

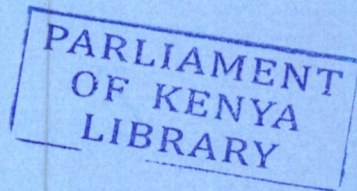
REPUBLIC OF KENYA



*Paper laid by the
Leader of majority party
m.p.f
Sunday 11/10/2018.*



OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAPENGURIA CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2017**

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CONSTITUENCY DEVELOPMENT FUND- KAPENGURIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Stephen Mwang'at
3.	Accountant	Solomon Kiratu
4.		

(d) Fiduciary Oversight Arrangements

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

(e) KAPENGURIA NGCDF Headquarters

NGCDF Office Building,
P.O. Box 1-30600
KAPENGURIA, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

(f) KAPENGURIA GCDF Contacts

Telephone: (254) 0725132194
E-mail: cdfkapenguria@cdf.go.ke
Website: www.go.ke

(g) KAPENGURIA GCDF Bankers

1. Equity Bank
Account No 1070297599233
Kapenguria Branch

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

The financial year 2016/2017 has been a year of tremendous growth in terms of projects within the constituency and this has seen a number of development projects taking place within the constituency courtesy of Kapenguria NGCDFC. As an entity we managed to utilise 98.9% of our budget allocation. The under-utilised funds were as result of some logistical challenges which have since been overcome.

We wish to encourage more funding to the kitty so that development may be accelerated at constituency level

Sign.....
CHAIRMAN NGCDFC

KAPENGURIA CONSTITUENCY
DEVELOPMENT FUND (KCDF)
FUND ACCOUNT MANAGER
25 SEP 2017
Sign.....
P. O. Box 1, KAPENGURIA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

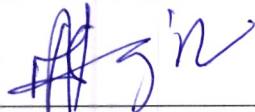
The Accounting Officer in charge of the Kapenguria NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility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

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


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

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on _____ 2017.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kapenguria Constituency set out on pages 5 to 28, which comprise the statement of financial assets as at 30 June 2017, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund-Kapenguria Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015.

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

Basis for Adverse Opinion

1.0 Other Grants and Transfers

1.1 Bursary Disbursement

The statement of receipts and payments reflect other grants and transfers balance of Kshs.31,165,890 as disclosed in note 7 to the financial statements which include total bursaries amount of Kshs.19,784,450 comprising of disbursements of Kshs.13,699,000 to secondary schools and Kshs.6,085,450 to tertiary institutions. However, the minutes of the bursary sub-committee indicating how the beneficiaries were identified and evidence that two members of whom one should be area education officer or officer seconded from the Ministry of Education were co-opted as required by the CDF Board circular Ref. CDF

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

Board circulars/Vol 1/111 dated 13 September 2010 were not provided for audit review. In addition, no documentary evidence in form of acknowledgements from schools and institutions was provided for audit verification to confirm receipt of these bursaries.

Consequently, the management is in breach of the law and propriety of the bursary disbursement of Kshs.19,784,450 for the year ended 30 June 2017 could not be confirmed.

1.2 Emergency Projects

Included in the other grants and other payments figure of Kshs.31,165,890 is emergency projects expenditure of Kshs.4,039,000 as disclosed in note 7 to the financial statements out of which a total amount of Kshs.801,000 was paid to various individuals. However, supporting documents on how the funds were used were not availed for audit review. Under the circumstances, the propriety of Kshs.801,000 expenditure on emergency projects could not be confirmed.

1.3 Renovation of Sook CDF Office

Included in the other grants and other payments figure of Kshs 31,165,890 is other projects expenditure of Kshs 4,600,000 as disclosed in note 7 to the financial statements out of which a total amount of Kshs.1,500,000 was incurred on renovation of the roof, wiring, fitting of ceiling board, painting and fencing at the Sook CDF Office. However, the payment vouchers availed for audit review were not supported by engineer's estimate, quotations, opening, evaluation and award minutes, inspection and acceptance reports.

In addition, a physical verification of the premises confirmed that wiring and fencing works worth Kshs.400,000 were not undertaken yet the full amount had been paid out.

Consequently, the propriety of the expenditure of Kshs.1,500,000 in respect of renovation of Sook CDF Office for the year ended 30 June 2017 could not be confirmed.

1.4 Renovation of Kongelai CDF Office

Included also in the other projects expenditure of Kshs.4,600,000 as disclosed in note 7 to the financial statements is Kshs.1,100,000 expenditure incurred on renovation of the roof, wiring, fitting of ceiling board, painting and fencing at the Kongelai CDF Office. However, the payment vouchers availed for audit review were not supported by quotations, opening, evaluation and award minutes, inspection and acceptance reports.

In addition, a physical verification of the premises confirmed that wiring works and fencing were not undertaken yet the total amount was paid.

Consequently, the propriety of the expenditure of Kshs.1,100,000 in respect of renovation of Kongelai CDF Office for the year ended 30 June 2017 could not be confirmed.

1.5 Irregular Expenditure on Renovation of Kapenguria CDF Office

The other projects expenditure of Kshs.4,600,000 as disclosed in note 7 to the financial statements further includes an amount of Kshs.2,500,000 incurred on painting, land scapping, toilet fitting and installation at the Kapenguria CDF Office. However, the

payment vouchers availed for audit review were not supported by quotations, opening, evaluation and award minutes, inspection and acceptance reports. In addition, a physical verification of the premises confirmed that there was no evidence of any works undertaken at the Kapenguria CDF Office.

Consequently, the validity and propriety of the expenditure of Kshs. 2,500,000 in respect of renovation of CDF Office for the year ended 30 June 2017 could not be confirmed.

2.0 Purchase of Land – Riwo Secondary school

The statement of receipt and payments reflects transfers to other government units figure of Kshs. 49,473,100 as disclosed in note 6 to the financial statements includes transfers to secondary schools of Kshs.23,420,000 out of which an expenditure of Kshs.500,000 was incurred on the purchase of 2 acres of land for Riwo Secondary School. However, supporting documents for the purchase of land including valuation report, search certificate, evaluation and award minutes, purchase agreements and title deed / lease were not availed for audit review.

Consequently, the propriety of Kshs.500,000 incurred on purchase of land for the year ended 30 June 2017 could not be confirmed.

3.0 Proposed Construction of Kitelakapel TTI- Erection and Completion of Twin Workshop, Classrooms and Office Block

The statement of receipt and payments reflects transfers to other government units figure of Kshs.49,473,100 as disclosed in note 6 to the financial statements includes transfers to tertiary institutions of Kshs. 6,400,000 out of which an expenditure of Kshs.6,000,000 was incurred on erection and completion of twin workshop, classrooms and office block at Kitelakapel TTI. However, contract, bills of quantities, minutes of site/inspection meetings and interim/completion certificate in support of Kshs.6,000,000 paid were not availed for audit review. In addition, a physical verification of the project during the month of May 2018 revealed that the floors and walls had been done but the roofing was not yet done. Fittings had also not been done and no finishing work had started.

Consequently, the propriety of expenditure Kshs.6,000,000 incurred on the project as at 30 June 2017 could not be confirmed.

4.0 Over Expenditure on Bursaries

The statement of receipts and payments indicates that an amount of Kshs.13,699,000 was spent on secondary schools bursaries against a budget of Kshs.10,474,138 resulting to an over-expenditure of Kshs.3,224,862. However, no evidence was provided for audit review to confirm whether the over-expenditure was approved by the board.

Consequently, the management is in breach of the law and the propriety of over-expenditure of Kshs.3,224,862 could not be confirmed.

5.0 Cash and Bank Balances

The statement of financial assets as at 30 June 2017 reflect a bank balances figure Kshs.1,014,835. However, the bank reconciliation statement availed for audit review

reflects un-presented cheques totalling Kshs.835,503 out of which cheques amounting to Kshs.811,218 had become stale but had not been reversed in the cash book. No explanation was provided for this anomaly.

Consequently, the accuracy and completeness of the bank balance of Kshs.1,014,835 as at 30 June 2017 could not be confirmed .

6.0 Project Management Committee Bank Balances

Note 15.4 to the financial statements reflects nil project management committee bank account balances as at 30 June 2017. However, according to the projects status report as at 30 June 2017 a total of 108 development projects for which an amount of Kshs.64,988,008 had been disbursed were not completed an indication that not all the money ought to have been in the project management committee bank accounts. In addition, bank reconciliation statements together with the cash books and bank statements from the project management committees were not availed for audit verification.

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion and Other Matter sections, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budget Performance and Controls

1.1 Budget Performance

Kapenguria CDF approved budget for 2016/2017 amounted to Kshs. 89,062,207. During the year, the Fund incurred expenditure of Kshs. 88,047,372 or 98.9% of the approved budget resulting to under-expenditure of Kshs.1,014,835 or 1 % of the approved budget as detailed below:

Receipt/Expense Item	Approved Budget (Ksh)	Actual Expenditure (Ksh)	Budget Utilisation Difference	% of Utilisation
Receipts				
Transfers from CDF Board	89,062,207	81,896,552	7,165,655	8.04%
Proceeds from Sale of Assets				
Other Receipts				
Total	89,062,207	89,062,207	00	8.04%
Payments				
Compensation of Employees	2,988,000	2,986,373	1,627	99.9%
Use of goods and services	3,592,897	3,442,049	150,848	95.8%
Transfers to Other Government Units	49,953,655	49,473,100	480,555	99.0%
Other grants and transfers	31,527,655	31,165,890	361,765	98.9%
Acquisition of Assets	1,000,000	979,960	20,040	98.0%
Other Payments				
Total	89,062,207	88,047,372	1,014,835	98.9%

Failure to utilize funds as budgeted is an indication that programs or activities are not being implemented as planned thus not achieving the intended objectives of improving service delivery to the people of Kapenguria constituency.

1.2 Project Verification

During the year under review, twenty-five (25) projects with total disbursements of Kshs.37,200,000 were verified. Fifteen (15) projects with total disbursements amounting to Kshs.24,900,000 were found to be complete and in use and ten (10) projects with total disbursement of Kshs.12,300,000 were partially completed as detailed below:

S/NO.	Project Name	Project activity	Amount Allocated	Results of Verification
1	Serewo Primary School	Completion works of construction of a classroom from foundation, walling, ring beam and roofing.	500,000.00	Floors, walls, fittings, roof and painting done. Plastering not yet done and not in use
2	Kongelai Primary School	Renovation of eight classrooms by plastering and painting walls.	500,000.00	Completed

S/NO.	Project Name	Project activity	Amount Allocated	Results of Verification
3	Yotwo Primary School	Construction of a classroom from foundation, walling, ring beam and roofing.	500,000.00	Plastering not done
4	Nateleng Primary School	Completion works of ongoing construction of administration office from fixing doors & windows, plastering fitting of ceiling board & painting.	400,000.00	Internal finishing not done
5	Kachepkai Primary School	Completion works of ongoing construction of dormitory from plastering & painting – Ksh 200,000 Purchase of School beds – Ksh 200,000	400,000.00	Complete and In use
6	Simat Primary School	Completion works of ongoing construction of 2 classrooms from roofing, fixing doors & windows, plastering & painting.	150,000.00	Completed and in use
7	Chepnyal Girls Primary School	Completion works of ongoing construction of staff quarters from fixing doors & windows, plastering and painting.	200,000.00	Completed and in use
8	Kaplelach Primary School	Completion works of ongoing construction of 3 classrooms from fixing doors & windows, plastering and painting.	200,000.00	Completed and in use
9	Sirkoy Primary School	Completion works of ongoing construction of 3 classrooms from fixing doors & windows, plastering and painting.	150,000.00	Completed and in use
10	Empough Primary School	Completion works of ongoing construction of 2 classrooms from fixing doors & windows, plastering and painting.	150,000.00	Completed and in use
11	Kochar Primary School	Completion works of ongoing construction of 3 classrooms from fixing doors & windows, plastering and painting.	150,000.00	Completed and in use

S/NO.	Project Name	Project activity	Amount Allocated	Results of Verification
12	Turkwel Gorge Sec. School	construction of 2 classrooms from Swabbing – Ksh 200,000, Walling – Ksh 200,000 and Roofing – Ksh 300,000	700,000.00	Plastering not done
13	Kapkata Sec. School	Completion works of construction of 4 classrooms from Roofing – Ksh 400,000 and Plastering – Ksh 300,000	700,000.00	Wall, Slab, roof done. But Fittings not done and not in use
14	Holy Trinity Serewo Sec. School	Completion works of ongoing construction of 4 classrooms from foundation, walling, ring beam, roofing, fixing doors and windows, plastering and painting.	500,000.00	Completed and in use
15	Kaibos Sec. School	Complete purchase of 51 seater school bus labeling and delivery	6,200,000.00	School bus delivered
16	Keringet Sec. School	Complete purchase of 51 seater school bus labeling and delivery	6,200,000.00	School bus delivered
17	Jerusalem Girls Sec. School	Complete purchase of 51 seater school bus labeling and delivery	6,500,000.00	School bus delivered
18	Tomena Sec. School	Completion works of Construction of 3 classrooms from foundation, walling, ring beam, roofing, plastering, fixing doors & windows, and painting.	1,000,000.00	Slab, walls and roof done. But plastering, fittings, inside walls not done.
19	Chemakeu Sec. School	Construction of a classroom from foundation, walling, ring beam, roofing, plastering, fixing doors & windows & painting.	500,000.00	Plastering not done

S/NO.	Project Name	Project activity	Amount Allocated	Results of Verification
20	Kalemnyang Sec. School	Completion works of ongoing construction of a dormitory from fixing doors, windows plastering and painting.	500,000.00	Complete
21	Riwo Sec. School	Purchase of two acres land for the school	500,000.00	Ownership documents not availed.
22	Ng – Cdf Kapenguria Office	Painting, Landscaping, Toilet fitting and installation	2,500,000.00	Not Completed
23	Ng – Cdf Sook Office	Roof renovation, Wiring, Fitting of ceiling board, Painting, Fencing.	1,500,000.00	Roof not renovated
24	Ng – Cdfkongelai Office	Roof renovation, Wiring, Fitting of ceiling board, Painting, Fencing.	600,000.00	Not Completed
25	Kitelakapel TTI	Construction of polytechnic	6,000,000	Slab and walls done. Not clear the portion of work that was to be funded by CDF
		TOTAL	37,200,000	

Under the circumstances, the incomplete projects have not achieved the intended objectives and no value for money was obtained from the expenditure on those projects.

1.3 Project Implementation Status

The project status reports from the constituency records as at 30 June 2017 for development projects undertaken in the years 2015/16 and 2016/17 indicated that a total of 18 development projects for which an amount of Kshs. 14, 700,000 had been disbursed were complete. However, a total of 108 development projects for which an amount of Kshs. 64,988,008 had been disbursed were not completed. The funds were therefore held up in partly done projects for which no benefit was being realized by the constituents. The amount was substantial and it was impacting negatively on the constituency in terms of service delivery. The details are provided at the attached Appendix I.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Fund's or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

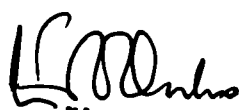
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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 Fund's to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

08 August 2018

Appendix I: Project Implementation Status

S/NO	Project Name	Project Activities	Disbursed (Kshs)	Cumulative Achievement (%)	Implementation Status (Not Started/Ongoing/Stalled Or Abandoned)
1	Tapoyen Pre-School	Purchase of land 2 acres of land and full fencing of the pre school	300,000	100%	Complete
2	Kodongou Primary School	Purchase of 1 acre land and fencing	200,000	100%	Complete
3	Tartar Primary School	Renovation of two classes: flooring, plastering, painting and repairs on the doors and windows	400,000	90%	Complete
4	Kamuino Primary School	Purchase of one and half acres of land and fencing	1,500,000	100%	Complete
5	Kangulikwan E.C D	Purchase of one acre of land and fencing	500,000	80%	Complete
6	Kapchila sec school	Purchase of 2 acres for students field ground and fencing of the school with barbed wire	800,000	100%	Complete
7	Chekomos mixed sec school	Plastering, painting, fixing doors & windows of 1 classroom	400,000	100%	Complete
8	Pser sec school	Purchase of 51 seater school bus	6,000,000	100%	Complete
9	Ketiam dispensary	Purchase of 2 acre and full construction works of OPD room from the foundation, walling, slabbing and roofing.	800,000	100%	Complete
10	Empogh-Topno road	Bush clearing & water drainage, manual reshaping for 7km	300,000	90%	Complete
11	Empogh-Kaplelach road	Bush clearing & water drainage, manual reshaping for 8km	300,000	80%	Complete
12	Kasepa-Mungit road	Bush clearing & water drainage, manual reshaping for 10km	400,000	70%	Complete
13	Turkwel-kamokongwo road	Heavy bush clearing & water drainage, manual reshaping for 10km	700,000	80%	Complete
14	Turkwel-kamurio road	Bush clearing & water drainage, manual reshaping for 5km.	500,000	90%	Complete
15	Ketiam-ptoyo road	Bush clearing, manual reshaping for 8km	300,000	70%	Complete
16	Cheptuya-Serewo road	Bush clearing, manual reshaping for 3km	200,000	90%	Complete
17	Chelowo road	Bush clearing, manual reshaping for 3½km	300,000	90%	Complete
18	Mawingo-Kapkoris road	Bush clearing, manual reshaping for 10km	800,000	80%	Complete

	Total Disbursements		14,700,000		
19	Chepkram Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	400,000	90%	On -going
20	Atacha Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	800,000	90%	On -going
21	Kodengel Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	100%	On -going
22	Lotunale Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	70%	On -going
23	Karenger Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	80%	On -going
24	Katikomor Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	70%	On -going
25	Kreswo Primary School	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	800,000	100%	On -going
26	Nakwangamoru Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	70%	On -going
27	Poole Primary School	Full construction works of two classroom from the foundation, slab, walling, ring beam, roofing and plastering.	800,000	80%	On -going
28	Chemakeu Primary School	Full construction works of two classroom from the foundation, slab, walling, ring beam, roofing and plastering	800,000	80%	On -going
29	Kapkururwok Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	70%	On -going
30	Kruru Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	70%	On -going
31	Lokilochoi Primary School	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	700,000	100%	On -going
32	Kolia Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	400,000	70%	On -going

33	Chepkoti pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	619,043	70%	On -going
34	Kipkorinya Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	80%	On -going
35	Arap Maina Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	80%	On -going
36	Kapkatet Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	70%	On -going
37	Kaisakat pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	80%	On -going
38	Paraywa Primary School	Renovation works; flooring and painting works of three classrooms	300,000	50%	On -going
39	Karengot Primary School	Purchase of land 2 acres as pupils play grounds	500,000	80%	On -going
40	Ptira pri school	Completion works of three classroom, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	400,000	60%	On -going
41	Mungit pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	400,000	60%	On -going
42	Tindar Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	600,000	80%	On -going
43	Chepkaliang Primary School	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	400,000	60%	On -going
44	Katimoril pri school	Plastering, flooring, fixing doors & windows of 1 class and administration block.	400,000	50%	On -going
45	Tompul Primary School	Painting, fixing doors & windows for a dormitory	300,000	50%	On -going
46	Letwa Primary School	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering.	700,000	80%	On -going
47	Kachumakinei pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	80%	On -going
48	Pcholpogh Primary School	Foundation, slabbing & walling, roofing, plastering and painting of administration block	700,000	100%	On -going
49	Toptolum pri school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering.	600,000	80%	On -going

50	Cheptesok pri school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	600,000	80%	On -going
51	Kaplelach pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	500,000	80%	On -going
52	Simat pri school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	800,000	100%	On -going
53	Empogh Primary School	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	600,000	80%	On -going
54	Kochar pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works.	500,000	80%	On -going
55	Sirkoy pri school	Completion works of one classroom from ring beam, roofing, plastering, fixing ongoing steel windows and doors, painting and flooring works	600,000	70%	On -going
56	Empokech Primary School	Construction works of one classroom from foundation, walling, ring beam, roofing, plastering, fixing steel windows and doors, painting and flooring works	800,000	90%	On -going
57	Tamugh Primary School	Completion works of one dormitory from fixing steel windows and doors, painting and flooring works	300,000	50%	On -going
58	Tunoyo Primary School	Completion works of one class from fixing steel windows and doors, painting and flooring works	300,000	50%	On -going
59	Wonyoi Primary School	Fixing doors and painting of two classrooms	400,000	60%	On -going
60	Kasitit Primary School	Completion works of one class from fixing steel windows and doors, painting and flooring works	500,000	80%	On -going
61	Chepolet Primary School	Completion works of one class from fixing steel windows and doors, painting and flooring works	500,000	80%	On -going
62	Chemwapit Primary School	Completion works of one classroom from fixing steel windows and doors, painting and flooring works	500,000	70%	On -going
63	Emposut pri school	Completion works of one class from fixing steel windows and doors, painting and flooring works	400,000	70%	On -going
64	Momoro Primary School	Full construction works of one classroom from the foundation, slabbing and walling a classroom	700,000	90%	On -going
65	Salawa pri school	Completion works of one class from fixing steel windows and doors, painting and flooring works	400,000	70%	On -going
66	Karon pri school	Completion works of one class from fixing steel windows and doors, painting and flooring works	400,000	60%	On -going

67	Ketiam pri school	Completion works of 2 classes from fixing steel windows and doors, painting and flooring works.	500,000	70%	On -going
68	Kamurio Primary School	Full construction works of one classroom from the foundation, slabbing, walling and roofing a classroom	500,000	60%	On -going
69	Rukei Primary School	Full construction works of one classroom from the foundation, slabbing, walling and roofing a classroom	500,000	60%	On -going
70	Tampalal Primary School	Completion works of one class from fixing steel windows and doors, painting and flooring works.	200,000	80%	On -going
71	Totum pri school	Completion works of 2 classes from fixing steel windows and doors, painting and flooring works.	500,000	80%	On -going
72	St.Francis school for the blind	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering.	500,000	80%	On -going
73	Cheptapesia pri school	Ongoing construction of one classroom, roofing, plastering and painting.	300,000	90%	On -going
74	Chepkochir pri school	Ongoing construction of one classroom, roofing, plastering and painting.	400,000	70%	On -going
75	Putor pri school	Ongoing construction of one classroom, roofing, plastering and painting.	300,000	70%	On -going
76	Pkopoch pri school	Completion works of 2 classes from fixing steel windows and doors, painting and flooring works.	300,000	60%	On -going
77	Chepkapechak pri school	Completion works of 2 classes from fixing steel windows and doors, painting and flooring works.	600,000	70%	On -going
78	Chewoyet pri school	Completion works of 2 classes from fixing steel windows and doors, painting and flooring works.	700,000	90%	On -going
79	Kalomoywo pri school	Full construction works on one classroom from the foundation, slab, walling, ring beam, roofing and plastering.	500,000	80%	On -going
80	Katiporot Nursery school	Purchase of one acre of land and fencing	500,000	100%	On -going
81	Sakat pri school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering.	700,000	100%	On -going
82	Tilak pri school	Full construction works of two classrooms from the foundation, slab, walling, ring beam, roofing and plastering.	1,000,000	90%	On -going
83	Kokwoamuro Nursery school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works.	300,000	60%	On -going
84	Kormonot Nursery school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works.	300,000	60%	On -going

85	Holy Trinity Girls sec school	Full construction works of two classrooms from the foundation, slab, walling, ring beam, roofing and plastering	2,000,000	100%	On -going
86	Kaptarin sec school	Full construction works of two classrooms from the foundation, slab, walling, ring beam, roofing and plastering.	1,500,000	100%	On -going
87	Kaibos sec school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering.	800,000	80%	On -going
88	Kapkecha sec school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	800,000	90%	On -going
89	Paraywa sec School	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	600,000	80%	On -going
90	Jerusalem Girls sec school	Full construction works of one classroom from the foundation, slab, walling, ring beam, roofing and plastering	1,000,000	100%	On -going
91	All Saints sec school-Tamugh	Foundation, slabbing & walling of laboratory	600,000	80%	On -going
92	Sook boys sec school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works.	500,000	70%	On -going
93	Kapkata sec school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works	500,000	70%	On -going
94	Nangrotum sec school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works	500,000	80%	On -going
95	Tomena sec school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works	500,000	80%	On -going
96	Kapkoris sec school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works.	500,000	90%	On -going
97	Chemwochoi sec school	Completion works of 1 class from fixing steel windows and doors, painting and flooring works	500,000	90%	On -going
98	Kitalakapel Technical Training Institute	Construction of 1 workshop measuring 11m x 16m, three lecture rooms each one measuring 8m x 6m and an office space measuring 5.5m x 5.4m all located on the ground floor respectively	6,000,000	90%	On -going
99	Kamayech dispensary	Full construction works of one roomed staff house from the foundation, walling, roofing and plastering	500,000	80%	On -going
100	Talau dispensary	Full construction works of maternity ward from the foundation up to the painting and fixing windows and doors.	800,000	90%	On -going
101	Paraywa dispensary	Purchase of one eighth plots piece of land - 50*100" feet	500,000	90%	On -going

102	Miskwony dispensary	Finishing works; Roofing, plastering & fixing doors & windows.	400,000	100%	On -going
103	Tamarukwo dispensary	Finishing works; Roofing, plastering & fixing doors & windows.	600,000	80%	On -going
104	Wonyoi dispensary	Finishing works; Roofing, plastering & fixing doors & windows.	300,000	70%	On -going
105	Cheptram dispensary	Finishing works; Roofing, plastering & fixing doors & windows.	500,000	80%	On -going
106	Kotit dispensary	Finishing works; Roofing, plastering & fixing doors & windows of a dispensary.	700,000	80%	On -going
107	Kaprom dispensary	Finishing works; Roofing, plastering & fixing doors & windows of a dispensary room.	400,000	80%	On -going
108	Nyorio dispensary	Finishing works; Roofing, plastering & fixing doors & windows of a dispensary room.	400,000	80%	On -going
109	Kongelai dispensary	Finishing works; Roofing, plastering & fixing doors & windows of a dispensary room.	600,000	80%	On -going
110	Kipeiko water project	Finishing of intake, Laying ½" PVC water pipes for 2km, digging the trenches, labor works.	500,000	90%	On -going
111	Cheptuk water project	Finishing of intake, Laying ½" PVC water pipes for 2km, digging the trenches, labor works.	500,000	80%	On -going
112	Kapngotot water project	Construction of water intake, laying ½" PVC water pipes for 2km, digging the trenches, labour works	500,000	70%	On -going
113	Chepokwen water project	Construction of water intake, laying ½" PVC water pipes for 2km, digging the trenches, labour works	400,000	60%	On -going
114	Kutung water project	Construction of water intake.	400,000	70%	On -going
115	Empough Primary School	Completion works of ongoing construction of 2 classrooms from fixing doors & windows, plastering and painting.	150,000.00	80%	On -going
116	Environment Projects	To cater for preparing of nursery bed buying seeds and polythene roll, planting tree seedlings.	1,418,965.30	70%	On -going
117	Karon Primary School	Completion works of fixing windows and painting 3 classrooms - Ksh 550,000, Slabbing - Ksh 100,000, walling - Ksh 100,000 and roofing of 1 class - Ksh 250,000.	950,000.00	80%	On-going
118	Ketiam Primary School	Construction of a dormitory from Slabbing - Ksh 300,000 Roofing - Ksh 400,000 and Walling - Ksh 250,000	950,000.00	80%	On-going
119	Chemakeu Primary School	Construction of a classroom from foundation, walling, ring beam, roofing, plastering, fixing doors, windows & painting.	500,000.00	80%	On-going
120	Chepsekek Primary School	Completion works of ongoing construction of 2 classrooms plastering and painting	200,000.00	70%	On-going
121	Chepurporko Primary School	Construction of a classroom from foundation, walling, ring beam and roofing.	500,000.00	80%	On-going

122	Chepnyal Boys Primary School	Completion works of ongoing construction of staff quarters from fixing doors & windows, plastering and painting.	300,000 00	70%	On-going
123	Chepokachim Primary School	Completion works of ongoing construction of 3 classrooms from fixing doors, windows - Ksh 100,000 and Plastering Ksh 300,000	400,000.00	70%	On-going
124	Cheptoch Primary School	Construction of a dormitory from foundation, walling, ring beam and roofing	300,000 00	70%	On-going
125	Cheptram primary school	Completion works of ongoing construction of 3 classrooms from fixing doors, windows - Ksh 300,000, Plastering - Ksh 300,000 and Painting Ksh 200,000	800,000 00	80%	On-going
126	Chepnyal Girls Primary School	Completion works of ongoing construction of 3 classrooms from fixing doors & windows, plastering and painting	200,000.00	70%	On-going
			64,988,008		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

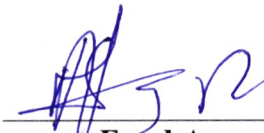
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	81,896,552	183,247,114
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		81,896,552	183,247,114
PAYMENTS			
Compensation of employees	4	2,986,373	2,884,506
Use of goods and services	5	3,442,049	28,305,376
Transfers to Other Government Units	6	49,473,100	100,456,974
Other grants and transfers	7	31,165,890	37,255,060
Acquisition of Assets	8	979,960	7,560,041
Other Payments	9	-	-
TOTAL PAYMENTS		88,047,372	176,461,957
SURPLUS/DEFICIT		(6,150,820)	6,785,157

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kapenguria NGCDF financial statements were approved on _____ 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

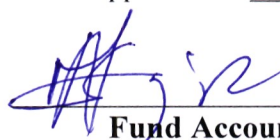
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,014,835	7,165,655
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,014,835	7,165,655
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July, 2016	13	7,165,655	380,498
Surplus/Deficit for the year		(6,150,820)	6,785,157
Prior year adjustments	14	-	-
NET LIABILITIES		1,014,835	7,165,655

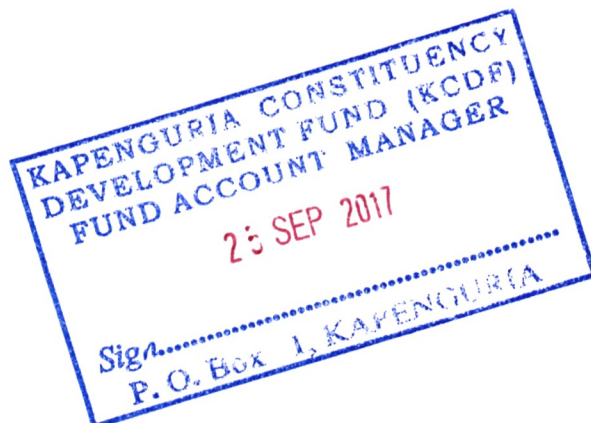
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kapenguria NGCDF financial statements were approved on _____ 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

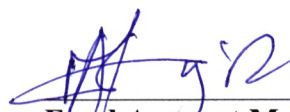
VI. STATEMENT OF CASHFLOW

		2016-2017	2015-2016
Receipts for operating income			
Transfers from CDF Board	1	81,896,552	183,247,114
Other Receipts	3	-	-
		81,896,552	183,247,114
Payments for operating expenses			
Compensation of Employees	4	(2,986,373)	(2,884,506)
Use of Goods and services	5	(3,442,049)	(28,305,376)
Transfers to Other Government Units	6	(49,473,100)	(100,456,974)
Other grants and transfers	7	(31,165,890)	(37,255,060)
Other Payments	9	-	-
		(87,067,412)	(168,901,916)
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(5,170,860)	14,345,198
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(976,960)	(7,560,041)
Net cash flows from Investing Activities		(979,960)	(7,560,041)
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,150,820)	6,785,157
Cash and cash equivalent at BEGINNING of the year	13	7,165,655	380,498
Cash and cash equivalent at END of the year		1,014,835	7,165,655

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KapenguriaNGCDF financial statements were approved on _____ 2017 and signed by:



Chairman NGCDFC



Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND KAPENGURIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

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	81,896,552	7,165,655	89,062,207	89,062,207	00	100%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	81,896,552	7,165,655	89,062,207	89,062,207	00	100%
PAYMENTS						
Compensation of Employees	2,776,000	212,000	2,988,000	2,986,373	1,627	99.9%
Use of goods and services	3,592,897		3,592,897	3,442,049	150,848	95.8%
Transfers to Other Government Units	43,000,000	6,953,655	49,953,655	49,473,100	480,555	99.0%
Other grants and transfers	31,527,655		31,527,655	31,165,890	361,765	98.9%
Acquisition of Assets	1,000,000		1,000,000	979,960	20,040	98.0%
Other Payments						
TOTAL	81,896,552	7,165,655	89,062,207	88,047,372	1,014,835	98.9%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

The KAPENGURIANGCDF financial statements were approved on _____ 2017 and signed by:

Chairman NGCDF

Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016-2017	2015-2016
	Kshs	Kshs
Normal allocation		
AIE NO A 796213		29,678,766
AIE NO A 796246		29,678,766
AIE NO A796275		10,000,000
AIE NO 724235		10,000,000
AIE NO 820567		10,000,000
AIE NO 820801		20,000,000
AIE NO A 820966		12,000,000
AIE NO A825655		31,000,000
AIE No A825756		30,889,582
AIE No 829585	4,094,828	
AIE No 855029	36,853,449	
AIE No 855602	40,948,275	
TOTAL	81,896,552	183,247,114

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

Description	2016-2017	2015-2016
	Kshs	Kshs
Basic wages of contractual employees	2,908,373	2,808,106
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	78,000	76,400
gratuity	-	-
Total	2,986,373	2,884,506

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016-2017 Kshs	2015-2016 Kshs
Utilities, supplies and services	30,865	2,992,096
Office rent	-	-
Communication, supplies and services	9,960	1,134,782
Domestic travel and subsistence	-	1,676,350
Printing, advertising and information supplies & services	51,120	1,252,066
Rentals of produced assets	-	-
Training expenses	986,600	-
Hospitality supplies and services	24,960	3,520,000
Other committee expenses	-	-
Committee allowance	769,934	4,184,000
Insurance costs	-	-
Specialised materials and services	-	1,923,490
Office and general supplies and services	119,700	2,287,960
Fuel ,oil & lubricants	607,000	2,807,265
Other operating expenses	-	3,032,077
Routine maintenance – vehicles and other transport equipment	844,910	1,270,000
Routine maintenance – other assets	-	2,225,290
Total	3,442,049	24,121,376

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	19,653,100	63,356,974
Transfers to secondary schools (see attached list)	23,420,000	31,300,000
Transfers to tertiary institutions (see attached list)	6,400,000	-
Transfers to health institutions (see attached list)		5,800,000
-TOTAL	49,473,100	100,456,974

7. OTHER GRANTS AND OTHER PAYMENTS

	2016-2017	2015 -2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,699,000	14,314,000
Bursary – tertiary institutions (see attached list)	6,085,450	10,496,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	1,320,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	-	500,000
Roads projects (see attached list)	-	5,125,000
Sports projects (see attached list)	1,340,000	-
Environment projects (see attached list)	1,402,440	-
Other Projects (see attached list)	4,600,000	-
Emergency Projects (specify)	4,039,000	5,500,060
Total	31,165,890	37,255,060

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS		
<u>Non-Financial Assets</u>	2016-2017	2015-2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	2,019,659
Purchase of Vehicles and Other Transport Equipment	-	5,092,046
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	473,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	506,960	448,336
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	979,960	7,560,041

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	2016-2017 Kshs	2015 - 2016 Kshs
---------	-------------------	---------------------

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016-2017 Kshs	2015-2016 Kshs
Equity Bank –a/c no 107029759933	1,014,835	7,165,655
		-
		-
		-
	1,014,835	7,165,655
10B: CASH IN HAND		
	2016-2017	2014– 2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

0

[Include an annex of the list is longer than 1 page.]

12 Retention			
Supplier/Contractor	PV no	2016-2017	2015-2016
		Kshs	Kshs
TOTAL			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016-2017 Kshs	2015-2016 Kshs
Bank accounts	7,165,654	380,498-
cash in hand		
Imprest	-	-
Total	7,165,654	380,498

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KAPENGURIA CONSTITUENCY
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016 Kshs	2015 - 2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-
	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	xxx	xxx
	xxx	xxx
	xxx	xxx

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

NATIONAL GOVERNMENT ENTITY
Reports and Financial Statements
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

(name of the entity)

AFF PAYABLES

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

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

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	372,000	372,000
Buildings and structures	8,099,659	8,099,659
Transport equipment	11,242,046	11,242,046
Office equipment, furniture and fittings	1,023,000	550,000
ICT Equipment, Software and Other ICT Assets	1,155,296	648,336
Other Machinery and Equipment	250,000	250,000
Heritage and cultural assets		
Intangible assets		
Total	22,142,001	21,162,041

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Atacha Primary School	KCB	1122599226	00	50,000
Poole Primary School	KCB	1105542297	10,000	85,000
Tindar Primary School	KCB	1106044622	5,000	25,000
Letwa Primary School	KCB	1107213231	00	107,000
Pcholpogh Primary School	KCB	1107215269	00	65,000
Simat Primary School	KCB	1106247205	00	107,000
Ketiam Pry school	KCB	1106175522	100,000	
Chetram Pry School	KCB	1107215072	120,500	
Turkwel Gorge Secondary School	Equity	107016170944	210,000	
Tomena Secondary School	KCB	1109088781	310,000	
Total			755,000	439,000

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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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)
FY 2014-2015	Transfer from other Government Entities had a variance of Ksh 59,357,532 and unsupported receipt of ksh 24,686,430	The management did a reconciliation of the variance and noted the difference was as a result of previous AIE funding made in the year but related to the previous financial year. The unsupported receipt was as a result of having been captured in July, 2015 in the cash book but the actual receipt in the bank was in June, 2015 causing the difference.	Stephen Mnangat – Funds Accounts Manager	Resolved	Not Applicable
FY 2014-2015	Compensation of employees, had unauthorised expenditure of Ksh 1,082,720.	The CDFC discussed this issue and noted that I will gradually reduce the number of staff to align with the regulations	Stephen Mnangat- Funds Accounts Manager	Not Resolved	30 th June, 2018
FY 2014-2015	Purchase of school buses; unaccounted balance of ksh 213,280 and lack of expenditure returns for the	The unspent balance at St Mary's siyoi has since been accounted for. It was used to write the financier	Stephen Mnangat- Funds	Resolved	Not Applicable

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

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)
	three buses costing Ksh 13,000,000	S of the buses, assisted in the processing of the ownership documents among other. The expenditure return indicating the procurement methods for the three buses are available	Accounts Manager		
FY 2014-2015	Transfer to Health Centre; Lack of expenditure returns for three dispensaries funded at Ksh 2,400,000	The management has since contacted the respective PMCs and got assurance that the returns will be availed at the NG-CDF kapenguria offices	Stephen Mnangat – Funds Accounts Manager	Not resolved	31 st Dec, 2017
FY 2014-2015	Bursaries; Improper bursary sub committee, no clear criteria of identifying needy students	The management has since established the subcommittee as required law. The needy students are identified from the sub locations through the assistance of the local administrators	Stephen Mnangat – Funds Accounts Manager	Resolved	
FY 2014-2015	Statement of assets; wrong title i.e statement of assets and liabilities	The statement title has since been changed and is now correctly titled as statement of assets	Stephen Mnangat – Funds Accounts Manager	Resolved	
FY 2014-2015	Cash and cash equivalents; the financial statement and the cash book had a variance of ksh 21,168. The un-reversed stale cheques of ksh 528,870	The variance had been caused by omission of bank charges in the cash book which has since been corrected. The stale	Stephen Mnangat – Funds Accounts Manager	Resolved	

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

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)
FY 2014-2015	Statement of cash flow and statement of assets had a variance of 159,194,620 under cash and cash equivalent as at 30 June 2015	cheques has since been reversed in the cash book The correct position is that the cash and cash equivalent as at 30 June, 2014 in the cash flow was ksh 17,688,292, the figure of ksh 176,882,912 was a typing error	Stephen Mnangat – Funds Accounts Manager	Resolved	