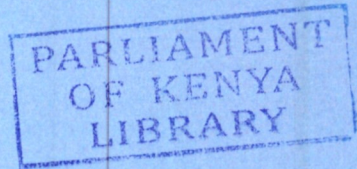


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OFFICE OF THE AUDITOR-GENERAL

REPORT

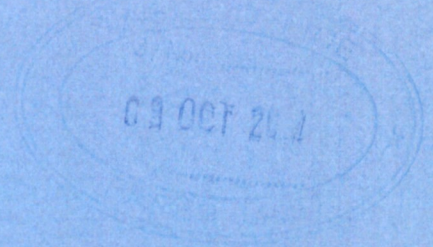
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
TIATY CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND- TIATY 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)

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
CONSTITUENCY**

Reports and Financial Statements

For the year ended 30th June 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

The *Tiaty NGCDF* 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 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	YUSUF MBUNO
2.	A.I.E holder	MATHEW KIPSANAI
3.	Accountant	KENNEDY OMARIBA

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Tiaty Constituency. The reports and recommendation of ARMC when adopted by the NG-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) TIATY NG-CDF Headquarters

P.O. Box 12
CDF Building
NGINYANG
CHEMOLINGOT, KENYA

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -- TIATY
CONSTITUENCY*

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

(f) TIATY CDF CONTACTS

Telephone: (254)
E-mail: cdftiaty@cdf.go.ke

Website: www.cdf.go.ke

(g) TIATY NG-CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Marigat Branch
1103776274
PO BOX MARIGAT

(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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
CONSTITUENCY

Reports and Financial Statements
For the year ended 30th June 2017

II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND
COMMITTEE (CDFC)

Tiaty Constituency is one of the six Constituencies in the larger Baringo County. Tiaty is generally vast characterized by a rough mountainous terrain, harsh semi arid climatic conditions, remoteness and poor road infrastructure. The people of Tiaty are predominantly pastoralists in which their livelihoods depend predominantly on livestock .

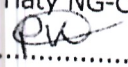
The Constituencies Development Fund Act, 2016 requires that at least 2.5% of the National Government share of Ordinary Revenue be allocated to the Board as a statutory obligation. During FY 2016/2017 Tiaty NGCDF was allocated a total of Kshs.81,896,551.70. The Fund received the entire allocation by end of the financial year. The Fund disbursed all the funds received from the Board during the year except for Kshs.1, 204,834.93 which were still in the KCB account as at 30/6/2017.

The Fund has strived to achieve its core mandates by ensuring timely and efficient disbursement of funds to all the project management committee.

Tiaty CDFC has strengthened monitoring and Evaluation of projects for prudent management of the Fund.

PAUL KITEMO

Chairman, Tiaty NG-CDFC

Signature.....

Date.....03/07/2018

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
CONSTITUENCY**

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

III. STATEMENT OF 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 NGCDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed in the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the *Tiaty 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* financial statements give a true and fair view of the state of *NGCDF's* transactions during the financial year ended June 30, 2016, and of the *NGCDF's* financial position as at that date. The Accounting Officer in charge of the *Tiaty 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 *Tiaty NGCDF* confirms that the CDF 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 *CDF's* financial statements were approved and signed by the Accounting Officer on 15th July 2017.



PAUL KITEMO
CDFC CHAIRMAN



MATHEW KIPSANAI
FUND ACCOUNT MANAGER

REPUBLIC OF KENYA

Telephone: +254-20-342330
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 – TIATY CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of set out on pages 5 to 27, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of 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 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Tiaty Constituency as at 30 June, 2017, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with 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 Other Matter section of my report, based on the procedures performed, I confirm that, nothing 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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 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. There were no Key Audit Matters to report in the year under review.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-
Tiaty Constituency for the Year Ended 30 June 2017*

Other Matter

1. Un-acknowledged Bursaries

During financial year 2016/2017 bursary allocation was Kshs.28,181,035 however the expenditure was Kshs.28,282,340 leading to unexplained over expenditure of Kshs.101,305. The criteria that was used to identify, vet and award the needy students was not explained. Further, only Kshs.1,674,000 was supported by official acknowledgements from various institutions, the difference of Kshs.26,608,340 was not supported. It was therefore not possible to ascertain whether the unacknowledged bursary was issued to needy students and received by the institutions in the disbursement documents.

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 unless the management either intends to liquidate the Fund 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 Constituency's financial reporting process.

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

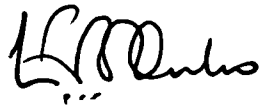
The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act,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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional 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 Constituency'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 to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund 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

13 August 2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
CONSTITUENCY

Reports and Financial Statements


For the year ended 30th June 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	148,921,530.70	97,467,407.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		148,921,530.70	97,467,407.00
PAYMENTS			
Compensation of employees	4	1,554,294.16	1,418,660.00
Use of goods and services	5	9,646,035.14	10,296,877.50
Transfers to Other Government Units	6	94,637,931.00	46,150,000.00
Other grants and transfers	7	46,632,340.00	68,814,830.00
Acquisition of Assets	8	221,200.00	-
Other Payments	9	540,000.00	-
TOTAL PAYMENTS		153,231,800.30	126,696,167.05
SURPLUS/DEFICIT		(4,310,269.60)	(29,228,760.05)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TIATY CDF financial statements were approved on 15th July 2017 and signed by:


PAUL KITEMO
CDFC CHAIRMAN


MATHEW KIPSANAI
FUND ACCOUNT MANAGER

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


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	1,204,834.93	5,515,104.53
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	10C	-	-
TOTAL FINANCIAL ASSETS		1,204,834.93	5,515,104.53
REPRESENTED BY			
Fund balance b/fwd 1st July...	11	5,515,104.53	34,743,865.05
Surplus/Deficit for the year		(4,310,269.60)	(29,228,760.05)
Prior year adjustments	12	-	-
NET LIABILITIES		1,204,834.93	5,515,104.53

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TIATY CDF financial statements were approved on 15th July 2017 and signed by:



 PAUL KITEMO
 CDFC CHAIRMAN



 MATHEW KIPSANAI
 FUND ACCOUNT MANAGER

NATIONAL GOVERNEMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
CONSTITUENCY

Reports and Financial Statements

For the year ended 30th June 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016-2017	2015-2016
Transfers from CDF Board	1	148,921,530.70	97,467,407.00
Other Receipts	3	-	-
		148,921,530.70	97,467,407.00
Payments for operating expenses			
Compensation of Employees	4	1,554,294.16	1,418,660.00
Use of goods and services	5	9,646,035.14	10,296,877.05
Transfers to Other Government Units	6	94,637,931.00	46,150,000.00
Other grants and transfers	7	46,632,340.00	68,814,830.00
Other Payments	8	540,000.00	-
		153,010,600.30	126,696,167.05
Adjusted for:			
Adjustments during the year			-
Net cash flow from operating activities		(4,089,019.60)	(29,228,760.05)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	221,200.00	-
Net cash flows from Investing Activities		(4,310,219.60)	(29,228,760.05)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	15	5,515,104.53	34,743,865.05
Cash and cash equivalent at END of the year	10A	1,204,834.93	5,515,104.53

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TIATY CDF financial statements were approved on 15th July 2017 and

Signed by:

Chairman CDFC

Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
 CONSTITUENCY

Reports and Financial Statements
 For the year ended 30th June 2017

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
 COMBINED (NOTE 13.1)

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	81,896,551.70	72,540,083.53	154,436,635.23	153,231,750.30	(1,204,834.93)	99.22
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
PAYMENTS						
Compensation of Employees	1,418,000.00	-	1,418,000.00	1,538,894.16	(120,894.16)	108.53
Use of goods and services	3,822,689.00	1,755,590.23	5,578,279.23	5,528,635.14	49,644.09	99.11
Committee Expenses	2,100,000.00	2,000,000.00	4,100,000.00	4,117,400.00	(17,400.00)	100.42
Transfers to Other Government Units	27,900,000.00	67,937,931.00	95,837,931.00	94,637,931.00	1,200,000.00	98.75
Other grants and transfers	46,325,862.70	306,477.30	46,632,340.00	46,632,340.00	-	100.00
Social Security Benefits	30,000.00	-	30,000.00	15,400.00	14,600.00	51.33
Acquisition of Assets	300,000.00	-	300,000.00	221,200.00	78,800.00	73.73
Other Payments	-	540,085.00	540,085.00	540,000.00	85.00	99.98
TOTALS	81,896,551.70	72,540,083.53	154,436,635.23	153,231,800.30	1,204,834.93	99.22

The TIATY CDF financial statements were approved on 15th July 2017 and signed by:

PAUL KITEMO
 CDFC CHAIRMAN

MATHI W KIPSANAI
 FUND ACCOUNT MANAGER

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *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 authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

*NATIONAL GOVERNEMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June 2017*

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 – TIATY
CONSTITUENCY

Reports and Financial Statements
For the year ended 30th June 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

Description	2016-2017	2015-2016
	Kshs	Kshs
Basic wages of contractual employees	1,222,566.00	1,277,660.00
Basic wages of casual labor		
Personal allowances paid as part of salary		
House allowance	142,500.00	141,000.00
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	15,400.00	15,800.00
	173,828.16	
Total	1,554,294.16	1,418,660.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	154,654.00	306,938.00
Office rent	-	-
Communication, supplies and services	22,500.00	75,000.00
Domestic travel and subsistence	914,000.00	941,900.00
Printing, advertising and information supplies & services	-	226,783.92
Rentals of produced assets	-	-
Training expenses	1,291,500.00	-
Hospitality supplies and services	580,914.00	246,540.00
Committee allowance	4,117,400.00	4,070,570.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	312,194.50	805,957.00
Fuel, oil & lubricants	675,959.00	481,455.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	1,428,453.00	1,050,523.58
Routine maintenance – other assets	148,460.64	50,160.00
	-	-
Total	9,646,035.14	10,296,877.50

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
 CONSTITUENCY

Reports and Financial Statements

For the year ended 30th June 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT UNITS

	Description	2016-2017	2015-2016
		Kshs	Kshs
2630204	Transfers to primary schools	48,887,931.00	29,150,000.00
2630205	Transfers to secondary schools	45,750,000.00	12,400,000.00
2630206	Transfers to Tertiary institutions	-	-
2630207	Transfers to Health institutions	-	4,600,000.00
	TOTAL	94,637,931.00	46,150,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TIATY
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7. OTHER GRANTS AND OTHER PAYMENTS

	Description	2016-2017	2015-2016
		Kshs	Kshs
2640101	Bursary -Secondary	17,091,950.00	28,065,500.00
2640102	Bursary -Tertiary	11,190,390.00	
2640104	Bursary-Special schools		-
2640105	Mocks & CAT		
2640504	water		26,813,280.00
2640505	Agriculture (food security)		-
2640506	Electricity projects		-
2640507	Security	14,700,000.00	2,800,000.00
2640508	Roads		2,000,000.00
2640509	Sports		1,300,050.00
2640510	Environment	650,000.00	2,350,000.00
2640200	Emergency Projects (specify)	3,000,000.00	5,486,000.00
	Total	46,632,340.00	68,814,830.00

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8. ACQUISITION OF ASSETS

	<u>Non Financial Assets</u>	2016-2017	2015-2016
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	-
3110302	Refurbishment of Buildings	-	-
3110701	Purchase of Vehicles	-	-
3110704	Purchase of Bicycles & Motorcycles	221,200.00	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of Office furniture and fittings	-	-
3111002	Purchase of computers ,printers and other IT equipments	-	-
3111005	Purchase of photocopier	-	-
3111009	Purchase of other office equipments	-	-
3111112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
			-
	Total	221,200.00	-

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9. OTHER PAYMENTS

Description	2016-2017	2015-2016
	Ksh	Ksh
Renovation of CDF office	540,000.00	-
TOTAL	540,000.00	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2016-2017	2015-2016
		Kshs (30/6/2017)	Kshs (30/6/2016)
Kenya Commercial Bank, Marigat Branch A/C 1103776274		1,204,834.93	5,515,104.53
		-	-
		-	-
Total		1,204,834.93	5,515,104.53

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10B: CASH IN HAND

		2016 - 2017	2015 - 2016
		Kshs (30/6/2017)	Kshs (30/6/2016)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
		-	-
Total		-	-

10C: OUTSTANDING IMPRESTS

Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered	Balance (30/6/2017)
		Kshs	Kshs	Kshs
Name of Officer	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

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11. BALANCES BROUGHT FORWARD

		2016 - 2017	2015- 2016
		Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts		5,515,104.53	34,743,865.85
Cash in hand		-	-
Imprest		-	-
Total		5,515,104.53	34,743,865.85

12. PRIOR YEAR ADJUSTMENTS

		2016 - 2017	2015 - 2016
		Kshs	Kshs
Bank accounts			
Cash in hand		-	-
Imprest		-	-
		-	-
Total		407,250.15	-

13. OTHER IMPORTANT DISCLOSURES

13.1: Adjustments of Ksh 72,540,083.53 in the Summary Statement of Appropriation is as arrived at as below:

Cash book bank balance as at 1.7.2016	Kshs 5,515,104.53
Funds financial year 2015/2016 received in FY 2016/17	67,024,979.00
	<hr/> 72,540,083.53 <hr/>

13.2: PENDING STAFF PAYABLES

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others	xxx	xxx
	<hr/> xxx <hr/>	<hr/> xxx <hr/>

13.3: OTHER PENDING PAYABLES

	Kshs	Kshs
Amounts due to other Government entities	1,200,000.00	xxx
Amounts due to other grants and other transfers		xxx
Others	4,884.93	xxx
	<hr/> 1,204,884.93 <hr/>	<hr/> xxx <hr/>

13.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	3,491,605.00	xxx
	<hr/> 3,491,605.00 <hr/>	<hr/> xxx <hr/>

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	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						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	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.							

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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	B	c	d = a-c		
Amounts due to other Government entities							
1.	NGINYANG GIRLS SEC SCHOOL	1,200,000	Construction of school laboratory				
2.							
Sub-Total							
Amounts due to other grants and other transfers							
3.							
4.							
5.							
Sub-Total							
Sub-Total							
Others (specify)							
6.							
7.							
8.							
Sub-Total							
Grand Total							

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
CESAKAM PRIMARY SCHOOL	KCB	1157579884	1,560.00	
CHEPTUNOIYO PRIMARY SCHOOL	KCB	1182346057	1,100.00	
LEMUYEK PRIMARY SCHOOL	KCB	1182301134	3,340.00	
NANGARUA PRIMARY SCHOOL	KCB	1182446566	298,825.00	
KAPTUYA PRIMARY SCHOOL	KCB	1200519876	3,775.00	
BARPELLO PRIMARY SCHOOL	KCB	11876635344	2,735.00	
NGAINA PRIMARY SCHOOL	KCB	1199844810	3,605.00	
CHESETIM PRIMARY SCHOOL	KCB	1199844306	19,105.00	
TANGULBEI HIGH SCHOOL	KCB	1124800948	200,000.00	
CHEMOLINGOT HIGH SCHOOL	KCB	1199402516	1,012,665	
AIC CHURO GIRLS SEC SCHOOL	KCB	1169422713	7,350.00	
LOIWATT SEC SCHOOL	KCB	1200347986	1,940,885.00	
KIPNAI HIGH SCHOOL	KCB	1209149745	1,940,435.00	
TOTAL			3,491,605.00	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2016/17	2015/16
Land	0	0
Buildings and structures	4,500,000.00	4,500,000.00
Transport equipment	9,671,000.00	9,450,000.00
Office equipment, furniture and fittings	678,360.00	678,360.00
ICT Equipment ,software and other ICT Assets	390,000.00	390,000.00
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	15,239,360.00	15,018,360.00

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0.1	Trial balance was not presented for audit therefore the debits and credits were not tested	Trial balance	FAM	RESOLVED	
4.0.2	The payments in the statement of receipts and payments has casting error and should be Ksh. 126,696,169.05 instead of Ksh. 126,694,454.05. Therefore the the surplus/deficit balance changes to Ksh (29,228,760.05). This implies that the statement of Assets does not balance by similar amount	<i>The casting error of Ksh 1,713 recognized and the statements amended accordingly. The payments therefore should be Ksh 126,696,167.05 not Ksh 126,694,454.05 as reported</i>	FAM	RESOLVED	
4.0.3	The Statement of Receipts and Payments indicated transfers to other Government units of Ksh 46,150,000 in 2015/2016 and Ksh 39,904,134 in 2014/2015 the note referred to was not attached	<i>The note for transfers to other Government Units is indicated as note 7 in the statement of Receipts and payments. The note had been erroneously omitted and has been amended accordingly.</i>	FAM	RESOLVED	
4.0.4	The net cash flow from	<i>The adjustments of Ksh 34,743,865.00 was bank</i>	FAM	RESOLVED	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	operating activities were shown as Ksh 91,950,588.53 in 2015/2016 and Ksh 40,852.05 in 2014/2015. However the following errors Adjustments during the year of Ksh 34,743,865 in 2015/2016 and Ksh 48,043,325.85 in 2014/2015 were not explained	<i>balance as at 1.7.2015, whereas Ksh 48,043,325.85 were bank balance as at 1.7.2014. since the funds formed the budget for the previous financial year, they were reported as adjustments for the current financial year</i>			
4.0.5	The payment balance in 2015/2016 was shown as Ksh 126,694,453.58 but casting revealed a balance of KSh 120,469,920. Therefore the net cash flow from operating activities balance were not accurately arrived at.	<i>An amount of Ksh 6,226,307.05 for goods and services during the year was erroneously omitted in the Statement of Cash Flow. The error has been amended. The Payment balance is therefore Ksh 126,696,167.05. The cash from operating activities is therefore Ksh 91,952,302.05 and not 91,950,588.53</i>	FAM	RESOLVED	
4.0.6	In view of the above observations the net cash and cash equivalent balances brought forward are wrong. This also implies that the cash balance of Ksh 5,515,104.53 will not agree with the worked out cash and cash equivalent at the year end.	<i>With the adjustments in c above, the cash balance will agree with the worked out cash and cash equivalent at the end year.</i>	FAM	RESOLVED	
	CDF officers claimed Ksh	<i>The amount of the claim was</i>	FAM	RESOLVED	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>70,000 which was paid vide Cheque no. 14433 of 10.07.2015 the nature of duty that was paid for was not explained</p> <p>Imprest for office use of Ksh 50,000 surrendered vide pv 248 was not properly accounted for since there was no evidence to show how the purchased tonners and photocopying papers were taken on charge and subsequently issued through the S11 Form</p>	<p><i>for allowances during monitoring of projects in Loyamorok and silale wards. Monitoring report has been attached to this response. we have put in place measures to ensure proper recording of goods received in the stores via S13 is properly kept and subsequent dispatch through S11 is made.</i></p>			
	<p><u>Construction of a water pan at Cheptuyun village</u> During 2014/2015 financial year Tiaty CDFC approved to fund Cheptuyun Water PAN at a cost Ksh 4,000,000 .The following issues were noted:</p> <p>The CDF did not provide details of the procurement process that was used to identify ,evaluate and award M/s Aiyun Co LTD</p> <p>Dully signed contract agreement detailing the terms and conditions for the works</p>	<p><i>Tendering was done and three firms namely M/S Aiyun Investments ltd, Wilne Engineering works and Tingrich Investments ltd bidded for the works. Aiyun Investments Ltd was awarded the contract after meeting all the criteria set and quoted the lowest cost which was within the engineers estimate.</i></p> <p><i>A Contract Agreement between the CDFC and M/s Aiyun was signed on 2nd June 2015.</i></p> <p><i>The Sub County Water officer supervised the works</i></p>	CDFC/FAM	NOT RESOLVED	SEPTEMBER 2017

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was not provided completion certificates from technical department indicating the nature and status of activities undertaken</p> <p>It was noted that no retention money was withheld until the defect liability period is over</p>	<p><i>and a certificate of practical completion was issued on 28th Sept 2015.</i></p>			