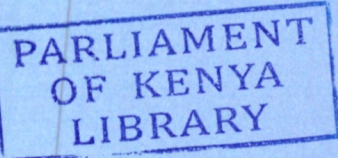


REPUBLIC OF KENYA

*Paper laid by the
Leader of majority Party
M.P.
Tuesday 11/10/2018.*



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
TURKANA CENTRAL CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



THE AUDITOR GENERAL
P. O. Box 30084 - 00100 NAIROBI
29 SEP 2017
RECEIVED

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- TURKANA
CENTRAL 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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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, 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 TURKANA CENTRAL Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	EkenoR.Ngulenya
3.	Accountant	Patrick Njeru
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of TURKANA CENTRAL 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) TURKANA CENTRAL NGCDF Headquarters

NGCDF Office Building.
P.O Bo 512-30500
LODWAR

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

(f) TURKANA CENTRALNGCDF Contacts

Telephone: (254) 0728482257/0729991578
E-mail: turkanacentral@NGCDF.go.ke
Website: www.turkanacentral.go.ke

(g) TURKANA CENTRALNGCDF Bankers

1. Kenya Commercial Bank
P.O Box 512-30500
LODWAR

(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

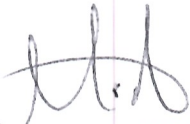
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

The NGNGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of TURKANA CENTRAL.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NGNGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.



**Sign.....
CHAIRMAN NGCDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- TURKANA
CENTRAL 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.

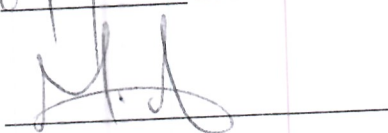
The Accounting Officer in charge of the TURKANA CENTRALNGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This 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 TURKANA CENTRALNGCDF 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 TURKANA CENTRALNGCDF 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 TURKANA CENTRALNGCDF 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 10/09 2017.




Fund Account Manager
Chairman

REPUBLIC OF KENYA

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

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund –Turkana Central Constituency set out on pages 5 to 28, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, as required by Article 229(6) of the Constitution, I have not been able to obtain sufficient appropriate audit evidence to confirm that public money has been applied lawfully and in an effective way.

Basis for Disclaimer of Opinion

1.0 Presentation of Financial Statements

1.1 Numbering of the financial statements

The table of contents on page 1 reflects page numbers which does not correspond with the specific page numbers shown in the financial statements. The table of contents indicate that the statement of receipts and payments is on page 1 while it is at page 5. Key Constituency information and management, forward by the chairman national government constituency development fund committee and statement of management responsibilities does not indicate the page number. Further, page numbers are not sequentially numbered from pages 9 to 42 of the financial statements.

1.2 Accounting Periods

The statement of receipts and payments, the statement of assets and the statements of cash flow do not indicate the accounting period to which the statements relate to. In

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

addition, the statement of management responsibilities on page 4 paragraph 2 indicates 'the year ended on 30 June 2016 while paragraph 3 indicated the financial year ended 30 June 2015 instead of for the year ended 30 June 2017. Further, notes to the financial statements header from pages 36-40 indicate that the financial statements are for the year ended 30 June 2014 instead of "for the year ended 30 June 2017".

1.3 Significant Accounting Policies

The Significant Accounting policies on page 24 does not indicate 'Turkana Central CDF" instead it indicates only 'CDF'.

1.4 Rounding off Figures

Note to the financial statement from pages 36-42 indicate that the figures were presented in thousands ("000) while the figures presented in these financial statements are in full numbers.

Consequently, the financial statements are not in compliance with International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB).

2.0 Variances in the Financial Statements

The statement of receipts and payments for the year ended 30 June 2017 reflects various balances which are at variance with the respective supporting schedules as detailed below:

Item	Financial Statements figure (Kshs)	Supporting Schedule (Kshs)	Variance (Kshs)
Other Grants and Transfers			
Bursary Fund	23,054,001	27,627,000	(4,572,999)
Security	12,793,330	12,392,500	400,830
Emergency	4,094,250	4,401,450	307,200
Compensation of Employees			
Basic Wages of Contractual Employees	2,669,196	2,695,308	(26,112)
Transfer to other Government Entities			
Transfers to Primary Schools	50,986,214	51,400,749	(414,535)
Transfers to Secondary Schools	38,493,589	37,469,350	1,024,239
Use of Goods and services			
Training	2,200,000	2,395,000	(195,000)
Total	134,597,780	138,074,157	(3,476,377)

Under the circumstances, the accuracy and completeness of the statement of receipts and payments for the year ended 30 June 2017 could not be confirmed.

3.0 Use of Goods and Services

3.1 Fuel, Oil and Lubricants

Included in the use of goods and services figure of Kshs.13,654,431 is an amount of Kshs.1,300,000 expenditure on fuel, oil and lubricants. However, records including fuel register, detailed orders and motor vehicle work tickets were not availed for audit review.

Consequently, the propriety and validity of fuel, oil and lubricants expenditure of Kshs.1,300,000 for the year ended 30 June 2017 could not be confirmed.

3.2 Unsupported Expenditure on Committee Expenses

Included in the use of goods and services figure of Kshs.13,654,431 reflected in the statement of receipts and payments is other committee expenditure of Kshs.3,500,000 and Kshs.2,800,000 committee allowance all totaling to Kshs.6,300,000. However, payment vouchers availed for audit review were not supported by minutes of the meetings as well as the attendance register for meetings held.

Consequently, the propriety of committee expenditure amount of Kshs.6,300,000 for the year ended 30 June 2017 could not be confirmed.

4.0 Transfer to Other Government Entities

4.1 Unsupported Expenditure

The statement of receipts and payments reflect transfers to other government units balance of Kshs.89,479,803 relating to funds disbursed to various project management committees. However, actual expenditure returns and acknowledgement letters from institutions that received the funds were not availed for audit verification. Under the circumstances, it was not possible to confirm whether the funds totaling Kshs.89,479,803 was actually received and utilized for the budgeted projects in the year under review.

4.2 Nasekon Primary School-Construction of 2 Classrooms

Included in transfer to other government entities balance of Kshs.89,479,803 reflected in the statement of receipts and payments is transfers to primary school's balance of Kshs.50,986,214 and as disclosed under note 6 to the financial statements out of which an amount of Kshs.2,040,000 was transferred to Nasekon Primary School for the construction of two (2) class rooms. Records availed for audit verification indicate that the tax compliance certificate of the firm that won the tender had expired on 12 August 2016 yet the tender was for March 2017. Further, the bills of quantities, minutes of site meeting, contract agreement, completion certificates and closure and handing over report were not availed for audit verification. In addition, physical verification of the project in the month of June 2018 revealed that the project was complete but it was not labelled/branded and it was therefore not possible to confirm whether it was a Constituencies Development Fund project.

Consequently, the propriety of Kshs.2,040,000 for the construction of two (2) classrooms for the year ended 30 June 2017 could not be confirmed.

4.3 Napuu Primary School-Construction of Chain Link Perimeter Fence

Included also in transfer to other government entities balance of Kshs.89,479,803 reflected in the statement of receipts and payments is transfers to primary school's balance of Kshs.50,986,214 and as disclosed under note 6 to the financial statements out of which an amount of Kshs. 1,495,000 was transferred to Napuu Primary School for the construction of chain link perimeter fence. Available information revealed that the opening committee opened, evaluated and awarded the tenders contrary to Section 78 (I) (10) and Section 80 (4) of Public Procurement and Asset Disposal Act, 2015. In addition, the contract agreement did not indicate the commencement and duration of the contract. Further, the bill of quantities, minutes of site meetings and interim certificates were not also availed for audit verification.

Consequently, the management is in breach of the law and the regularity of Kshs.1,495,000 expenditure for the construction of chain link perimeter fence for the year ended 30 June 2017 could not be confirmed.

4.4 Wadach Primary School-Construction of a Perimeter Fence

Included also in the transfers to primary schools balance of Kshs.50,986,214 is an amount of Kshs 3,045,000 transferred to Wadach primary school for the construction of perimeter fence. Available information revealed that the opening committee opened, evaluated and awarded the tenders contrary to Section 78 (I) (10) of Public Procurement and Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes while Section 80 (4) of the same Act requires evaluation committee to evaluate and prepare evaluation reports. In addition, the bills of quantities, project management committee reports and contract agreement were not availed for audit verification. Further, project verification on 6 June 2018 revealed that the fencing was completed, however, 15% of the fencing had no concrete embankment.

Consequently, the management is in breach of the law and the regularity of Kshs.3,045,000 expenditure for the construction of perimeter fence could not be confirmed.

4.5 Nakiriongora Primary School-Construction of Two Classrooms

Included also in transfers to primary schools' balance figure of Kshs 50,986,214 is an amount of Kshs.2,190,523 transferred to Nakoriongora Primary School vide payment voucher number 3 on 7 March 2017 for the construction of two classrooms. The tender for the construction of two (2) classrooms was awarded to a company for a contract sum of Kshs. 2,190,523 by Project Management Committee at a meeting held on 28 June 2017. However, information available indicated the following anomalies:

- i) The opening committee opened, evaluated and awarded the tenders contrary to Section 78 (I) (10) of Public Procurement and Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes while

Section 80 (4) of the same Act requires evaluation committee to evaluate and prepare evaluation reports

- ii) Further, the firms that tendered for the contract did not submit the mandatory documents for evaluation as stated in the invitation for tender which included a firm to be a registered contractor with National Construction Authority(NCA) and possess experience in water issues, certified copies of tax compliance certificate, VAT and PIN certificate, proof of legal existence (certificate of incorporation/registration) , Turkana County Government business permit, show evidence of sound financial base, show evidence of successfully completing works of similar magnitude and provide profile of key personnel to be engaged.
- iii) In addition, the letter of notification to the winning tenderer was dated 28 June 2016 and the contract agreement between the school Project Management Committee (PMC) and the contractor was signed on 29 June 2016 before fourteen days had elapsed contrary to Section 135 (3) of Public Procurement and Assets Disposal Act, 2015 which requires that written contract shall not be entered into until at least fourteen days have elapsed after notification.
- iv) The bills of quantities and project management committee reports were not availed for audit verification.
- v) In addition, the contract agreement did not indicate the commencement and completion dates.
- vi) Although full payment had been made, completion certificate, minutes of site meetings, inspection and acceptance committee reports and closure and handing over reports were not availed for audit verification.

Project verification during the month of June 2018 revealed that the project was complete but the verandah, floor and walls had developed cracks a clear indication of poor workmanship.

Consequently, the management is in breach of the law and the propriety of Kshs. 2,190,523 for the year ended 30 June 2017 could not be confirmed.

4.6 Installation and Piping of Water from Kakwanyang to Turkana Talent High School

Included in transfers to secondary schools balance of Kshs.38,493,589 is an amount of Kshs. 2,480,000 transferred to Talent High School vide payment voucher number 158 on 7 March 2017 for the installation and piping of water from Kakwanyang. The tender for the installation and piping of water was awarded to a company for a contract sum of Kshs.2,480,000 by project management committee at a meeting held on 20 February 2017. However, information available indicated the following anomalies:

- i) The opening committee opened, evaluated and awarded the tenders contrary to Section 78 (l) (10) of Public Procurement and Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes while

section 80 (4) of the same Act requires evaluation committee to evaluate and prepare evaluation reports.

- ii) Further, the firms that tendered for the contract did not submit the mandatory documents for evaluation as stated in the invitation for tender which included a firm to be a registered contractor with National Construction Authority (NCA) and possess experience in water issues, certified copies of tax compliance certificate, VAT and PIN certificate, proof of legal existence (certificate of incorporation/registration) and Turkana County Government business permit.
- iii) In addition, the letter of notification to the winning tenderer was dated 21 February 2017 and the contract agreement between the school Project Management Committee (PMC) and the contractor was signed on 21 February 2017 before fourteen days had elapsed contrary to Section 135 (3) of Public Procurement and Assets Disposal Act, 2015 which requires that written contract shall not be entered into until at least fourteen days have elapsed after notification.
- iv) The bills of quantities, minutes of site meeting and Project Management Committee reports were also not availed for audit verification.
- v) In addition, the contract agreement did not indicate the commencement and completion dates.
- vi) Although full payment had been made, completion certificate, minutes of site meetings, inspection and acceptance committee reports and closure and handing over reports were not availed for audit verification.

Project verification during the month of June 2018, revealed that the piping had been done for only two (2) kilometers instead of four (4) kilometers and only one tank was raised and the other was not raised. Further, the tanks had no water and the pipes appear to be of poor quality.

Consequently, the propriety of Kshs. 2,480,000 for the year ended 30 June 2017 could not be confirmed.

4.7 Payments for Completed Projects

Included in transfer to other government entities balance of Kshs.89,479,803 in the statement of receipts and payments and as disclosed under note 6 of the financial statement for the year ended 30 June 2017 is transfers to primary schools balance of Kshs.50,986,214 and Kshs.38,493,589 transfer to secondary schools out of which an amount of Kshs. 67,878,749 was disbursed to various schools to undertake projects in the constituency. Although the management has indicated that the projects were completed and the contractors fully paid, completion certificates from the Ministry of Public Works to confirm that the projects were done as per the specifications and handing over reports were not availed for audit verification.

Consequently, the propriety of Kshs. 67,878,749 for the year ended 30 June 2017 could not be confirmed.

5.0 Other Grants and Other Payments

5.1 Bursary

The statement of receipts and payments reflects other grants and transfers figure of Kshs. 41,541,581 and as disclosed in note 7 to the financial statements is Kshs.9,598,001 bursary to tertiary institutions and Kshs 13,456,000 bursary to special schools all totalling to Kshs.23,054,001. However, the criteria on how the needy cases were identified and bursaries determined was not availed for audit review. In addition , the list of beneficiaries was not availed and there was no report that the Constituency Development Fund Committee (CDFC) ratified the list of beneficiaries forwarded by the bursary committee as required by Constituencies Development Fund Circular Reference No. VOL1/111 dated 13 September 2010. Further, the list of bursary sub-committee members including two co-opted members' one who must be the area education officer seconded from the Ministry was not availed for audit review.

Consequently, the propriety of Kshs.23,054,001 for the year ended 30 June 2017 given out as bursary to various needy students could not be confirmed.

5.2 Construction of Ilile Administration Police Post

Included in other grants and other transfers figure of Kshs.41,541,581 as disclosed in note 7 to the financial statements is security figure of Kshs.12,793,330 out of which Kshs.2,500,000 was disbursed to Ilile Administration Police Post for the construction of Ilile Post. However, tender documents such as tender advertisement, bills of quantities, tender opening, evaluation and award committee minutes, contract agreement and minutes of site meetings were not availed for audit verification.

Consequently, the regularity of Kshs. 2,500,000 expenditure on the construction of Ilile Police Post for the year ended 30 June 2017 could not be confirmed.

5.3 Construction of Nabulon Chiefs Office

Included in other grants and transfers figure of Kshs. 41,541,581 under note 7 to the financial statement is security figure of Kshs.12,793,330 out of which Kshs.1,000,000 was for the construction of Nabulon Chiefs Office. However, tender documents such as tender advertisement, bills of quantities, tender opening, evaluation and award committee minutes, contract agreement and minutes of site meetings were not availed for audit verification.

Consequently, the regularity of Kshs.1,000,000 expenditure on the construction of chief's office for the year ended 30 June 2017 could not be confirmed.

5.4 Purchase of Relief Food

Included in other grants and transfers figure of Kshs.41,541,581 under note 7 to the financial statement is emergency project figure of Kshs.4,094,250 out of which Kshs.3,555,000 was paid to a company for the purchase of emergency relief food. However, the signed distribution list by the beneficiaries of the emergency relief food was not availed for audit review.

In the circumstances, it was not possible to confirm whether relief food costing Kshs 3,555,000 was given to the needy people and therefore the propriety of Kshs 3,555,000 incurred on relief food items for the year ended 30 June 2017 could not be confirmed.

6.0 Bank Balance

The statement of assets as at 30 June 2017 reflects bank balances figure of Kshs. 23,611. The bank reconciliation statement for the month of June 2017 reflects payments in the cash book not yet recorded in bank statement in respect of unrepresented cheques amounting to Kshs.889,223.95 out of which cheques totaling to Kshs.49,040 were stale and no reason or explanation was provided for not reversing the stale cheques in the cash book. In addition, no information was availed for audit review showing the dates when the unrepresented cheques totaling Kshs.840,183.95 were subsequently cleared in the bank.

Consequently, the accuracy and completeness of bank balance of Kshs.23,611 as at 30 June 2017 could not be confirmed.

7.0 Other Payments

Then statement of receipts and payments reflect total payments figure of Kshs.154,833,011 which includes other payments balance of Kshs 7,488,000 and as disclosed under note 9 to the financial statements comprising of environmental projects figure of Kshs.1,635,000 and CDF office and community projects balance of Kshs.5,853,000. However, the list of projects and actual expenditure returns from the Project Management Committees implementing the projects were not provided for audit review.

Under the circumstances, it was not possible to confirm that the disbursements were for the budgeted projects and the propriety of the total figure of Kshs 7,488,000 for the year ended 30 June 2017 could not be confirmed.

8.0 Unsupported Project Management Committee Bank Balances

Annex 5 of the financial statements reflect Project Management Committee (PMC) bank balances totalling to Kshs.1,158,000. However, cash books, bank confirmation certificates, and bank reconciliation statements were not provided for review.

Consequently, the existence, accuracy, validity and completeness of the Project Management Committee bank balance of Kshs.1,158,000 for the year ended 30 June 2017 could not be confirmed.

9.0 Unauthorized Expenditure

The summary statement of appropriation: recurrent and development combined reflects total budget of Kshs.78,780,691 for use of goods and services and transfer to other government units against actual combined expenditure total figure of Kshs.103,143,234 resulting to over expenditure of Kshs.24,353,543. However, the management did not

provided evidence of approval by the Constituencies Development Fund board for this over expenditure.

Under the circumstances, the management is in breach of the law and propriety of the over expenditure of Kshs.24,353,543 for the year ended 30 June 2017 could be confirmed.

10.0 Budgetary Control and Performance

10.1 Budget Performance

Turkana Central Constituency's approved budget for 2016/2017 amounted to Kshs.154,856,622 comprising of 2016/2017 of Kshs.81,896,552 and unspent brought forward balance of Kshs.72,960,070. During the year, the Fund incurred expenditure of Kshs.154,833,011 or 99.98% of the approved budget resulting to under expenditure of Kshs.23,611 or 0.012% of the final budget as summarized below:

Components/Votes	Approved Budget for	Actual expenditure for 2016/2017	Under/Over expenditure	% of under Utilization
Compensation of Employees	3,950,000	2,669,196	1,280,804	68
Use of goods and services	9,392,760	13,654,431	(4,261,671)	145
Transfers to Other Government Units	69,387,931	89,479,803	(20,091,872)	129
Other grants and transfers	54,500,000	41,541,581	12,958,419	76
Acquisition of Assets	8,500,000	0	8,500,000	0
Other Payments	9,125,931	7,488,000	1,637,931	82
Totals	154,856,622	154,833,011	23,611	0,015

Failure to utilize all approved budgetary provisions results in non-implementation of planned development projects thus negatively affecting service delivery to the residents of Turkana Central Constituency.

10.2 Project Implementation Status

During the financial year 2016/2017, National Government Constituencies Development Fund Turkana Central Constituency had an approved budget of Kshs 90,681,261 to be spent on fifty-five (55) projects. However, project implementation status report reflects only 25 project as shown below with a budget of Kshs.76,982,758.20. Further, budget of Kshs.8,500,000 for the acquisition of assets remained unutilized as at 30 June 2017.

	Project Name	Sub-Project/Activities	Allocation (Kshs.)	Disbursement (Kshs)	Cumulative achievement (%)	Implementation status
1.	Nayuu Primary Sch	Construction of 1 Classroom	1,000,000	1,000,000	100	complete and in use

2.	St.Mary Primary School	Purchase of 20 Double Decker Beds(1M) and Supply of Mattresses (500,000)	1,500,000	1,500,000	100	complete and in use
3.	Nakadukui Pry Sch	Construction of 1 Classroom	1,000,000	1,000,000	100	complete and in use
4.	Wadach Pry Sch	Fencing of the school Compound	3,000,000	3,000,000	100	complete and in use
5.	Nanyangakipi Pry	Completion of 1 classroom (plastering and roofing)	500,000	500,000	100	complete and in use
6.	Nangorchoto Pry Sch	Construction of 1 Classroom	1,000,000	1,000,000	100	complete and in use
7.	Ngimuria Pry Sch	Construction of 2 Classrooms	2,000,000	2,000,000	100	complete and in use
8.	Nabwel Ekorot Pry sch	Construction of 2 Classrooms	2,000,000	2,000,000	100	complete and in use
9.	Faith Home Pry Sch	Construction of 1 Classroom	1,000,000	1,000,000	100	complete and in use
10.	Lotiira Pry Sch	Construction of 2 Classrooms	2,000,000	2,000,000	100	complete and in use
11.	Lokipe Pry Sch	Construction of 1 Classroom	1,000,000	1,000,000	100	complete and in use
12.	Nasekon Pry Sch	Construction of 2 Classrooms	2,000,000.00	2,000,000	100	complete and in use
13.	Moi High Sch-Kalokol Sec School	Purchase of School Bus	7,000,000	7,000,000	70	complete and in use
14.	St.Kevins Day Sec	Purchase of School Bus	7,000,000	7,000,000	100	complete and in use
15.	Lodwar Girls Sec	Purchase of School Bus	7,000,000	7,000,000	100	complete and in use
16.	Talent High School	Piping of water from Kakwanyang	2,500,000	1,500,000	100	Complete and in use
17.	Nabulon Assistant Chief's Office	Construction of assistant Chief's Office	1,500,000	1,500,000	100	complete and in use
18.	Ekitoe Angikiliok Nyumba Kumi	Construction of office	2,000,000	2,000,000	80	complete and in use
19.	Township Chiefs Office	Completion of office (roofing)	700,000	700,000	100	complete and in use
20.	Nawoitrong Assistant Chiefs office	Purchase of furniture	300,000	300,000	100	complete and in use
21.	Bursary	To award bursary for needy students in the constituency. Exams & Tests	21,155,172	15,000,000	90	Ongoing

22.	Monitoring And Evaluation	Monitoring and Evaluation / Capacity building	2,456,896.55	2,000,000.00	81.40	Ongoing
23.	Sports	community/cross border/sports for peace and schools	1,637,931.03	1,637,931.03	100	complete
24.	Environment	allocation to support environmental activities	1,637,931.03	1,637,931.03	100	complete
25.	Emergency Projects	responding to emergencies in the constituency	4,094,827.59	4,094,827.59	100	complete
	Total		76,982,758.20	69,370,689.65		

Due to non-completion of two (2) projects with a budget of Kshs 23,612,068.55, the residents of Turkana Central Constituency failed to receive the benefits accruing from planned programs and activities for the year ended 30 June 2017. There is need therefore for the management to relook at its budgeting mechanisms with a view of paying attention to priority areas and strategies to fast track budget implementation.

10.3 Project Verification

During the year under review, eight (8) projects costing Kshs.27,000,000 were verified during the audit in May 2018 and the following observations were made.

No.	Project Name	Activity	Budget	Disbursement	Observations
1	Lodwar Girls Secondary	Purchase of school bus	7,000,000	7,000,000	The bus was purchased bearing registration no.KCH 876Q
2	Moi High School-Kalokol	Purchase of school bus	7,000,000	7,000,000	The bus was purchased bearing registration no.KCH 875Q
3	Turkana Talent High School	Piping of water from kakwanyang	2,500,000	1,500,000	Piping was done for 2Kms instead of 4km and the school has no water despite full payment
4	Ille primary school	Perimeter fencing	2,000,000	2,000,000	The fencing is complete though substandard
5	Nakiongora Primary School	Construction of 2 classrooms	2,000,000	2,000,000	The classrooms have been constructed though the floor and wall have cracks

6	Nasekon Primary School	Construction of 2 classrooms	2,000,000	2,000,000	The project was completed though not labelled
7	Napuu primary school	Construction of perimeter fence	1,500,000	1,500,000	About 55% of fencing was done. The project not branded
8	Wadach primary school	Construction of perimeter fence	3,000,000	3,000,000	Fencing was done but emarkment was done 85%
	Total		27,000,000	26,000,000	

Failure to have some of the projects completed as per required specifications is an indication of lack of proper supervision and monitoring. Therefore, there is need for the management to carefully monitor the projects implementation to achieve the desired results.

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

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

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

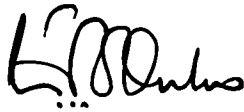
Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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

My responsibility is to conduct an audit of the Fund's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matter described in the Basis for Disclaimer

of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of National Constituencies Development Fund – Turkana Central 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.



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

Nairobi

06 August 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- TURKANA
CENTRAL CONSTITUENCY**

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

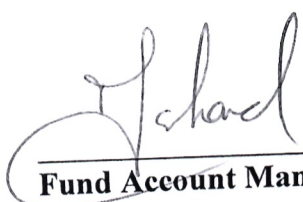
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	85,396,552	161,678,226
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		85,396,552	161,678,226
PAYMENTS			
Compensation of employees	4	2,669,196	3,808,596
Use of goods and services	5	13,654,431	12,242,568
Transfers to Other Government Units	6	89,479,803	49,084,976
Other grants and transfers	7	41,541,581	39,054,100
Acquisition of Assets	8	-	7,800,000
Other Payments	9	7,488,000	8,190,000
TOTAL PAYMENTS		154,833,011	120,180,240
SURPLUS/DEFICIT		(69,436,459)	41,497,986

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TURKANA CENTRAL CDF financial statements were approved on 07/09 2017 and signed by:



Chairman - CDFC




Fund Account Manager

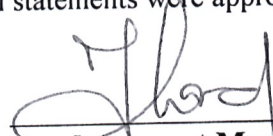
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- TURKANA
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V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	23,611	69,460,070
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		23,611	69,460,070
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	69,460,070	27,962,083
Surplus/Defict for the year		(69,436,459)	41,497,986
Prior year adjustments	14	-	-
NET LIABILITIES		23,611	69,460,069

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TURKANA CENTRAL CDF financial statements were approved on 1/09 2017 and signed by:


Chairman - CDFC


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- TURKANA
CENTRAL CONSTITUENCY**

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

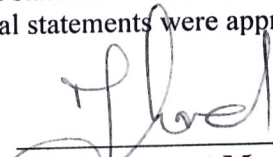
VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	85,396,552	161,678,226
Other Receipts	3	-	-
		85,396,552	161,678,226
Payments for operating expenses			
Compensation of Employees	4	2,669,196	3,808,596
Use of goods and services	5	13,654,431	12,242,568
Transfers to Other Government Units	6	89,479,803	49,084,976
Other grants and transfers	7	41,541,581	39,054,100
Other Payments	9	7,488,000	8,190,000
		154,833,011	112,380,240
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(69,436,459)	49,297,986
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(7,800,000)
Net cash flows from Investing Activities		-	(7,800,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(69,436,459)	41,497,986
Cash and cash equivalent at BEGINNING of the year	13	69,460,070	27,962,084
Cash and cash equivalent at END of the year		23,611	69,460,070

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TURKANA CENTRAL CDF financial statements were approved on 01/09 2017 and signed by:



Chairman CDFC



Fund Account Manager

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 a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	72,960,070	154,856,622	154,856,622	(0)	100%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	81,896,552	72,960,070	154,856,622	154,856,622	(0)	100%
PAYMENTS						
Compensation of Employees	2,950,000	1,000,000	3,950,000	2,669,196	1,280,804	68%
Use of goods and services	4,420,690	4,972,070	9,392,760	13,654,431	(4,261,671)	145%
Transfers to Other Government	31,387,931	38,000,000	69,387,931	89,479,803	(20,091,872)	129%
Units	41,500,000	13,000,000	54,500,000	41,541,581	12,958,419	76%
Other grants and transfers		8,500,000	8,500,000		8,500,000	0%
Acquisition of Assets	1,637,931	7,488,000	9,125,931	7,488,000	1,637,931	82%
Other Payments	81,896,552	72,960,070	154,856,622	154,833,011	23,611	100%
TOTALS						

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

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Xxxx
- ii. Xxxx
- iii. Xxxx
- iv. Xxxx
- v. Xxxx

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

The TURKANA CENTRAL CDF financial statements were approved on 29/09/2016 and signed by:

M.D
Chairman CDF

[Signature]
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 *CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
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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 – TURKANA
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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 *CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
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Reports and Financial Statements
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
			18,000,000.00
			20,000,000.00
			4,500,000.00
CDF Board			
AIE NO	A855104	36,853,449	16,200,000.00
AIE NO	A855558	40,948,275	30,000,000.00
AIE NO	A839520	4,094,828	68,978,226.00
		3,500,000.00	4,000,000.00
TOTAL		85,396,552	161,678,226

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS	2016- 2017	2015 - 2016
	Kshs	Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx
Total	xxx	xxx
4. COMPENSATION OF EMPLOYEES	2016 - 2017	2015- 2016
	Kshs	Kshs
Basic wages of contractual employees	2,669,196	3,273,693.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance		
Transport allowance		534,903
Leave allowance		
Gratuity		
Other personnel payments		
Total	2,669,196	3,808,596

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	15,953	1,920,000
Office rent		
Communication, supplies and services	396,726	565,422
Domestic travel and subsistence	600,000	
Printing, advertising and information supplies & services	301,923	
Rentals of produced assets		
Training expenses	2,200,000	3,690,160
Hospitality supplies and services		
Other committee expenses	3,500,000	2,412,986
Committee allowance	2,800,000	2,889,000
Insurance costs	305,408	
Specialised materials and services		
Office and general supplies and services	1,900,000	
Fuel ,oil & lubricants	1,300,000	765,000
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	334,421	
Routine maintenance – other assets	-	
	-	
Total	13,654,431	12,242,568

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015- 2016
	Kshs	Kshs
Transfers to primary schools (see attached list)	50,986,214	38,995,210
Transfers to secondary schools (see attached list)	38,493,589	8,889,766
Transfers to tertiary institutions (see attached list)		1,200,000
Transfers to health institutions (see attached list)		
TOTAL	89,479,803	49,084,976

7. OTHER GRANTS AND OTHER PAYMENTS

Bursary -Secondary		17,466,000
	9,598,001	
Bursary -Tertiary	13,456,000	4,465,000
Bursary-Special schools		
Mocks & CAT		216,000
water		2,000,000
Agriculture (food security)		
Electricity projects		
Security		500,000
	12,793,330	
Roads		
Sports	1,600,000	5,234,600
Other capital grants and transfer		
Emergency Projects (specify)	4,094,250	9,172,500
Total	41,541,581	39,054,100

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

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			
Purchase of Vehicles and Other Transport Equipment		7,800,000	
Overhaul of Vehicles and Other Transport Equipment			
Purchase of Household Furniture and Institutional Equipment			
Purchase of Office Furniture and General Equipment			
Purchase of ICT Equipment, Software and Other ICT Assets			
Purchase of Specialised Plant, Equipment and Machinery			
Rehabilitation and Renovation of Plant, Machinery and Equip.			
Acquisition of Land			
Acquisition of Intangible Assets			
Total		7,800,000	

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

9. OTHER PAYMENTS

9 Other Payments	2016-2017	2015-2016
social halls		3,990,000
Environment	1,635,000	4,200,000
specify(cdf office &community projects)	5,853,000	-
TOTAL	7,488,000	8,190,000

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
<i>KCB LODWAR ,1107296684</i>	23,611	69,460,070
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	23,611	69,460,070

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
CENTRAL CONSTITUENCY**

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For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

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

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	69,460,070	27,962,084
Cash in hand		
Imprest		
Total	69,460,070	27,962,084

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017	2015 - 2017
	Kshs	Kshs
Bank accounts	xxx	-
Cash in hand	xxx	-
Imprest	xxx	-
Total		-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017	2015 - 2016
	Kshs	Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA
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15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	1,158,000	xxx
	1,158,000	xxx

15.5: Amounts due from the Board

	Kshs	Kshs
Amounts due from the Board (see attached list)	-	xxx
	-	xxx

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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						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

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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 2016	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						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures	12,000,000	12,000,000
Transport equipment	7,800,000	7,800,000
Office equipment, furniture and fittings	1,000,000	1,000,000
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	20,800,000	20,800,000

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Narengo pry school	KCB	1179397924	110,000	-
Nasekon Pry School	KCB	1136409718	220,000	-
Turkana Talent High	Co-op	01141591776000	750,000	-
Nangorchotto Pry	KCB	1179397924	78,000	-
Total			1,158,000	

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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)	Time frame: (Put date when you expect the issue to be resolved)
9.0	Nakwamwekwi Water project	DEJA Royal construction has committed in writing to complete the warped roof of the water tank	Turkana Central NG-CDF	Not resolved	Oct 2017
6.2	Primary school projects	All the projects have been inspected by engineer and reports written	Turkana Central NG-CDF	resolved	

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