

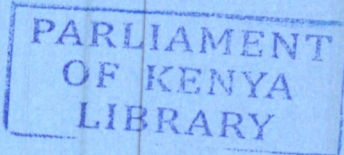
REPUBLIC OF KENYA



Paper Laid
By Leader of the
Majority Party
(Hon. Aden Duale)
4/10/2016
HA

OFFICE OF THE AUDITOR-GENERAL

REPORT



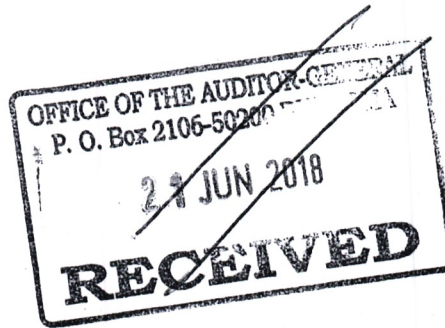
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
TESO SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
TESO SOUTH CONSTITUENCY**

AMENDED 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)



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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDFA) 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 Teso South Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Allan R. Chemayiek
3.	Accountant	Willys Ojowi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 19
Amukura Market
Katelenyang Road

(f) TESO SOUTH NGCDF Contacts

Telephone: (254) 721800337
E-mail: cdfesosouth@cdf.go.ke
Website: www.go.ke

(g) TESO SOUTH NGCDF Bankers

1. Equity Bank
Busia Branch
A/C No. 0780261905493

(h) Independent Auditors

Auditor General
Office of 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

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

This financial year 2016/17 we had a budget of kshs.153, 232,672.00 but the fund received Kshs. 122,284,396.00 translating to 77.1% of utilization. Out of this percentage of utilization; 77.0% went to Compensation employees, 84.90% Use of goods and services, 69.7% Transfer to other Government units, and 84.3% to other grants and transfers.

The performance has been above average having implemented more than half of the projects/programs for the year.

The key achievements for this financial year include;

- 100% completion of CDF office.
- 90% completion of jointly funded Technical Training Institute.
- Completion of a number of classrooms across the constituency.
- Supply of furniture and desks to schools.
- Improvement of sanitation in schools by construction toilets among others.

Some of the emerging issues the Fund is facing include; over dependence of Fund due to high poverty index, and secondly is high enrolment in upcoming schools thus creating high demand of infrastructures.

Major challenges faced by the Fund include; delay in disbursement of funds from the board, infrastructural demands is higher than the amount allocated, and the incomplete devolved projects which have not been given any attention by the county government.

Project Management committee capacity has been another challenge that we have faced, though we have been carrying out capacity building but the level of education for one to qualify to be a member need to emphasized.

As a way forward, the Board need to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the Board to create a linkage with the county government with a view of completing the devolved projects.



.....
CHAIRMAN NGCDFC

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.

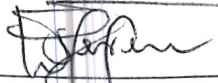
The Accounting Officer in charge of the TESO SOUTH NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 TESO SOUTH NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2017, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the TESO SOUTH NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on 27th July, 2017.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Teso South Constituency set out on pages 1 to 13, which comprise the statement of financial assets and liabilities as at 30 June 2017 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2017 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Basis for Qualified Opinion section of my report, based on the procedures performed, I confirm that nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

Payment for Work not Delivered

During the year under review, the Fund incurred a total of Kshs.53,730,000 on transfers to other government entities. Included in the expenditure was an amount of Kshs.7,000,000 disbursed to Amukura Girls' High School for construction of a dining hall. However, physical verification revealed that some project activities included in the costed bill of quantities amounting to Kshs.1,858,010 as detailed in the table below were not done:

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

Works not Done	Amount Kshs.
Rain Water Goods	97,650.00
Doors	464,330.00
Windows	281,250.00
Finishes	1,014,780.00
Total	1,858,010.00

In addition, it was not possible to confirm whether the works were supervised by government technical department as required since work completion certificates were not presented for audit review.

In the circumstance, the propriety of the expenditure amounting to Kshs.7,000,000 cannot 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 - Teso South Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Performance

The approved expenditure budget for the Fund was Kshs.153,232,671.00 but only Kshs.118,074,811.00 was spent resulting in an under-expenditure of Kshs.35,157,860.00 equivalent or 22.94% of the I budget as detailed below;

Audit Components	Current year Figures	Current year Budget	Difference Between Actual and Budget	% Difference
	Kshs.	Kshs.	Kshs.	%
Payments				
Compensation of Employees	2,764,406.00	3,590,633.00	826,227.00	-23.01%
Use of goods	6,748,488.00	7,947,488.00	1,199,000.00	-15.09%

and services				
Transfers to Other Government Units	53,730,000.00	77,142,222.00	23,412,222.00	-30.35%
Other grants and transfers	52,231,917.00	61,952,328.00	9,720,411.00	-15.69%
Acquisition of Assets	2,600,000.00	2,600,000.00	-	0.00%
Total	118,074,811.00	153,232,671.00	35,157,860.00	-22.94%

2. Project Performance

The Fund was to implement a total of 73 projects/programmes by different sectors during the financial year under review as shown below. Further analysis indicated that 39 projects representing 53% of the portfolio were on going while 34 representing 47% of the portfolio had been completed as at the time of audit:

Sector	Budgeted projects		Ongoing			Completed		%
	No.	Kshs.	No.	Kshs.	%	No.	Kshs.	
Primary School Infrastructure Project	45	20,630,000	22	12,230,000	49%	23	8,400,000	51%
Secondary School Project	4	13,100,000	1	600,000	25%	3	12,500,000	75%
Tertiary School Projects	1	800,000	1	800,000	100%	-	-	0%
Security Projects	18	4,684,000	15	3,984,000	83%	3	700,000	17%
Sports Activities	1	1,238,062	0	-	0%	1	1,238,062	100%
Environmental Activities	4	1,237,800	0	-	0%	4	1,237,800	100%
Total	73	41,689,862	39	17,614,000	53%	34	24,075,862	47%

Further, the Fund incurred expenditure on two roads projects costing Kshs.7,646,734 that were not budgeted for in the approved project proposal for the year.

In the circumstances, the public did not receive services expected to be delivered through the projects that were not completed.

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, disclosing, as applicable, matters related to going concern/ sustainability of services and using the going concern accounting assumption unless the management is aware of the intention to liquidate the Fund or cease its operations.

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.

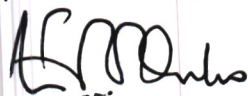
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 as a going concern. 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 as a going concern.
- 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 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

17 July 2018

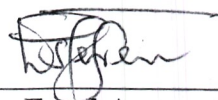
STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	119,903,911	116,344,109
TOTAL RECEIPTS		119,903,911	116,344,109
PAYMENTS			
Compensation of employees	2	2,764,406	873,796
Use of goods and services	3	6,748,488	3,699,089
Transfers to Other Government Units	4	53,730,000	62,352,931
Other grants and transfers	5	52,231,917	42,438,703
Acquisition of Assets	6	2,600,000	10,700,000
TOTAL PAYMENTS		118,074,811	120,064,520
SURPLUS/DEFICIT		1,829,100	(3,720,411)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TESO SOUTH NGCDF financial statements were approved on 27th July, 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager

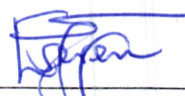
STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	4,209,585	2,380,486
TOTAL FINANCIAL ASSETS		4,209,585	2,380,486
REPRESENTED BY			
Fund balance b/fwd 1st July...			
Surplus/Defict for the year	8	2,380,486	6,100,896
		1,829,100	(3,720,411)
NET LIABILITIES		4,209,585	2,380,486

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TESO SOUTH NGCDF financial statements were approved on 27th July, 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager

STATEMENT OF CASHFLOW

Receipts for operating income

		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	119,903,911	116,344,109
		119,903,911	116,344,109
Payments for operating expenses			
Compensation of Employees	2	2,764,406	873,796
Use of goods and services	3	6,748,488	3,699,089
Transfers to Other Government Units	4	53,730,000	62,352,931
Other grants and transfers	5	52,231,917	42,438,703
Other Payments	6	-	-
		115,474,811	109,364,520
Adjusted for:			
Net cash flow from operating activities		4,429,100	6,79,589

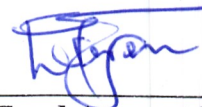
CASHFLOW FROM INVESTING ACTIVITIES

Acquisition of Assets	6	(2,600,000)	(10,700,000)
Net cash flows from Investing Activities		(2,600,000)	(10,700,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,829,100	(3,720,411)
Cash and cash equivalent at BEGINNING of the year	8	2,380,486	6,100,896
Cash and cash equivalent at END of the year		4,209,585	2,380,485

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TESO SOUTH NGCDF financial statements were approved on 27th July, 2017 and signed by:



Chairman NGCDFC



Fund Account Manager

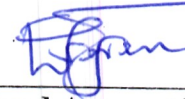
SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	71,336,120	153,232,672	122,284,396	30,948,275	79.8%
TOTAL	81,896,552	71,336,120	153,232,672	122,284,396	30,948,275	79.8%
PAYMENTS						
Compensation of Employees	2,241,200	1,349,433.36	3,590,633	2,764,406	826,227	77.0%
Use of goods and services	4,061,662	3,885,826	7,947,488	6,748,488	1,199,000	84.9%
Transfers to Other Government Units	40,598,862	36,543,360	77,142,222	53,730,000	23,412,222	69.7%
Other grants and transfers	32,694,828	29,257,500.39	61,952,328	52,231,917	9,720,411	84.3%
Acquisition of Assets	2,300,000	300,000	2,600,000	2,600,000	-	100.0%
TOTAL	81,896,552	71,336,120	153,232,671	118,074,811	35,157,860	77.1%

The TESO SOUTH NGCDF financial statements were approved on 27th July, 2017 and signed by:



Chairman NGCDF



Fund Account Manager

SIGNIFICANT ACCOUNTING POLICIES

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

Statement of compliance and basis of preparation

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

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

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

Recognition of revenue and expenses

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

In-kind contributions

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

Cash and cash equivalents

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

Pending bills

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

Budget

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

Comparative figures

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

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.

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 – 2017	2015 - 2016
		Kshs	Kshs
Normal allocation			
	A825711	4,128,000	29,686,055
	A825945	57,927,634	24,658,055
	A839511	4,094,828	10,000,000
	A 855132	36,853,449	10,000,000
	A855588	900,000	20,000,000
	A855685	6,000,000	22,000,000
	A839742	10,000,000	-
TOTAL		119,903,911	116,344,109

2. COMPENSATION OF EMPLOYEES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	2,451,866	790,636
Employer contribution to NSSF	230,040	83,160
NHIF	82,500	-
Total	2,764,406	873,796

3. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	234,469	87,000
Office rent	180,000	60,000
Communication, supplies and services	91,160	112,000
Domestic travel and subsistence	156,000	102,000
Other committee expenses	1,748,728	1,346,200
Committee allowance	2,858,210	1,140,000
Office and general supplies and services	387,000	152,380
Fuel ,oil & lubricants	500,000	500,000
Routine maintenance – vehicles and other transport equipment	398,921	125,509
Routine maintenance – other assets	194,000	74,000
Total	6,748,488	3,699,089

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	26,100,000	37,037,931
Transfers to secondary schools	19,530,000	12,915,000
Transfers to tertiary institutions	8,100,000	11,500,000
TOTAL	53,730,000	62,352,931

5. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – secondary schools	10,968,800	8,709,000
Bursary – tertiary institutions	14,977,200	14,042,725
Mock and CATS	1,000,000	
Water projects	-	1,100,000
Security projects	4,550,000	6,300,000
Roads projects	8,289,917	3,500,000
Sports projects	2,018,000	2,374,884
Environment projects	2,018,000	1,874,884
Emergency Projects	8,410,000	4,537,210
Total	52,231,917	42,438,703

6. ACQUISITION OF ASSETS

Non-Financial Assets

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Construction of Buildings	2,600,000	10,700,000
Total	2,600,000	10,700,000

7. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
<i>Equity Bank, Account No. 0780261905493</i>	4,209,585	2,380,486
	4,209,585	2,380,486

8. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	2,380,485	6,100,896
Total	2,380,485	6,100,896

9. OTHER PENDING PAYABLES (See Annex 2)

2016-2017	2015-2016		
		Kshs	Kshs
Amounts due to other Government entities (see attached list)		22,898,862	30,467,600
Amounts due to other grants and other transfers (see attached list)		5,000,000	28,200,500
Others (<i>specify</i>)		3,049,413	5,259,534
		30,948,275	63,927,634

10. PMC account balances (See Annex 3)

2016	2016-2017	2015-
	Kshs	Kshs
PMC account Balances (see attached list)	5,529,998	3,071,257
	5,529,998	3,071,257

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Reference No. on the external audit Report	Issue/Observations from Auditor	Management Comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported Procurement for Construction of Laboratory at St. Mark ACK Machakus Secondary school.	We have requested the Board of Management of the school to give us the required information.	Fund Account Manager	Resolved	11 th June 2018
2.	Incomplete Construction of Dining Hall at Fr. Okodoi Secondary School	We have requested the Board of Management of the school to give us the required information.	Fund Account Manager	Not Resolved	30 th August 2018
3.	Lack of Title Deed for Purchased parcel of Land.	3.1 Teso South Security PMC. Process of the title deed for the land is still ongoing	Fund Account Manager	Not Resolved	30 th August 2018
		3.2 Amerikwai Primary Process of the title deed for the land is still ongoing	Fund Account Manager	Not Resolved	30 th August 2018
		3.3 St. Lukes Amoni Primary Process of the title deed for the land is still ongoing	Fund Account Manager	Not Resolved	30 th August 2018
4.	Budget Control and Performance	The Fund did not meet its implementation targets because the board did not release funds from 19 th February to 23 rd June 2016 because of transition from Constituency Development Fund to National Government Development Fund	NG-CDF Board	Resolved	11 th June 2018
5.	Project Implementation Status	All the projects have so far been completed	N/A	Resolved	11 th June 2018

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	685,000.00	685,000.00
Buildings and structures	13,300,000.00	10,700,000.00
Transport equipment	5,829,000.00	5,829,000.00
Office equipment, furniture and fittings	631,022.00	631,022.00
ICT Equipment, Software and Other ICT Assets	1,099,500.00	1,099,500.00
Total	21,544,522.00	18,944,522.00

ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Amount Due
Amounts due to other Government entities	
ABURI PRIMARY SCHOOL	1,750,000.00
OKOKORU PRIMARY SCHOOL	750,000.00
OCHUDE PRIMARY SCHOOL	250,000.00
PARATER PRIMARY SCHOOL	500,000.00
OKIPORO PRIMARY SCHOOL	1,600,000.00
ST.THOMAS CHAKOL PRI.SCH.	1,848,862.00
OKATEKOK PRIMARY SCHOOL	550,000.00
ODIRIA PRIMARY SCHOOL	1,300,000.00
OTIMONG PRIMARY SCHOOL	700,000.00
KERIAMATA PRIMARY SCHOOL	1,000,000.00
KABOSOKIPI PRIMARY SCHOOL	300,000.00
KARISA PRIMARY SCHOOL	150,000.00
OKOOK PRIMARY SCHOOL	250,000.00
ACIIT PRIMARY SCHOOL	500,000.00

Name	Amount Due
MARY EMASE PRIMARY SCHOOL	2,050,000.00
KODEDEMA SEC.SCH.	900,000.00
ST.MICHAEL APATIT SEC.SCH.	200,000.00
ST.BRIDGITS AKORET GIRLS SEC.SCH.	100,000.00
AMUKURA T.T.C	6,000,000.00
OMOLOI AGRICULTURAL TRAINING COLLEGE	2,200,000.00
Sub-Total	22,898862.00
Amounts due to other grants and other transfers	
ANGOROM CHIEFS OFFICE	600,000.00
KALIWA CHIEFS OFFICE	350,000.00
AREMIT CHIEFS OFFICE	350,000.00
OCHUDE ADMINISTRATION POLICE CAMP	700,000.00
APEGEI LOCATION CHIEFS CAMP	
SPORTS ACTIVITIES	1,000,000.00
ENVIRONMENT ACTIVITIES	1,000,000.00
	1,000,000.00
Sub-Total	5,000,000.00
Others (specify)	
EMPLOYEES SALARIES	
GOODS AND SERVICES	1,137,751.00
COMMITTEE EXPENSES	464,357.87
NG-CDFC/PMC Capacity Building	815,908.45
	631,395.81
Sub-Total	3,049,413.13
Grand Total	30,948,275.00

ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
OSASAMET PRI.SCHOOL	CO- OPERATIVE BANK	01141519356700	8,573.50	283,573.50
KOTUR PRIMARY SCHOOL	NATIONAL BANK	01224036839500	829.95	345,159.95
OKWATA PRI.SCHOOL	CO- OPERATIVE BANK	01141050768200	1,260	1,260.00
KERIAMATA PRI.SCHOOL	NATIONAL BANK	01224038695300	64,472.10	122,382.70
ODIRIA PRI.SCHOOL	KCB BANK	1171624654	1,510.00	1,060.00
OBURI PRI.SCHOOL	CO- OPERATIVE BANK	01141130598500	852.50	4,352.50
OKOKORU PRI.SCHOOL	CO- OPERATIVE BANK	01139236484600	3,260.50	3,260.50
GORIA PRI.SCHOOL	CO- OPERATIVE BANK	01141058637800	1,942.00	2,272.00
OKOOK PRI.SCHOOL	CO- OPERATIVE BANK	01141050774200	15,010.00	13,960.00
ST.THOMAS CHAKOL BOYS PRI.SCHOOL	CO- OPERATIVE BANK	01139235919700	350,628	8,428.00
OKIPORO PRI.SCHOOL	EQUITY BANK	0780264386884	2,300	1,510.00
NGELECHOM SEC.SCHOOL	CO- OPERATIVE BANK	01139236015402	381,124.50	66,824.50
BUSIA TOWNSHIP SEC.SCHOOL	EQUITY BANK	0780299936717	3,727,364.00	1,167,975.00
ST.MICHAEL APATIT SEC.SCHOOL	KCB BANK	1119507197	400,412.00	412.00
TESO SOUTH CDF LAND PMC	CO- OPERATIVE BANK	01141519741707	4,363.50	3,863.50
TESO SOUTH CDF SECURITY PMC	CO- OPERATIVE BANK	01141519769400	566,095.50	1,044,962.50
Total			5,529,998.05	3,071,256.65