshs.)
1	Keringet Pry	Co-Operative	1139441978900	1,390.00	Not availed
2	Moi University Pry	National Bank	1024027998602	403,740.00	Not availed
3	Kapsrton Pry	Co-Operative	1141046298500	301,087.50	1,087.50
4	Bureti Kapsoen Pry	Co-Operative	1141674054400	454,400.00	452,400.00
5	St. Catherine Girls Sec	National Bank	1224027776201	1,001,377.00	Not availed
6	Matharu Sec	KCB	1236047443	450,000.00	0.00
7	Moi University Sec	National Bank	1022208277200	400,000.00	Not availed
8	Tarakwa Sec	KCB	1117600238	303,130.00	Not availed
9	Kapkoiga Girls Sec	Sidian	8030013159	15,000.00	762.00
	TOTAL			3,330,124.50	

Appendix 2

Project Implementation Status Report

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	St. Catherine Kahuho Primary	Construction of 6 door new toilets- foundation, wall, roofing, windows, doors, plastering and painting work.	400,000	Complete
2016/17	St. Catherine Kahuho Primary	Completion of two classrooms - wall plastering, roofing, windows, doors and painting work.	200,000	Complete
2016/17	Koriomat Primary	Completion of two classrooms - wall plastering, windows, doors and painting work.	150,000	Complete

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	Matharu Primary	Renovation of 2 classrooms ,wall and floor plastering and painting work, windows and door fittings	150,000	Complete
2016/17	Matharu Primary	Completion of toilets - wall plastering, roofing, doors and painting work.	250,000	Complete
2016/17	Cheboror Primary	Completion of administration block-wall plastering, roofing, windows, doors and painting work.	350,000	Complete
2016/17	Cheboror Primary	Construction of 4 door new toilets- foundation, wall, roofing, windows, doors, plastering and painting work.	250,000	Complete
2016/17	Silaga Primary	Completion of one classroom - wall plastering, windows, doors and painting work.	150,000	Complete
2016/17	Mogobich Primary	Completion of administration block-wall plastering, roofing, windows, doors and painting work.	300,000	Complete
2016/17	Barakeiwo Pri.School	Construction of 6 door girls toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000	Complete
2016/17	Barakeiwo Pri.School	Construction of 4 door staff toilets – foundation, wall, roofing, windows, doors plastering and painting work.	250,000	Complete
2016/17	Tarakwa Pri.School (Special Unit)	Completion of dormitory - wall plastering, roofing, windows, doors and painting work.	200,000	Complete
2016/17	Sosiani Primary	Renovation of 8 classrooms – roofing (replacement of asbestos with iron sheets.)	700,000	Complete
2016/17	Rukuini Primary	Renovation of 13 class rooms, wall and floor plastering and painting work, windows and doors fitting	400,000	Complete
2016/17	Racecourse Pri School	Completion of two classrooms- fixing windows, door, plastering and painting	300,000	Complete
2016/17	Kapserton Primary	Renovation of 7 class rooms, wall and floor plastering and painting work, windows and doors fitting	300,000	Complete
2016/17	Chepkoiya Primary School	Renovation of 6 class rooms, wall and floor plastering and painting work, windows and doors fitting	500,000	Complete

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	Seiyo Primary School	Renovation of 6 class rooms, wall and floor plastering and painting work, windows and doors fitting	500,000	Complete
2016/17	St. Mathews Central Primary School	Renovation of 6 class rooms, wall and floor plastering and painting work, windows and doors fitting	300,000	Complete
2016/17	Koisagat Primary	Renovation of 10 classrooms ,wall and floor plastering and painting work, windows and door fittings	400,000	Complete
2016/17	Rehema Primary	Completion of two classrooms - wall plastering, windows, doors and painting work.	200,000	Complete
2016/17	AIC Chebaiwo Ruman Primary	Construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000	Complete
2016/17	Bindura Primary	Construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000	Complete
2016/17	Keringet Secondary	Construction of 6 door new toilets- foundation, wall, roofing, windows, doors, plastering and painting work.	400,000	Complete
2016/17	Mkombozi Sec. School	Completion of administration block- plastering and painting work.	300,000	Complete
2016/17	Koiluget Sec. School	Purchase of school bus (final payment)	2,250,000	Complete
2016/17	AIC Isaac Kosgei Sec. School	Completion of dormitory- fixing windows, doors, plastering and painting work.	500,000	Complete
2016/17	Moi University Secondary School	Completion and equipping of laboratory- foundation, wall, roofing, windows, doors, plastering and painting work.	400,000	Complete
2016/17	Rcea Seiyo Secondary	Completion of two classrooms - wall plastering, windows, doors and painting work.	200,000	Complete
2016/17	Kerita Day Secondary	Completion of administration block - wall plastering, windows, doors and painting work.	400,000	Complete
2016/17	Ndungulu Pri. School	Construction of 6 door toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000	Not Started

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	Tabarin Primary School	Purchase of land one acre	500,000	Not Started
2016/17	Kapchorua Primary	Construction of 6 door new girls toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	400,000	Not Started
2016/17	St. Catherine Girls - Kesses	Payment of school bus (final payment)	1,000,000	Not Started
2017/18	Sukunanga Primary School	Construction of 4door toilets two for girls and two for boys	400,000	Not Started
2017/18	Sukunanga Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Sukunanga Primary School	Completion of two classrooms: plastering, painting, doors and windows.	300,000	Not Started
2017/18	Oasis Primary School	Construction of library: foundation, walling, roofing, doors and windows	800,000	Not Started
2017/18	Racecourse Primary School	Renovation of 8classrooms: flooring, windows, doors, plastering, painting.	800,000	Not Started
2017/18	Chemenei Primary School	Renovation of 5classrooms,: flooring, windows, doors, plastering, painting.	300,000	Not Started
2017/18	Kerita Primary School	Construction of 4door toilets for boys	400,000	Not Started
2017/18	Chesegem Primary School	Completion of administration block: plastering, windows, doors, painting.	500,000	Not Started
2017/18	St. Mathew Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Emkwen Koitebes B Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Emkwen Koitebes B Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Kaptumo Primary School	Construction of 4door toilets for girls	400,000	Not Started
2017/18	Mugundoi Primary School	Completion of dormitory: platering, windows, doors, painting	500,000	Not Started
2017/18	Rehema Primary School	Construction of 4door toilets	400,000	Not Started

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2017/18	Saroiyot Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Cheptiret Primary School	Completion of library: plaster, windows, doors, painting	300,000	Not Started
2017/18	Teldet Chuiyat Primary School	Construction of 4door toilets for boys	400,000	Not Started
2017/18	Murgor Primary School	Construction of 6door toilets for boys and girls	600,000	Not Started
2017/18	Tumoge Primary School	Completion of administration block: plastering, windows, doors, painting.	500,000	Not Started
2017/18	Ngeny Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	AIC Rev Mesis Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Lelmwoko Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Lelmwoko Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Muchorwe Primary School	Construction of 2door toilets	200,000	Not Started
2017/18	Matharu Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Lainguse Primary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Kipkorosyo Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Kapyemit Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Koiluget Primary School	Completion of 2classrooms: plaster, windows, doors, painting	200,000	Not Started
2017/18	Kiptega Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Nabkoi Boys Boarding Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Kapilat Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Kapilat Primary School	Completion of one classroom: plaster, windows, doors, painting	100,000	Not Started

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2017/18	Subukia Primary School	Construction of 2door teachers latrines	200,000	Not Started
2017/18	Toror Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Kamuyu Primary School	Construction of 4door toilets	400,000	Not Started
2017/18	Chereber Primary School	Completion of administration block: plastering, windows, doors, painting.	200,000	Not Started
2017/18	Hill School Secondary	Furnishing of home science lab: sewing machines, tables, chairs, electronics, gas cookers, drawers	1,000,000	Not Started
2017/18	Saroiyot Mixed Day Secondary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	AIC Isac Kosgei Secondary School	Construction of ablution block	400,000	Not Started
2017/18	AIC Kaptumoi Secondary School	Completion of 4classrooms: windows, doors, plaster, painting	400,000	Not Started
2017/18	Chirchir Secondary School	Completion of science laboratory: plaster, windows, doors, painting	500,000	Not Started
2017/18	Kiptega Secondary School	Completion of 2classrooms: plaster, windows, doors, painting	100,000	Not Started
2017/18	Chagaiya Secondary School	completion of 4door girls latrine	200,000	Not Started
2017/18	Chagaiya Secondary School	Construction of one classroom to completion.	600,000	Not Started
2017/18	Barekeiwo Secondary School	Completion of administration block: plastering, windows, doors, painting.	600,000	Not Started
2017/18	Lainguse Secondary School	Completion of 2 classrooms: plaster, windows, doors, painting	200,000	Not Started
2017/18	Lingway Secondary School	Construction of dining hall and kitchen: foundation, waling, roofing	616,424	Not Started

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2017/18	St. Michael Tulwopnetuny Secondary School	Completion of science laboratory: plaster, windows, doors, painting	300,000	Not Started
2017/18	Tumwoge Secondary School	Furnishing of science lab: plaster, ceiling, painting	500,000	Not Started
2017/18	Lelmolok Secondary School	Construction of 4door toilet	400,000	Not Started
2016/17	Chuiyat Pri.Sch.	Completion of administration block-wall plastering, roofing, windows, doors and painting work.	500,000	Ongoing
2016/17	Koriomat Primary	construction of one classroom-foundation, wall, roofing, doors, windows plastering and painting	450,000	Ongoing
2016/17	Silaga Primary	Construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000	Ongoing
2016/17	Rongai Primary	Construction of one classroom-foundation, wall, roofing, doors, windows plastering and painting	450,000	Ongoing
2016/17	Rongai Primary	Construction of 6 door boys toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000	Ongoing
2016/17	Teldet Chuiyat Pri. School	Construction of one classroom-foundation, wall, roofing, windows, doors plastering and painting work.	450,000	Ongoing
2016/17	Tarakwa Pri. School	Construction of one classroom-, foundation, wall and floor plastering and painting work.	450,000	Ongoing
2016/17	Keringet Pri. School	Completion of one classroom, wall and floor plastering and painting work	200,000	Ongoing
2016/17	Moi University Pri. School	Completion of two classrooms, wall and floor plastering, windows, doors and painting work	400,000	Ongoing
2016/17	Mogochoret Pri. School	Construction of 6 door girls toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000	Ongoing
2016/17	Chagaiya Pri. School	Construction of one classrooms, foundation, wall, roofing, windows, doors, plastering and painting work	450,000	Ongoing

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	Chereber Pri. School	Construction of 6 door toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000	Ongoing
2016/17	Sambul Pri. School	Renovation of 10 class rooms, wall and floor plastering and painting work, windows and doors fitting	450,000	Ongoing
2016/17	Chesunet Primary	Completion of administration block-roofing, windows, doors, plastering and painting work.	500,000	Ongoing
2016/17	Chemare Pri School	Construction of one classroom-foundation, wall, roofing, windows, doors, and painting work	450,000	Ongoing
2016/17	Lingwai Primary	Construction of one classroom-foundation, wall, roofing, windows, doors, plastering and painting work.	450,000	Ongoing
2016/17	Muchorwe Primary	Construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000	Ongoing
2016/17	Chorwet Primary	Completion of two classrooms- wall plastering, roofing, windows, doors and painting work.	200,000	Ongoing
2016/17	Oasis Primary	Construction of 6 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	400,000	Ongoing
2016/17	Koitebes Primary	Construction of administration block-foundation, wall, roofing, windows, doors, plastering and painting work.	800,000	Ongoing
2016/17	Bureti Kapsoen Primary	Construction of one classroom-foundation, wall, floor, roofing and plastering work	450,000	Ongoing
2016/17	Kamuyu Primary School	Construction of one classroom-foundation, wall, floor, roofing and plastering work	450,000	Ongoing
2016/17	Kapkoi Primary School	Construction of one classroom-foundation, wall, roofing, windows doors and painting work	450,000	Ongoing
2016/17	Kapkoi Primary School	Construction of 4 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	250,000	Ongoing
2016/17	Chepkoiyo Primary	Construction of two classroom - foundation, wall, roofing, windows, plastering and painting.	900,000	Ongoing

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	St. Mark Teldet Primary	Completion of four classrooms - wall plastering, windows, doors and painting work.	400,000	Ongoing
2016/17	Bindura Secondary	Completion of laboratory-windows, doors, plastering and painting work.	300,000	Ongoing
2016/17	Kamuyu Sec. School	Construction of kitchen- foundation, wall, roofing, windows, doors, plastering and painting work.	500,000	Ongoing
2016/17	Chagaiya Secondary	Completion and equipping of laboratory- installation of lab fittings, pipes, plastering, shelves, apparatus and painting work	300,000	Ongoing
2016/17	A.I.C Tulwet Secondary	Completion of laboratory- installation of lab fittings, pipes, plastering, shelves, apparatus and painting work.	400,000	Ongoing
2016/17	Ndungulu Sec. School	Completion of administration block- plastering, shelves, furniture and painting work.	200,000	Ongoing
2016/17	Cengalo Sec School	Completion of dining hall-roofing, plastering, windows, doors and painting work.	600,000	Ongoing
2016/17	Koitebes Sec. School	Construction of one classroom- foundation, roofing, windows, doors, wall and floor plastering and painting work	450,000	Ongoing
2016/17	Koisagat Secondary School	Construction of one classroom- foundation, wall, roofing, windows, doors and painting work	450,000	Ongoing
2016/17	Matharu Secondary School	Construction of one classroom- foundation, wall, roofing, windows, doors, and painting work	450,000	Ongoing
2016/17	Rehema Secondary	Construction of laboratory- foundation, wall, roofing, windows, plastering and painting.	700,000	Ongoing
2016/17	Tarakwa Secondary	Completion of dormitory - wall plastering, roofing, windows, doors and painting work.	300,000	Ongoing
2016/17	Kapkoiga Girls Secondary	Construction of one classroom- foundation, roofing, windows, doors, wall and floor plastering and painting work	450,000	Ongoing
2017/18	Sosiani Primary School	Replacement of asbestos roof with iron sheets for fourteen classrooms	800,000	Ongoing

Financial	Project Name	Project Activity	Disbursed Amount (Kshs.)	Implementation Status
2016/17	Chuyat Chief's Office	Wall plastering and painting	400,000	Ongoing
2017/18	Chagaiya Sec.	Purchase seedlings, Planting trees, fencing and labour	96,450	Ongoing
	Total		55,012,874	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY**

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	83,953,447	40,948,277
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		83,953,447	40,948,277
PAYMENTS			
Compensation of employees	4	1,316,830	1,699,422
Use of goods and services	5	3,215,402	5,318,132
Transfers to Other Government Units	6	54,516,424	50,470,000
Other grants and transfers	7	4,275,307	28,704,480
Acquisition of Assets	8	-	-
Other Payments	9	-	1,113,086
TOTAL PAYMENTS		63,323,963	87,305,120
SURPLUS/DEFICIT		20,629,484	(46,356,843)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kesses Constituency financial statements were approved on 10/4/2019 and signed by:



Fund Account Manager
Name: Gloria Mwasi



Sub-County Accountant
Name: Mary Kalulu Waa
ICPAK Member Number: 7312

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KESSES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	26,846,803	4,386,789
Cash Balances	10B	-	-
Total cash and cash equivalent		<u>26,846,803</u>	<u>4,386,789</u>
Current receivables-Outstanding Imprests	11	-	99,500
TOTAL FINANCIAL ASSETS		26,846,803	4,486,289
FINANCIAL LIABILITIES			
Accounts payable- Retention	12	-	-
NET FINANCIAL ASSETS		<u>26,846,803</u>	<u>4,486,289</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,386,789	50,843,132
Surplus/Deficit for the year		20,629,484	(46,356,843)
Prior year adjustments	14	1,830,530	-
NET LIABILITIES		<u>26,846,803</u>	<u>4,486,289</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kesses Constituency financial statements were approved on

10/4 2019 and signed by:



Fund Account Manager
Name: Gloria Mwasi



Sub-County Accountant
Name: Mary Kalulu Waa
ICPAK Member Number: 7312

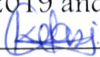
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY**

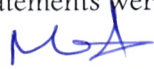
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from CDF Board	1	83,953,447	40,948,277
Other Receipts	3	-	
		83,953,447	40,948,277
Payments for operating expenses			
Compensation of Employees	4	1,316,830	1,699,422
Use of goods and services	5	3,215,402	5,318,132
Transfers to Other Government Units	6	54,516,424	50,470,000
Other grants and transfers	7	4,275,307	28,704,480
Other Payments	9	-	1,113,086
		63,323,963	87,305,120
Adjusted for:			
Outstanding imprest	11		(99,500)
Adjustments during the year	14	1,830,530	-
Net cash flow from operating activities		22,460,014	(46,456,343)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8		
Net cash flows from Investing Activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		22,460,014	(46,456,343)
Cash and cash equivalent at BEGINNING of the year	13	4,386,789	50,843,132
Cash and cash equivalent at END of the year		26,846,803	4,386,789

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kesses Constituency financial statements were approved on 10th 2019 and signed by:


Fund Account Manager
Name: Gloria Mwasi


Sub-County Accountant
Name: Mary Kalulu waa
ICPAK Member Number: 7312

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	56,714,374	143,524,719	88,340,236	55,184,483	62.0%
Proceeds from Sale of Assets						
Other Receipts		-				
TOTAL RECEIPTS	86,810,345	56,714,374	143,524,719	88,340,236	55,184,483	62.0%
PAYMENTS						
Compensation of Employees	2,028,864	500,000	2,528,864	1,316,830	1,212,034	52.0%
Use of goods and services	5,784,067	6,835,064	12,619,131	3,215,402	9,403,729	25.0%
Transfers to Other Government Units	39,076,424	43,010,345	82,086,769	54,516,424	27,570,345	66.0%
Other grants and transfers	29,743,963	5,368,965	35,112,928	4,275,307	30,837,621	12.0%
Acquisition of Assets	5,500,000	1,000,000	6,500,000	-	6,500,000	0.0%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0.0%
TOTAL	86,810,345	56,714,374	143,524,719	63,323,963	80,200,756	44.0%

- i. Under utilization of funds was due to delay in receipt of funds for previous financial year and the current year. Only half of the allocation for the current financial year had been received by the end of financial year.
- ii. Non - utilization of funds for asset acquisition and constituency innovation hubs (other payments) was as a result of delay of receipt of funds from Ng-cdf Board.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KESSES CONSTITUENCY**

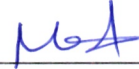
**Reports and Financial Statements
For the year ended June 30, 2018**

The changes between the original budget and the final budget is as a result of unspent funds of the previous financial year and additional funds made during the financial year.

The NGCDF-Kesses Constituency financial statements were approved on 10/4/2019 and signed by:



Fund Account Manager
Name: Gloria Mwasi



Sub-County Accountant
Name: Mary Kalulu Waa
ICPAK Member Number: 7312

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM NG-CDF BOARD

Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Normal Allocation	AIE NO. A855851	5,500,000.00	
	AIE NO. A892556	40,548,275.10	
	AIE NO. A892953	37,905,172.00	
	AIE NO. A829593		4,094,827.60
	AIE NO. A 855031		36,853,449
TOTAL		83,953,447	40,948,277

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere		
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,222,760	1,096,920
Basic wages of casual labour		
Personal allowances paid as part of salary		
NSSF	58,320	42,120
NHIF	35,750	31,200
Leave allowance		
Gratuity		529,182
Other personnel payments		
Total	1,316,830	1,699,422

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services		2,000
Electricity	7,500	
Water & sewerage charges		
Office rent		
Communication, supplies and services		10,000
Domestic travel and subsistence	31,600	
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	326,000	
Hospitality supplies and services		
Other committee expenses	2,182,921	3,881,370
Committee allowance	282,000	
Insurance costs		
Specialised materials and services		98,780
Office and general supplies and services	131,290	173,400
Fuel , oil & lubricants	200,000	389,942
Other operating expenses		159,640
Bank service commission and charges	54,091	
Security operations		
Routine maintenance - vehicles and other transport equipment		603,000
Routine maintenance- other assets		
TOTAL	3,215,402	5,318,132

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to Primary schools	37,250,000	27,370,000
Transfers to Secondary schools	17,266,424	22,900,000
Transfers to Tertiary institutions		
Transfers to Health institutions	-	200,000
TOTAL	54,516,424	50,470,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary –Secondary	2,873,708	10,610,000
Bursary –Tertiary	1,553,079	6,795,000
Bursary-Special schools		
Mocks & CAT		
Water	-	500,000
Food security	-	
Electricity	-	
Security	400,000	800,000
Roads and Bridges		
Sports		1,199,780
Environment	96,450	1,199,700
Cultural Projects		
Agriculture		300,000
Emergency Projects		7,300,000
TOTAL	4,923,237	28,704,480

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Total	-	-

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
	-	-
ICT Hub	-	-
	-	-
	-	-

10A: Bank Accounts			
Name of Bank, Account No. & currency	Account Number	2017 - 2018	2016 - 2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
Co-operative Bank of Kenya, Eldoret Branch . Kesses NG-CDF	A/C no.1141443590500	26,846,803	4,386,789

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS			
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>
			-
		-	-
		-	-
		-	-

12 RETENTION

	2017 - 2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

13 BALANCES BROUGHT FORWARD			
		2017 - 2018	2016 - 2017
		<i>Kshs (1/7/2017)</i>	<i>Kshs (1/7/2016)</i>
Bank accounts		4,386,789	50,843,132
Cash in hand			-
Imprest			-
TOTAL		4,386,789	50,843,132

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Stale cheques reversed and not paid	1,830,530	-
Total	1,830,530	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2017- 2018	2016-2017
	Kshs	Kshs
Ng-cdfc staff gratuity	495,228	-
	-	-
	-	-
	-	-
Total	495,228	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KESSES
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017-2018	2016-2017
	Kshs	Kshs
Compensation of employees	1,778,010	-
Use of goods and services	2,596,310	3,386,789
Amounts due to other Government entities (see attached list)	25,970,345	-
Amounts due to other grants and other transfers (see attached list)	29,585,404	-
Acquisition of assets	14,424,190	1,000,000
Others (<i>specify</i>)	7,677,027	-
Total	82,031,286	4,386,789

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	20,180,889	2,279,532
	20,180,889	2,279,532

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) KESSES CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) KESSES CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Ng-cdfc staff gratuity							
1. Mercy limo		69,972	Jan 2018	0	69,972		
2. Jane Jepkirui		362,352	May 2014	0	362,352		
3. Elkana Kiprof		62,904	Jan 2018	0	62,904		
	Sub-Total	495,228			495,228		
	Sub-Total						
	Grand Total	495,228			495,228		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) KESSES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,778,010		
Use of goods & services		2,596,310	3,386,789	
Amounts due to other Government entities	primary schools	16,300,000		
	secondary schools	9,670,345		
Sub-Total		30,344,665	3,386,789	
Amounts due to other grants and other transfers	Bursary	19,681,046		
	Emergency	5,137,932		
	Sports	1,736,426		
	Environment	1,630,000		
	Security	1,400,000		
Sub-Total		29,585,404		
Acquisition of assets	Office construction	8,924,190	1,000,000	
	Motor vehicle	5,500,000		
Others (<i>specify</i>)	CIH	4,677,027		
	Strategic plan	3,000,000		
Sub-Total		22,101,216	1,000,000	
Grand Total		82,031,286	4,386,789	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment- Motor vehicle	4,800,000	-	-	4,800,000
Office equipment, furniture and fittings	491,085	-	-	491,085
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	5,291,085	-	-	5,291,085

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
CHUIYAT PRY	CO-OPERATIVE	011416725532200	759,672.50	-
KORIOMAT PRY	NATIONAL BANK	01024028396001	493,575.00	-
MATHARU PRY	KCB	1156628660	400,374.00	-
CHEBOROR PRY	CO-OPERATIVE	01141443729000	523,125.00	-
SILAGA PRY	EQUITY	1090262607281	599,542.00	-
MOGOBICH PRY	NATIONAL BANK	01024027996001	867.05	-
RONGAI PRY	CO-OPERATIVE	01141674196600	850,412.50	-
BARAKEIOWO PRY	CO-OPERATIVE	01141443678600	651,588.50	-
NDUNGULU PRY	CO-OPERATIVE	01141046771600	402,215.50	-
TELDET CHUIYAT	CO-OPERATIVE	01141443407000	575.00	-
TARAKWA PRY	CO-OPERATIVE	01141086570600	56,786.36	-
KERINGET PRY	CO-OPERATIVE	01139441978900	1,390.00	-
MOI UNIVERSITY PRY	NATIONAL BANK	01024027998602	403,740.00	-
MOGOCHORET PRY	SIDIAN	010080300	400,003.09	-
CHEBERER PRY	CO-OPERATIVE	01139441123500	401,530.00	-
SAMBUL PRY	CO-OPERATIVE	01139441760601	451,500.00	-
SOSIANI PRY	CO-OPERATIVE	01141673872400	482.50	-
RUKUINI PRY	CO-OPERATIVE	01141673779200	400,377.50	-
CHEMARE PRY	CO-OPERATIVE	01141673777600	450,302.50	-
KAPCHORUA PRY	EQUITY	0300263840944	256,047.90	-
LINGWAI PRY	SIDIAN	010080300	449,471.25	-
MUCHORWE PRY	CO-OPERATIVE	01141443696100	451,102.50	-
OASIS PRY	CO-OPERATIVE	01141673444100	400,912.50	-
RACECOURSE PRY	KCB	1179839145	3,362.50	-
KAPSERTON PRY	CO-OPERATIVE	01141046298500	301,087.50	-
KOITEBES PRY	CO-OPERATIVE	01141440957700	800,474.00	-
CHEPKOIYA PRY	EQUITY	1090298319594	317.00	-
BURETI KAPSOEN PRY	CO-OPERATIVE	01141674054400	454,400.00	-
KAMUYU PRY	KCB	1234291223	450,000.00	-
KOISAGAT PRY	CO-OPERATIVE	01141441799300	400,576.50	-
CHEPKOIYO PRY	KCB	1154016684	381,124.50	-
ST. MARK TELDET PRY	TRANSNATIONAL	222766	95,233.00	-
AIC CHEBAIYWO PRY	CO-OPERATIVE	01139443844500	223,847.50	-

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BINDURA SEC	CO-OPERATIVE	01141672522800	302,875.50	-
CHAGAIYA SEC	CO-OPERATIVE	01141442714000	301,212.50	-
KOILUGET SEC	CO-OPERATIVE	01139442709901	2,266,309.50	-
AIC ISAC KOSGEI SEC	NATIONAL BANK	01025028640702	390,200.00	-
AIC TULWET SEC	NATIONAL BANK	01021030761802	400,000.00	-
ST. CATHERINE GIRLS SEC	NATIONAL BANK	01224027776201	1,001,377.00	-
CENGALO SEC	SIDIAN	010080300	607,321.50	-
KOITEBES SEC	CO-OPERATIVE	01141673773200	451,382.50	-
KOISAGAT SEC	CO-OPERATIVE	01139443402800	166,297.50	-
MATHARU SEC	KCB	1236047443	450,000.00	-
MOI UNIVERSITY SEC	NATIONAL BANK	01022208277200	400,000.00	-
RCEA SEIYO SEC	CO-OPERATIVE	01141440093300	202,512.50	-
REHEMA SEC	CO-OPERATIVE	01141443803400	730,755.50	-
TARAKWA SEC	KCB	1117600238	303,130.00	-
KERITA DAY SEC	KCB	1234305291	400,000.00	-
KAPKOIGA GIRLS SEC	SIDIAN	008030013159	15,000.00	-
TOTAL			20,180,889.00	-

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Un-supported expenditure – actual expenditure returns and acknowledgement from PMCs not availed.	PMCs have been advised to provide expenditure returns.	FAM- Gloria Mwasi	Not resolved	October 2018
1.2	Three of the 20renovated classrooms had floors with cracks	There was poor supervision of the project however Ng-cdfc to enhance project monitoring in future.	FAM- Gloria Mwasi	Resolved	
1.3	There was indication of purchase of 51seater school bus while the tender documents indicated 33seater hence variation in cost of 24%. Further the bus had not been delivered despite payment of deposit of Kshs. 2,985,000	There was misunderstanding while writing the receipt for deposit of the school bus. The procured bus was 33 seater and the bus was to be delivered when full funding for the bus was received.	FAM- Gloria Mwasi	Not resolved	September 2018
2.0	Membership of the bursary sub-committee was not as recommended in the NG-CDF Board guideline and only Kshs. 945,000 was supported as acknowledgement from institutions.	The bursary sub-committee is well constituted as required. Receipts and acknowledgement letters to be provided.	FAM – Gloria Mwasi	Not resolved	December 2018
3.0	Unaccounted for fuel – quotations, evaluation and award minutes, fuel register, supplier statement and work tickets showing how fuel purchased was utilized were not availed for audit review.	Fuel register, work ticket and detail order provided to the auditors.	FAM – Gloria Mwasi	Resolved	
4.1	Bank balance –stale cheques totalling Kshs. 1,663,559.55	All stale cheques have since been written back to the cash	FAM- Gloria Mwasi	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time ame: (Put date when you expect the issue to be resolved)
	had not been written back or replaced.	book.			
4.2	Long outstanding imprest of Kshs. 99,500	The imprest has been surrendered and payment vouchers to be submitted to the auditors.	FAM –Gloria Mwasi	Resolved	
5.0	Variance in project management committee account balances	PMCs have been advised to provide bank statements to support the bank balances.	FAM –Gloria Mwasi	Not resolved	October 2018

