

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL



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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2017**



NG-CDF



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**CONSTITUENCIES DEVELOPMENT FUND- MOSOP CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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**NG-CONSTITUENCIES DEVELOPMENT FUND- MOSOP CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund.

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Beatrice Bowen
3.	Accountant	Stanley Kiptoo

**(d) Fiduciary Oversight Arrangements**

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

**(e) MOSOP NG-CDF Headquarters**

P.O. Box 4600-00100  
ELDORET

KENYA

**NG-CONSTITUENCIES DEVELOPMENT FUND- MOSOP CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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**(f) MOSOP NG-CDF Contacts**

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Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) MOSOP NG-CDF Bankers**

Co-Operative Bank  
Eldoret Branch  
P.O.Box 2948-30100  
Eldoret, Kenya.

**(h) Independent Auditors**

Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084-00100  
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 NG-CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

On behalf of the MOSOP NG-CDFC, i would like to give an overview on the operations of our constituency under the financial year 2016/2017.

The budget performance for this financial year was partly achieved as targeted. This was achieved due to the fact that the board disbursed partly funds in a relatively good time which enhanced project prioritization and allocation of funds. Most of the projects were undergoing at the closure of the financial period. NG-CDF has become the backbone in education sector in our constituency. To improve security for the students, most of the schools have been aided in the construction of dormitories.

a conducive learning environment

NG -CDF has also aided in providing

assisting in

the construction of new classrooms.

NG-CDF has been an important resource to the members of the community. Members have benefitted a lot from the bursaries. They are able to access the funds aiding them for subsidising their children's school fees. The issue that was raised, that the CDF funds to be administered from the county was a worry to the communities since through NG-CDF, funds get distributed to community more effectively and easy for the needy cases to be identified.

There are various challenges associated with implementation of projects. This relates with project prioritisation considering the amount of funds disbursed by the board in a given time. Since the funds are disbursed in tranches, there may be more projects which have agency comparing the funds disbursed. This usually leads to the delay of the projects hence affecting the time when projects will be put into use.

Sign.  .....

Mark Sang  
Chairman NG-CDFC

Sign.  .....

Beatrice Bowen  
Fund Account Manager

**III. STATEMENT OF NG- CDF MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of Mosop NG-CDF is responsible for the preparation and presentation of NG-CDF Mosop financial statements, which give a true and fair view of the state of affairs of NG-CDF Mosop for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose reasonable accuracy of the financial position of NG- CDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NG- CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of Mosop NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDFC financial statements give a true and fair view of the state of NG-CDFC transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of Mosop NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of NG-CDFC financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NG-CDF's financial statements were approved and signed by the Accounting Officer on 24-7 2017.

Sign.....  
Mark Sang  
Chairman NG-CDFC

Sign.....  
Beatrice Bowen  
Fund Account Manager.

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

#### **Adverse Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Mosop Constituency set out on pages 5 to 18, 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, 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 – Mosop Constituency as at June 30, 2017 and 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 Bank Balance**

The statement of financial assets reflects bank balances of Kshs.9,608,064 as at 30 June 2017. However, examination of the bank reconciliation statement for the month of June 2017 indicated an amount of Kshs.2,991,895 for payments in the bank statement not recorded in the cash book. No explanation was provided for failure to record the payments in the cash book.

Under the circumstances, accuracy of the bank balance of Kshs.9,608,064 could not be confirmed.

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



## 2.0 Bursary

Included in the statement of receipts and payments on other grants and transfers expenditure of Kshs.33,542,850 for the year ended 30 June 2017 are bursaries disbursements to secondary schools, tertiary institutions and special schools totaling to Kshs.22,960,919 as indicated below.

No	Details	Amount 'Kshs'
1	Secondary schools	13,867,103
2	Tertiary institutions	9,002,916
3	Special schools	90,900
	<b>Total</b>	<b>22,960,919</b>

However, the criteria used in identifying needy students for award of bursaries and acknowledgement letters in support of receipt of bursary funds from the recipient institutions were not availed for audit review.

Consequently, the validity and propriety of bursary disbursements figure of Kshs.22,960,919 could not be confirmed.

## 3.0 Transfer to Other Government Entities

### 3.1 Unsupported Expenditure

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government units' balance of Kshs.92,100,000 relating to funds disbursed to various project management committees. However, actual expenditure returns and acknowledgement letters from institutions that received funds were not availed for audit verification. Under the circumstances, it was not possible to confirm whether the funds totaling Kshs.92,100,000 was actually received and utilized for the budgeted projects in the year under review.

### 3.2 Purchase of Land

Included in the transfers to other government units' balance of Kshs.92,100,000 is an amount of Kshs.9,100,000 disbursed for purchase of various parcels of land as indicated below.

No	Payee	Date	P.V No.	Cheque No.	Activity	Amount
						Kshs
1	A.C.K Singilet Primary School	28.9.16	38	7270	Purchase of one acre of land	400,000.00
2	Kaptebee Primary School	28.9.16	41	7276	Purchase of one acre of land	400,000.00

No	Payee	Date	P.V No.	Cheque No.	Activity	Amount
						Kshs
3	Kamasai Secondary School	7.9.16	28	7232	Purchase of one acre of land	500,000.00
4	Ngoromosio Primary School	13.10.16	7	7293	Purchase of two acres of land	600,000.00
5	Lelaibe Primary School	22.6.17	6	8422	Purchase of one acre of land	400,000.00
6	S.D.A Koisolik Primary School	16.5.17	9	8384	Purchase of one acre of land	400,000.00
7	Kwendich Primary School	30.5.17	18	8403	Purchase of one acre of land	400,000.00
8	Kapkawa Baptist Primary School	11.4.17	34	8196	Purchase of one acre of land	500,000.00
9	Kapkures Primary School	17.2.17	49	7507/8	Purchase of three acres of land	1,400,000.00
10	S.T Augustine Muruto Primary School	26.8.16	10	6973	Purchase of two acres of land	800,000.00
11	Seretio Primary School	26.8.16	6	6968/9	Purchase of two acres of land	500,000.00
12	St. Alamano Ngenyilel Primary School	3.2.17	7	7453	Purchase of one acre of land	400,000.00
13	Cheptilil Suswo Primary School	3.2.17	8	7454	Purchase of two acres of land	400,000.00
14	St. Peters Kapsean Primary School	11.4.17	29	8191	Purchase One and half Acres	600,000.00
15	Kipsamoo Primary School	11.4.17	41	8213/4	Purchase of two acres of land	600,000.00
16	St. Benedict Kaptich Primary School	11.4.17	24	8186	Purchase of two acres of land	800,000.00
	<b>Total</b>					<b>9,100,000.00</b>

However, official search reports from the Ministry of Lands Office, valuation reports tender/quotations, tender evaluation and award minutes, land sale agreements and lease or allotment letters/ title deeds were not availed for audit verification.

Under the circumstances, the propriety and ownership of the parcels of land costing Kshs.9,100,000 purportedly used for purchase of land 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 – Mosop Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

### Key Audit Matters

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

### Other Matter

#### 1.0 Budgetary Control and Performance

##### 1.1 Budget Performance

During the year under review, Mosop Constituency Development Fund had an approved budget of Kshs.149,107,026 against an expenditure Kshs.139,498,961 resulting in under expenditure of Kshs.9,608,065 as indicated below.

No	Expenditure	Approved Budget	Actual Expenditure	Under Expenditure	Over Expenditure	Under Utilization
		Kshs	Kshs	Kshs	Kshs	%
1.	Use of Goods & Services	12,135,106	9,493,488	2,641,618	-	19
2.	Transfer to other Government units	95,640,000	92,100,000	3,540,000	-	47
3.	Other Grants and transfers	34,469,862	33,542,850	927,012	-	2
4.	Acquisition of Assets	4,300,000	2,000,000	2,300,000	-	53
5.	Compensation of Employees	2,562,058	2,362,623	199,435		3
	<b>Total</b>	<b>149,107,026</b>	<b>139,498,961</b>	<b>9,608,065</b>		

Funds not utilized is an indication of programs that were not implemented, hence the budget did not fully meet the objectives of improving delivery of services to the residents of Mosop Constituency.

##### 1.2 Projects Implementation

During the financial year 2016/2017, an amount of Kshs.47,087,931 was allocated towards the implementation 89 projects as at 30 June 2017 as summarized below:

Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal Kshs	Disbursement in 2016/2017 Kshs	Status
	<b>Complete projects</b>				
1	Sports	Purchase of sports kits i.e. balls, uniforms for teams in the constituency	1,637,931	1,331,931	Complete
2	S.D.A Panama Primary School	Construction of one Classroom to Completion.	400,000	400,000	Complete
3	Senior Chief Katonon Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
4	Kabisaga primary school	Construction of one classroom to Completion	400,000	400,000	Complete
5	A.I.C Sosiot Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
6	St. Mathews Soimining Primary School.	Purchase of two acres of land	800,000	800,000	Complete
7	Cheptilil suswo Primary school	Purchase of one acres of land	400,000	400,000	Complete
8	St. Christine Korja Primary school	Construction of a classroom (500,000)\$ Purchase of half an acre of land(150,000)	650,000	650,000	Complete
9	St. Peters Kapkeben Primary School	Completion of 6 classroom (plastering, flooring and painting)	400,000	400,000	Complete
10	Koilel Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
11	A.I.C Chebisas Primary School	Completion of six classrooms (plastering , flooring and painting)	400,000	400,000	Complete
12	Kapsosio Primary school	Construction of one classroom to Completion	400,000	400,000	Complete
13	Cheptonon Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
14	Laboret Girls Boarding Primary school	Construction of one classroom to Completion	400,000	400,000	Complete

Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal	Disbursement in 2016/2017	Status
			Kshs	Kshs	
15	Laboret Full Primary School	Renovation of eight classrooms(Plastering, flooring ,windows and doors) ..	1,000,000	1,000,000	Complete
16	Phillip Biwott Primary school	Construction of one classroom	400,000	400,000	Complete
17	Ngenyilel Primary School	Renovation of eight classrooms (Plastering, flooring, windows and doors) .	400,000	400,000	Complete
18	St. Alamano Ngenyilel primary school	Purchase of one acre of land	400,000	400,000	Complete
19	Kakiptui Primary School	Renovation of eight classrooms(Plastering, flooring ,windows and doors) .	400,000	400,000	Complete
20	Sokyot Primary school	Construction of one classroom to Completion	400,000	400,000	Complete
21	Kamboga Primary school	Construction of four Classrooms to Completion	1,350,000	1,350,000	Complete
22	A.C.K Singilet Primary School	Construction of two classroom to Completion	800,000	800,000	Complete
23	Kipsamoite Adventi st Primary School	Construction of a classroom to Completion	400,000	400,000	Complete
24	Lelaibe Primary school	Purchase of one acre of land	400,000	400,000	Complete
25	Kalyet septonok primary school	Construction of two classrooms to Completion.	700,000	700,000	Complete
26	Kwendich Primary School	Purchase of one acre of land	400,000	400,000	Complete
27	A.I.C Chepyagoris Primary school	Construction of two classrooms to Completion	800,000	800,000	Complete
28	Setyot Primary school	Construction of one classrooms to Completion	400,000	400,000	Complete

Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal	Disbursement in 2016/2017	Status
			Kshs	Kshs	
29	Kapsabaot primary school	Construction of one classroom to Completion	400,000	400,000	Complete
30	Chepnyogoson primary school	Construction of a classroom to Completion	400,000	400,000	Complete
31	St Barnard Kabunyeria primary school	Construction of one classroom to Completion	500,000	500,000	Complete
32	Surungai Primary School	Construction of two classroom to Completion	800,000	800,000	Complete
33	Tuiyabei Kimnyigei Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
34	Singore Primary school	Construction of one classroom to Completion	400,000	400,000	Complete
35	A.I.C Kaptich Primary School	Completion of Dormitory (Plastering, flooring, windows and doors).	200,000	200,000	Complete
36	Koiban Primary School	Completion of Dormitory (Plastering, flooring, windows and doors).	800,000	800,000	Complete
37	Kamotong Primary School	Renovation of seven classrooms( Plastering, Flooring and painting	700,000	700,000	Complete
38	A.I.C Kaigat Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
39	Sirsiron Primary school	Construction of one classroom to Completion	400,000	400,000	Complete
40	Ngariet primary school	Construction of one classroom to Completion	400,000	400,000	Complete
41	Kormaet Primary School	Construction of one classroom to Completion	400,000	400,000	Complete
42	Kipsamoo Primary school	Purchase of two acre of land.	1,200,000	1,200,000	Complete

Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal	Disbursement in 2016/2017	Status
			Kshs	Kshs	
43	St. Peters Kapsean primary school	Purchase of one and half acres of land	600,000	600,000	Complete
44	A.I.C Kapsean preparatory school	Construction of two classrooms to Completion.	600,000	600,000	Complete
45	Kapkuchui Primary school	Construction of classroom to Completion	400,000	400,000	Complete
46	Kamoiwo Preperatory school	Construction of Dormitory to lintel.	500,000	500,000	Complete
47	Chepkoiyo Primary school	Renovation of four classrooms(plastering, painting and flooring)	400,000	400,000	Complete
48	St. Andrew Kapno Primary school	Construction of one classroom to Completion	400,000	400,000	Complete
49	Seretiot Primary school	Construction of a classroom to Completion.	450,000	450,000	Complete
50	Kapkatet Kimogoch primary school	Purchase of one acre land	400,000	400,000	Complete
51	St. Benedict Kaptich Primary School	Purchase of two acre of land	800,000	800,000	Complete
52	ABC Labuiywet Primary school	Construction of classroom to Completion	400,000	400,000	Complete
53	Tabolwa secondary school	Completion of Dormitory(plastering painting and flooring)	1,000,000	1,000,000	Complete
54	Kamwega Secondary school	Completion of six classrooms (plastering painting and flooring)	500,000	500,000	Complete
55	St. Michael Kabisaga Secondary school	Construction of Dormitory to lintel.	1,000,000	1,000,000	Complete
56	Laboret Girls Secondary School	Completion of lab(Roofing, plastering ,windows, doors and painting)	1,000,000	1,000,000	Complete
57	Kamungei secondary School	Purchase of two acres of land.	1,000,000	1,000,000	Complete
<b>Sub Total</b>			<b>32,587,931</b>	<b>32,281,931</b>	
<b>Ongoing projects</b>					

Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal	Disbursement in 2016/2017	Status
			Kshs	Kshs	
58	St. John Kapkorio primary	Construction of one classroom to Completion	400,000	400,000	Ongoing
59	Kapnganio primary school	Renovation of eight classrooms (Plastering, flooring, windows and doors) .	400,000	400,000	Ongoing
60	Kapkawa Baptist primary school	Purchase of one acre of land	500,000	500,000	Ongoing
61	Kamanyinya Primary school	Construction of one classroom to Completion	400,000	400,000	Ongoing
62	Chepkemel Primary School	Renovation of eight classrooms (Plastering, flooring, windows and doors).	400,000	400,000	Ongoing
63	TukTuk Primary School	Construction of one classroom to Completion	400,000	400,000	Ongoing
64	Chepyewet Primary school	Construction of one classrooms to Completion	400,000	400,000	Ongoing
65	Chepnego primary school	Construction of one classrooms to Completion	400,000	400,000	Ongoing
66	St. Judes Tolilet Primary school	Construction of two classroom to Completion	800,000	800,000	Ongoing
67	Samutet Primary school	Construction of one classroom to Completion	400,000	400,000	Ongoing
68	Ndalat D.E.B Primary School	Construction of one classroom to Completion	400,000	400,000	Ongoing
69	S.D.A Kungurwet Primary School	Construction of one Classroom to Completion.	400,000	400,000	Ongoing
70	St. Thomas Kapkoros primary School	Completion of classroom (plastering, flooring and painting)	400,000	400,000	Ongoing
71	St. Thomas Kaiboi Primary School	Construction of classroom to Completion	300,000	300,000	Ongoing
			<b>6,000,000</b>	<b>6,000,000</b>	



Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal Kshs	Disbursement in 2016/2017 Kshs	Status
	<b>Projects not started</b>				
72	Kabiyet Boys Primary School	Construction of one Classroom to Completion.	400,000	400,000	Not started
73	St. Josephs Kamasia primary school	Construction of one classroom to Completion	400,000	400,000	Not started
74	Blessed John Paul II Cheramei	Construction of one classroom to Completion	400,000	400,000	Not started
75	SDA kimolwet primary school	Construction of one classroom to Completion	400,000	400,000	Not started
76	A.I.C Singilet Primary school	Construction of one classroom to Completion	400,000	400,000	Not started
77	Kimong Primary school	Renovation of eight classrooms (Plastering, flooring, windows and doors).	400,000	400,000	Not started
78	All saints Kebulonik Primary School	Construction of dining Hall to lintel.	500,000	500,000	Not started
79	Koisolik Primary School	Purchase of an Acre of land	400,000	-	Not started
80	S.D.A Koisolik Primary school	Purchase of an Acre of land	400,000	400,000	Not started
81	Tegeltich Primary school	Construction of one classroom to Completion	400,000	400,000	Not started
82	Kapkorio Primary school	Completion of three classrooms (Plastering, flooring, windows and doors) .	700,000	700,000	Not started
83	Chepkatet Primary School	Construction of one classroom to Completion	400,000	400,000	Not started
84	Cheptil primary School	Construction of one classroom to Completion	400,000	400,000	Not started
85	Kabiyet Boys Secondary school	Renovation of four Classrooms (plastering painting and flooring)	500,000	500,000	Not started

Serial No.	Project Name	Project Activity	Allocated Amount as per 2016/2017 approved proposal	Disbursement in 2016/2017	Status
			Kshs	Kshs	
86	Tuktuk Secondary School	Construction of lab to lintel.	500,000	-	Not started
87	Cheptuiyet secondary School	Construction of a classroom to Completion	500,000	500,000	Not started
88	St. Monicah Kapkoros Secondry School	Construction of Dinning hall to Completion	1,000,000	1,000,000	Not started
89	Kabiemit Chief office	Construction of chief's office to Completion	400,000	-	Not started
			<b>8,500,000</b>	<b>7,200,000</b>	
			<b>47,087,931</b>	<b>45,481,931</b>	

According to the projects status report, fifty-seven (57) projects with an approved budget of Kshs.32,587,931 were complete, fourteen (14) projects with a budget of Kshs.6,000,000 were on going and eighteen (18) projects with a budget of Kshs.8,500.000 had not yet started.

No reasons were provided as to why the thirty-two (32) projects had not been completed despite funds for the same having been received in full.

Consequently, the residents of Mosop failed to benefit from the projects which were not implemented as budgeted.

### 1.3 Project Verification

During the year under review, eleven (11) projects with budget of Kshs.9,350,000 were verified and the following observations were made.

Serial No.	Project Name	Project Activity	Disbursement in 2016/2017 'Kshs'	Status
1	Laboret Full Primary School	Renovation of eight classrooms (Plastering, flooring ,windows and doors)	1,000,000	Complete and in use
2	Kamboga Primary school	Construction of four Classrooms to Completion	1,350,000	Complete and in use
3	A.C.K Singilet Primary School	Construction of two classroom to Completion	800,000	Complete and in use
4	Kalyet septonok primary school	Construction of two classrooms to Completion.	700,000	Flooring and fitting of window glasses had not been done

5	Koiban Primary School	Completion of Dormitory (Plastering, flooring ,windows and doors).	800,000	Window glasses and painting not done
6	Tabolwa secondary school	Completion of Dormitory(plastering painting and flooring)	1,000,000	Complete and in use
7	St. Michael Kabisaga Secondary school	Construction of dormitory to completion	1,000,000	Windows, doors, flooring not yet done
8	Cheptil Secondary School	Completion of computer/library block	1,000,000	Plastering, flooring windows and doors not done
9	St. Thomas Kaiboi Secondary School	Construction of dormitory to completion	800,000	Complete but not in use
10	Bishop Muge School-Kamogoiwo	Construction of 6 pit latrine and a sunk toilet	700,000	17 door toilet constructed. There was no evidence of variation of the activities. Plumbing works had not been done
11	St. Mary's Kabisaga Primary School	Construction of toilets	200,000	Complete and in use
	<b>TOTAL</b>		<b>9,350,000</b>	

Out of eleven (11) projects, six (6) projects were complete and in use while five (5) projects were on going. As a result of the delays the residents of Mosop constituency did not receive services from the uncompleted projects. No plausible reasons have been provided by the management for the delays in completing the projects.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

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

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

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 of Kenya. 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

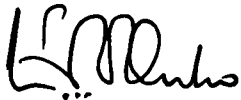
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue offering 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 to cease to continue offering 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 of the entities or business activities 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**

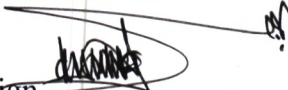
**01 August 2018**


**NG-CONSTITUENCIES DEVELOPMENT FUND- MOSOP CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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

	Note	2016-2017	2015- 2016
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	<b>1</b>	144,844,519	76,975,539
Proceeds from Sale of Assets	<b>2</b>	-	-
Other Receipts	<b>3</b>	-	-
<b>TOTAL RECEIPTS</b>		<b>144,844,519</b>	<b>76,975,539</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	2,362,623	2,179,142
Use of goods and services	<b>5</b>	9,493,488	13,605,692
Transfers to Other Government Units	<b>6</b>	92,100,000	43,170,690
Other grants and transfers	<b>7</b>	33,542,850	41,048,722
Social Security Benefits		-	-
Acquisition of Assets	<b>8</b>	2,000,000	1,500,000
Other Payments	<b>9</b>	-	-
<b>TOTAL PAYMENTS</b>		<b>139,498,961</b>	<b>101,504,246</b>
<b>SURPLUS/DEFICIT</b>		<b>5,345,558</b>	<b>(24,528,707)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOSOP NG- CDF financial statements were approved on 24.5.2018 and signed by:


Sign   
 Mark Sang  
 Chairman NG-CDFC


Sign   
 Beatrice Bowen  
 Fund Account Manager.

**NG-CONSTITUENCIES DEVELOPMENT FUND- MOSOP CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**V. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2017**

	Note	2016-2017	2015-2016 Restated	2015- 2016
		Kshs	Kshs	Kshs
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents				
Bank Balances	<b>10A</b>	9,608,064	4,262,506	3,599,332
Cash Balances	<b>10B</b>	-	-	-
Outstanding Imprests	<b>11</b>		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,608,064</b>	<b>4,262,506</b>	<b>3,599,332</b>
<b>REPRESENTED BY</b>				
Retention	<b>12</b>			
Fund balance b/fwd 1st July...	<b>13</b>	4,262,506	28,791,214	28,128,040
Surplus/(Deficit) for the year		5,345,558	(24,528,708)	(24,528,708)
Prior year adjustments	<b>14</b>	-	-	-
<b>NET LIABILITIES</b>		<b>9,608,064</b>	<b>4,262,506</b>	<b>3,599,332</b>

Sign.   
 Mark Sang  
 Chairman NG-CDFC


Sign.   
 Beatrice Bowen  
 Fund Account Manager.


**NG-CONSTITUENCIES DEVELOPMENT FUND- MOSOP CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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

<b>Receipts for operating income</b>	NOTE	<b>2016-2017</b>	<b>2015-2016</b>	<b>2015-2016</b>
		Kshs	Kshs	Kshs
Transfers from CDF Board	1	144,844,519	76,975,539	76,975,539
Other Receipts	3	-	-	-
		<b>144,844,519</b>	<b>76,975,539</b>	<b>76,975,539</b>
<b>Payments for operating expenses</b>				
Compensation of Employees	4	2,362,623	2,179,142	2,179,142
Use of goods and services	5	9,493,488	13,605,692	13,605,692
Transfers to Other Government Units	6	92,100,000	43,170,690	43,170,690
Other grants and transfers	7	33,542,850	41,048,722	41,048,722
Other Payments	9	-	-	-
		<b>137,498,961</b>	<b>100,004,246</b>	<b>100,004,246</b>
<b>Adjusted for:</b>				
Adjustments during the year	14	-	-	-
<b>Net cash flow from operating activities</b>		<b>7,345,558</b>	<b>(23,028,708)</b>	<b>(23,028,708)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale of Assets	2	-	-	-
Acquisition of Assets	8	(2,000,000)	1,500,000	1,500,000
<b>Net cash flows from Investing Activities</b>		<b>(2,000,000)</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<b>Net increase in cash and cash equivalent</b>		<b>5,345,558</b>	<b>28,791,214</b>	<b>(24,528,708)</b>
<b>Cash and cash equivalent at beginning of the year</b>	13	<b>4,262,506</b>	<b>(24,528,708)</b>	<b>28,128,040</b>
<b>Cash and cash equivalent at end of the year</b>	10.A	<b>9,608,064</b>	<b>4,262,506</b>	<b>3,599,332</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mosop NG- CDF financial statements were approved on 24.5.2018 and signed by:

Sign   
 Mark Sang  
 Chairman NG-CDFC

Sign   
 Beatrice Bowen  
 Fund Account Manager.



**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,552	67,210,474	149,107,026	149,107,026	-	100
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
<b>TOTAL</b>	<b>81,896,552</b>	<b>67,210,474</b>	<b>149,107,026</b>	<b>149,107,026</b>	<b>-</b>	<b>97</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,191,200	370,858	2,562,058	2,362,623	199,435	92
Use of goods and services	5,179,490	6,955,616	12,135,106	9,493,488	2,641,618	78
Transfers to Other Government Units	45,050,000	50,590,000	95,640,000	92,100,000	3,540,000	96
Other grants and transfers	29,475,862	4,994,000	34,469,862	33,542,850	927,012	97
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	-	4,300,000	4,300,000	2,000,000	2,300,000	47
Other Payments						
<b>TOTALS</b>	<b>81,896,552</b>	<b>67,210,474</b>	<b>149,107,026</b>	<b>139,498,961</b>	<b>9,608,065</b>	<b>94</b>

The MOSOP NG- CDF financial statements were approved on 20.5.2017 and signed by:

Sign: 

Mark Sang  
Chairman NG-CDFC

Sign:   
Beatrice Bowen  
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 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

**5. Pending bills**

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

**6. Budget**

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

**7. Comparative figures**

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

**8. Subsequent events**

There have been events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

**IX NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT**

<b>Description</b>		<b>2016-2017</b>	<b>2015 -2016</b>
		<b>Kshs</b>	<b>Kshs</b>
Normal Allocation			
	AIE No.820687		30,000,000
	AIE No.820906		27,000,000
	AIE No.825706		3,000,000
	AIE No.A790799		16,975,539
	AIE NO. A825879	55,947,967	-
	AIE NO. A829935	4,094,828	-
	AIE NO. A839630	7,000,000	-
	AIE NO. A855213	36,853,449	-
	AIE NO. A855739	40,948,275	-
<b>TOTAL</b>		<b>144,844,519</b>	<b>76,975,539</b>

**2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS**

<b>Description</b>	<b>2016-2017</b>	<b>2015- 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of office and general equipment	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3. OTHER RECEIPTS**

<b>Description</b>	<b>2016-2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2016-2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	2,362,623	2,246,859
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	158,100
Leave allowance	-	-
Other personnel payments	-	-
Employer Contribution to NSSF	-	7,200
Gratuity	-	-
<b>Total</b>	<b>2,362,623</b>	<b>2,254,059</b>

**5. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2016-2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	-	-
Office rent	-	-
Communication, supplies and services	-	319,000
Domestic travel and subsistence	-	30,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	60,000	1,068,400
Hospitality supplies and services	-	-
Insurance costs	-	-
Committee Expenses	5,187,923	-
Other committee expenses	-	7,359,387
Committee allowance	-	2,259,000
Specialised materials and services	-	-
Office and general supplies and services	4,245,565	710,000
Fuel ,oil & lubricants	-	700,000
Other operating expenses	-	1,099,883
Routine maintenance – vehicles and other transport equipment	-	59,442
Routine maintenance – other assets	-	-
		-
<b>Total</b>	<b>9,493,488</b>	<b>13,605,692</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	65,400,000	23,737,931
Transfers to secondary schools	26,700,000	13,950,000
Transfers to Tertiary institutions	-	1,000,000
Transfers to Health institutions	-	4,482,759
<b>TOTAL</b>	<b>92,100,000</b>	<b>43,170,690</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Bursary –Secondary	13,867,103	8,905,609
Bursary –Tertiary	9,002,916	8,575,113
Bursary-Special schools	90,900	20,000
Mocks & CAT	-	1,900,000
Water	-	-
Agriculture (food security)	200,000	
Electricity projects	-	-
Security	1,400,000	750,000
Roads	-	9,500,000
Sports	4,231,931	700,000
Environment	-	-
Emergency Projects	4,750,000	10,698,000
<b>Total</b>	<b>33,542,850</b>	<b>41,048,722</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

**8. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2016-2017</b>	<b>2015- 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings		-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	2,000,000	1,500,000
Purchase of computers ,printers and other IT equipment	-	-
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
	-	
<b>Total</b>	<b>2,000,000</b>	<b>1,500,000</b>

**9. OTHER PAYMENTS**

	<b>2016-2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
specify	-	-
specify	-	-
specify	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**10. A: BANK BALANCES**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2016-2017</b>	<b>2015 -2016 Restated</b>	<b>2015 - 2016</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Cooperative Bank, Eldoret Branch	01120086387700	9,608,064	4,262,506	3,599,332
<b>Total</b>		<b>9,608,064</b>	<b>4,262,506</b>	<b>3,599,332</b>

**10.B: CASH IN HAND)**

**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

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

**11. OUTSTANDING IMPRESTS**

<b>Name of Officer</b>	<b>Date imprest taken</b>	<b>Amount Taken</b>	<b>Amount Surrendered</b>	<b>Balance</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
			-	
<b>Total</b>				<b>-</b>

**12. RETENTION**

	<b>2016-2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1		
Supplier 2		
Supplier 3		
<b>Total</b>		

**13. BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2016-2017</b>	<b>2015 - 2016</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	4,262,506	27,811,214	27,148,040
Cash in hand		-	-
Imprest		980,000	980,000
<b>Total</b>	<b>4,262,506</b>	<b>28,791,214</b>	<b>28,128,040</b>

**14. PRIOR YEAR ADJUSTMENTS**

	<b>2016-2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

**15. OTHER IMPORTANT DISCLOSURES**

**15.1 PENDING ACCOUNTS PAYABLE**

	<b>2016-2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**15.2 PENDING STAFF PAYABLES**

	<b>2016-2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**15.3 OTHER PENDING PAYABLES**

	<b>2016-2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities	6,200,00	-
Amounts due to other grants and other transfers	-	-
Others ( <i>specify</i> )	-	-
<b>TOTAL</b>	<b>6,200,000</b>	<b>-</b>

**15.4 PROJECT MANAGEMENT COMMITTEE (PMC) ACCOUNT BALANCES**

	<b>2016-2017</b>	<b>2015-2016</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Restated</b>	<b>Kshs</b>
PMC account balances	20,422,616	3,994,690	3,597,265
<b>Total</b>	<b>20,422,616</b>	<b>3,994,690</b>	<b>3,597,265</b>

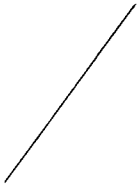
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017.

**15.5 SUMMARY OF FIXED ASSETS**

Asset class	Historical Cost	Historical Cos.
	(Kshs)	(Kshs)
	2016-2017	2015 -2016
Land		
Buildings and structures		1,500,000
Transport equipment	311,750	311,170
Office equipment, furniture and fittings	2,323,250	323,250
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment	363,910	363,910
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>2,998,910</b>	<b>2,498,910</b>

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ATTENDANCE



NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017.

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is a summary of issues 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/ Observation from auditor	Management comments	Focal person to resolve the issue	Status	Time frame
1.0	Presentation and accuracy of the financial statements	The financial statements for the year have been prepared in compliance with Public Sector Accounting Standards Board requirements	Fund Manager	Resolved	
2.0	Use of Goods and Services-Committee Expenses of Kshs.856,000 not supported	Invitation letters, minutes of meetings and attendance registers are now available for review	Fund Manager	Resolved	
3.0	Transfer to other Government units-Purchase of land of Kshs.7,400,000 not supported with search results, purchase agreements and title deeds	Search results, purchase agreements and title deeds have been requested from project management committees. The same will be availed for review	Fund Manager	Not resolved	
4.0	Other Grants and Transfers-Bursary of Kshs,17,500,722 was not supported with criteria for award to needy students and minutes of ratification of list by Constituency Development Fund Committee. There was improper constitution of bursary sub- committee	Constitution of the bursary subcommittee has been done as per the guidelines issued by the Constituency Development Fund Board	Fund Manager and Constituency Development Fund Committee	Resolved	
5.0	Bank balance-Stale cheques of Kshs.2,195,962 had not been reversed or replaced while payments in bank statement of Kshs.2,942,870 had not been recorded in the cash book	The same is being investigated and corrective action will be taken	Fund Manager and Sub County Accountant	Not resolved	

ATTENTION

**NG-CONSTITUENCIES DEVELOPMENT FUND – MOSOP CONSTITUENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended June 30, 2017.**

**15.5 SUMMARY OF FIXED ASSETS**

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2016-2017	2015 -2016
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Buildings and structures		1,500,000
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Other Machinery and Equipment	363,910	363,910
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>2,998,910</b>	<b>2,498,910</b>

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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3.0	Transfer to other Government units-Purchase of land of Kshs.7,400,000 not supported with search results, purchase agreements and title deeds	Search results, purchase agreements and title deeds have been requested from project management committees. The same will be availed for review	Fund Manager	Not resolved	
4.0	Other Grants and Transfers-Bursary of Kshs,17,500,722 was not supported with criteria for award to needy students and minutes of ratification of list by Constituency Development Fund Committee. There was improper constitution of bursary sub- committee	Constitution of the bursary subcommittee has been done as per the guidelines issued by the Constituency Development Fund Board	Fund Manager and Constituency Development Fund Committee	Resolved	
5.0	Bank balance-Stale cheques of Kshs.2,1,95,962 had not been reversed or replaced while payments in bank statement of Kshs.2,942,870 had not been recorded in the cash book	The same is being investigated and corrective action will be taken	Fund Manager and Sub County Accountant	Not resolved	