

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

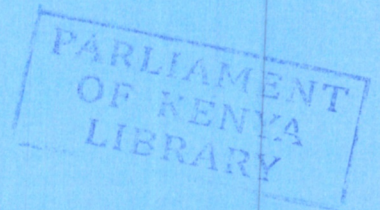
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 31 JUL. 2019 DAY: Wednesday

TABLED BY: Hon. Benjamin Wadhvani
OF: Ms. Lucy Whip
BY: Hadimo Ahmed

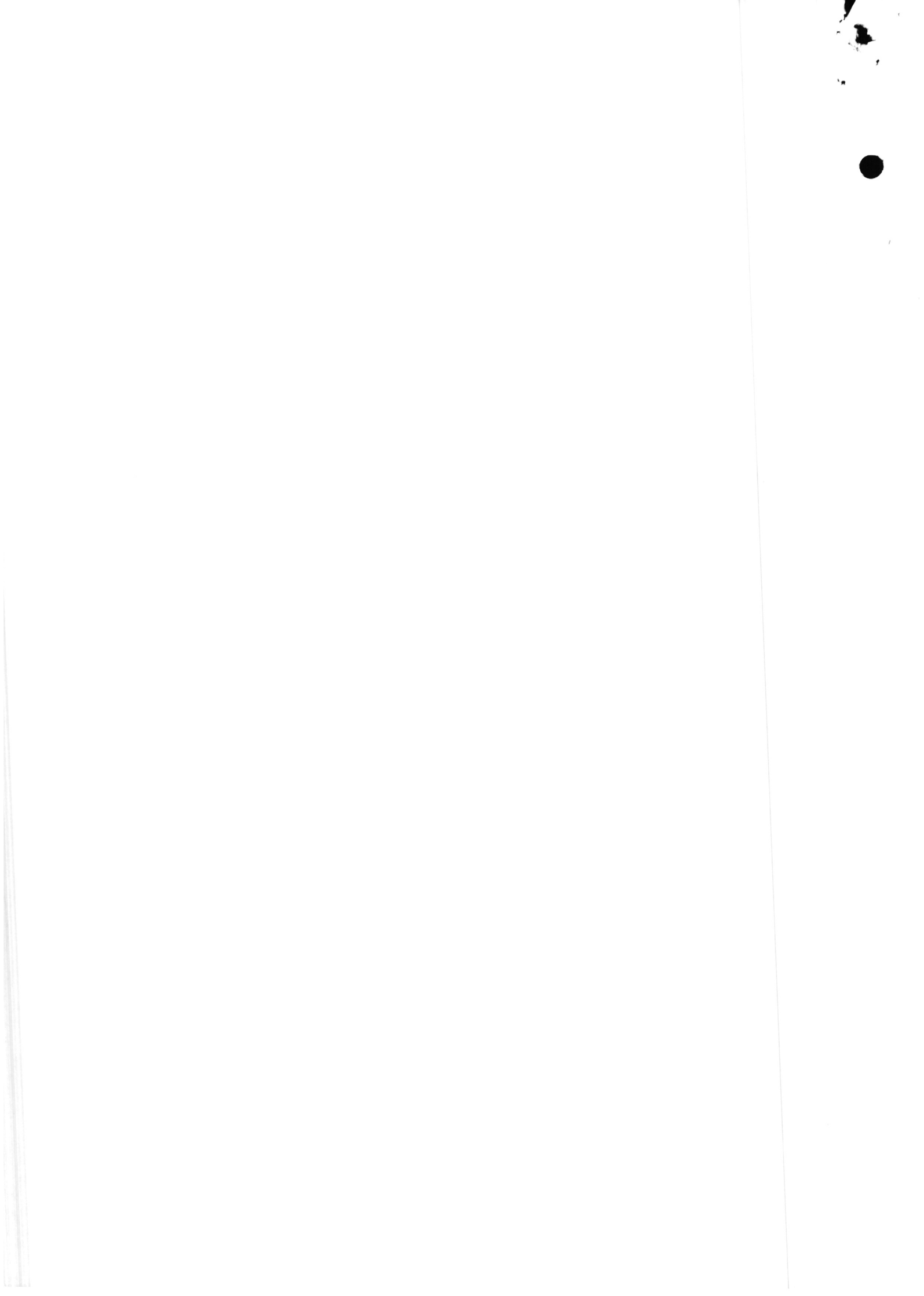
THE AUDITOR-GENERAL

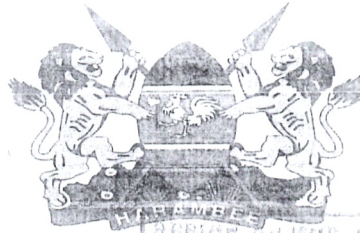
ON



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

FOR THE YEAR
ENDED 30 JUNE 2018





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30088 - 00100 NAIROBI
27 SEP 2018
RECEIVED

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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

	Page
Table of Content	
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	5
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	6
V. STATEMENT OF ASSETS AND LIABILITIES	7
VI. STATEMENT OF CASHFLOW	8
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	9
VIII. SIGNIFICANT ACCOUNTING POLICIES	24
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF TURKANA CENTRAL 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 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Ekeno R.Ng'uleny
3.	Sub-County Accountant	Njeru Patrick
4.	Chairman NGCDFC	Ruth Kuya
5.	Member NGCDFC	Lomoti Joseph

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF TURKANA CENTRAL Constituency Headquarters

NG-CDC Office Building.
P.O Bo 512-30500
LODWAR.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

(f) NGCDF TURKANA CENTRAL Constituency Contacts

Telephone: (254) 072848225
E-mail: turkanacentral@ngcdf.go.ke
Website: www.turkanacentral.go.ke

(g) NGCDF TURKANA CENTRAL Constituency Bankers

1. Kenya Commercial Bank
P.O Box 512-30500
LODWAR
A/C 1107296684

(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 (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Include among others the following:

The constituency appreciates support by the Board in support of development in Turkana Central, However the challenge in implementation has been delayed disbursement of funds from the Headquarters. The constituency by the end of the financial year had only received a total of Ksh. 43,405,172 and by the end of the financial year, the Constituency had disbursed all project funds to various PMCs.

I also acknowledge the completion of the strategic plan that will be the guide in implementation of the projects in the constituency.

Sign 

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. 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.

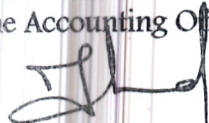
The Accounting Officer in charge of the NGCDF-TURKANA CENTRAL Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. 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 entity; (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 entity; (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 NGCDF-TURKANA CENTRAL Constituency accepts responsibility for the entity'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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-TURKANA CENTRAL Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

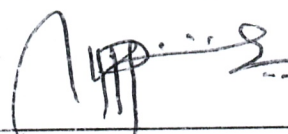
The Accounting Officer in charge of the NGCDF-TURKANA CENTRAL Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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-TURKANA CENTRAL Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.



Fund Account Manager
Name:



Sub-County Accountant
Name: PATRICK NDIRO
ICPAK Member Number:

**SUB-COUNTY ACCOUNTANT
TURKANA CENTRAL**

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.oagkenya.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TURKANA CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Turkana Central Constituency set out on pages 6 to 44, which comprise the statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1.0 Presentation and Accuracy of Financial Statements

1.1 Presentation of Financial Statements

A review of the financial statements for the year ended 30 June 2018 made available for audit review revealed the following:

- i) There is no evidence on how progress on follow up of auditor recommendations were resolved for the disclaimer of opinion received in 2016/2017
- ii) Pages 11 to 23 are missing in the set of financial statements availed for audit
- iii) The statement of receipts and payments reflects nil other payments expenditure which vary with the figure of Kshs.4,000,000 reflected in note 9 to the financial statements resulting to a variance of Kshs.4,000,000 which has not been explained or reconciled

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Turkana Central Constituency for the year ended 30 June 2018

- iv) Statement of receipt and payments indicates that note 4 and 5 to the financial statements relate to compensation of employees and use of goods and services respectively. However, compensation of employees is at note 3 to the financial statements and note 4 to the financial statements relate to use of goods and services
- v) Note 15.3 to the financial statements reflects unutilized funds of Kshs. 54,937,015 which vary with the figure of Kshs.58,338,004 reflected in annex 3 of the financial statements resulting to a variance of Kshs.3,400,989 which has not been explained or reconciled.

1.2 Comparative Figures

A review of the financial statements revealed variances in the comparative figures in the financial statements with the figures reflected in certified financial statement as shown:

Item	Comparative Figure in the Financial Statements (Kshs)	Comparative Figure in the Certified Financial Statements- 2016/2017 (Kshs)	Variance (Kshs)
Statement of receipts and payments- other grants and other transfers	41,328,580	41,541,581	(213,001)
Statement of receipts and payment-Deficit	(69,223,458)	(69,436,459)	213,001
Statement of assets-Fund balance b/f	138,683,528	69,460,070	69,223,458
Note 7 Other grants and transfers –Secondary school bursary	9,385,000	9,598,001	(231,001)
Note 9 Other payments – Environment	0	1,635,000	(1,635,000)
Note 9 Other payments – CDF office community projects	0	5,853,000	(5,853,000)
Note 13 balances brought forward-Bank accounts	23,611	69,460,070	(69,436,459)
Annex 4-summary of fixed assets-Transport equipment	-	7,800,000	(7,800,000)
Annex 4-summary of fixed assets - Furniture and equipment	-	1,000,000	(1,000,00)
Annex 4-summary of fixed assets - Building and structures	-	12,000,000	(12,000,000)

1.3 Variances between Financial statements and Supporting Documents

The financial statements figures vary with the supporting documents figure as shown below:

Item	Financial Statement Figure (Kshs)	Supporting Schedule Figure (Kshs)	Variance (Kshs)
Bursary Secondary Schools	11,938,000	11,936,000	2,000
Compensation of employees	3,007,613	3,002,611	5,002

Under the circumstances, the presentation and disclosure, accuracy and completeness of the financial statements for the year ended 30 June 2018 as whole could not be ascertained.

2.0 Use of Goods and Services

2.1 Committee Allowances

Included in the use of goods figure of Kshs.9,405,672 reflected in note 4 to the financial statements is committee allowance figure of Kshs.2,145,600 which vary with the supporting documents figure of Kshs.2,111,100 resulting to a variance of Kshs.34,500 which has not been explained or reconciled. Further, the committee allowance expenditure of Kshs.2,111,100 was not supported by monitoring and evaluation reports, invitation letters, attendance register, minutes of the committees and work tickets .

As a result, the accuracy and propriety of committee allowances expenditure of Kshs.2,145,600 for the year ended 30 June 2018 could not be confirmed.

3.0 Transfers to Other Government Entities

3.1 Transfer to Primary Schools

Included in the transfers to other government entities figure of Kshs.12,320,000 reflected in note 6 to the financial statements is transfer to primary schools figure of Kshs.6,660,000 which was incurred on construction of classrooms, dormitory and supply of school desks. However, procurement documents, invoices, inspection and acceptance committee reports, certificates of completion of works were not availed for audit verification.

In consequence, the accuracy and propriety of transfers to primary schools of Kshs.6,660,000 for the year ended 30 June 2018 could not be confirmed.

3.2 Secondary Schools Projects

Included in the transfers to other government entities figure of Kshs.12,320,000 reflected in note 6 to the financial statements is transfers to secondary schools figure of Kshs.5,660,000. Available information indicate that the transfers were made to Loyo mixed day secondary school and Turkana Talent High school of Kshs.1,680,000 and Kshs.3,980,000 respectively for the construction of one classroom and a pit latrine at Loyo mixed day secondary school

and completion of 2 dormitories at Turkana Talent High school. However, expenditure returns from the project management committee were not availed for audit verification. Further, no documentary evidence was availed to confirm that the project management Committees used separate accounts for the projects as stipulated in Section 15(1) and 29(3) of the National Government Constituencies Development Fund Regulations, 2016.

Under the circumstance, the validity and propriety of transfers to secondary schools of Kshs.5,660,000 for the year ended 30 June 2018 could not be confirmed.

4.0 Other Grants and Transfers

4.1 Cultural Project

Included in the other grants and transfers figure of Kshs.18,686,966 reflected in note 7 to the financial statements is cultural project expenditure of Kshs.1,480,000. However, expenditure returns from the project management committee in support of the expenditure were not availed for audit verification. Under the circumstance, the accuracy and propriety of cultural projects expenditure of Kshs.1,480,000 for the year ended 30 June 2018 could not be confirmed.

4.2 Emergency Project

Included in the other grants and transfers figure of Kshs.18,686,966 reflected in the statement of receipts and payments is emergency project expenditure of Kshs.4,568,966 which vary with the supporting documents figure of Kshs.4,525,494 resulting to a variance of Kshs.43,472 which has not been explained or reconciled. Further, no documentary evidence was availed to confirm that expenditure was of emergency in nature. In the circumstances, the accuracy and completeness of the emergency projects expenditure of Kshs.4,568,966 for the year ended 30 June 2018 could not be confirmed.

5.0 Cash and Cash Equivalents

The statement of assets reflects bank balances figure of Kshs.8,532. A review of the available records including the cashbooks, bank statements and bank reconciliation statements revealed that payments totaling to Kshs.4,386,700 were made on 30 June 2018. However, payment vouchers and details of the payments in support of these payments were not availed for audit verification. Under the circumstance, the accuracy and existence of bank balance amount of Kshs.8,532 as at 30 June 2018 could not be confirmed.

6.0 Project Management Committee Bank Account Balances

Note 15.4 reflects nil PMC account balances which vary with the computed total figure of Kshs.1,617,800 reflected in annex 4 to the financial statements resulting to a variance of Kshs.1,617,800 which has not been explained. Further, bank statements, cashbooks and bank reconciliation statements for the project management committee bank accounts have not been availed for audit verification.

Under the circumstance, the accuracy and existence of the project management committee bank Balances as at 30 June 2018 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 - Turkana Central Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. 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(s) described in the Basis for Disclaimer of Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budget Absorption and Performance

1.1 Budget Absorption

During the year under review, the National Government Constituencies Development Fund-Turkana Central Constituency had an approved budget Kshs.98,213,267 against actual expenditure of Kshs.43,420,251 or approximately 44% of the budget resulting to under expenditure of Kshs.54,793,016 or 56% of the budget as shown below:

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Absorbtion (Kshs)	% Under Absorption
Compensation of Employees	3,055,200	3,007,613	47,587	2%
Use of Goods and Services	5,343,067	9,405,672	(4,062,605)	-76%
Transfer to Other Government Entities	41,378,966	12,320,000	29,058,966	70%
Other Grants and Transfers	48,436,034	18,686,966	29,749,068	61%
Total	98,213,267	43,420,251	54,793,016	56%

Non-utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered and therefore the budget did not meet the intended objectives of improving the service delivery to the residents of Turkana Central Constituency or the management may have over budgeted on its activities.

1.2 Project implementation status

According to the project implementation status report availed for audit, the National Government Constituencies Development Fund – Turkana Central Constituency had budgeted to spend Kshs.44,931,284 towards implementation of fifteen (15) projects during the year 2017/2018. Fourteen (14) projects with a budget of Kshs.43,931,284 were complete, One (1) project with a total budget of Kshs.1,000,000 was ongoing and was at 80% to completion as shown below:

No	Project Name	Sub-project/Activities	Allocation (Kshs)	Disbursement (Kshs)	Cumulative Achievement (%)	Implementation status
1	Elelea Primary School	Completion of one classroom	500,000	500,000	100%	Complete
2	Akatuman Pry Sch	Completion of two classrooms	1,000,000	1,000,000	100%	Complete
3	Lodwar Chiefs Office	Completion of chiefs office	700,000	700,000	100%	Complete
4	Cdf Office Renovation	Renovation of CDF office	1,156,000	1,156,000	100%	Complete
5	Turkana Talent High Sch	Completion of two dormitories	4,000,000	3,980,000	100%	Complete
6	Lokipetot Primary School	Construction of two Classrooms	2,200,000	2,180,000	99%	Complete
7	Alfred Powery Primary School	Construction of two Classrooms	2,000,000	1,980,000	99%	Complete
8	Loyo Mixed Secondary School	Construction of one classroom and two door pit latrines	1,700,000	1,700,000	100%	Complete
9	Administration /Recurrent	Office running expenses	4,206,621	4,206,621	100%	Complete
10	Bursary	To award bursary for needy students in the constituency. Exams & Tests	15,822,974	15,822,974	100%	Complete
11	Monitoring And Evaluation	Monitoring and Evaluation/Capacity building	2,604,310	2,604,310	100%	Complete
12	Sports	Community/cross border/sports for peace and schools	1,736,207	1,736,207	100%	Complete
13	Environment	Allocation to support environmental activities	1,736,207	1,736,207	100%	Complete

No	Project Name	Sub-project/Activities	Allocation (Kshs)	Disbursement (Kshs)	Cumulative Achievement (%)	Implementation status
14	Emergency Projects	Responding to emergencies in the constituency	4,568,966	4,568,966	100%	Complete
	Sub Total		43,931,284	43,871,285	100%	
15	Atokienyutu Community Social Hall	Construction of a Community Social Hall House	1,000,000	1,000,000	80%	Ongoing
	Sub Total		1,000,000	1,000,000	80%	
	Grand Total		44,931,284	4,871,285	100%	

Delay in implementation and completion of planned projects is an indication that the residents of Turkana Central Constituency failed to receive the benefits accruing from the planned programs and activities for the year ended 30 June 2018

1.3 Project Verification

During the year under review, six projects costing Kshs.11,060,000.00 were verified during month of March 2019, three were complete and in use and three projects were as shown below:

	Project Name	Beneficiary/Payee	Name of contractors	Contract sum Kshs	Level of completion	Remarks
1	Completion of Lodwar Chief's Office	Lodwar Chief's Office	Arktics Developers limited	700,000	70%	Ongoing
2	Completion of 2 No. modern dormitory	Turkana Talent High school	Lopinga General contractors	4,000,000	90%	Ongoing
3	Construction of one classroom and pit Latrine	Loyo Mixed day secondary school	Songót Company Ltd	1,700,000	95%	Ongoing
4	Construction of 2 classrooms	Alfred Powery Pri sch	Pelekech Investment Ltd	1,980,000	100%	Complete and in use
5	Construction of 2 classrooms & 50 Desks	Lokipetot Primary Sch001	Natapeno Contractors Ltd	2,180,000	100%	Complete and in use
6	Construction of 1 dormitory	Lolupe Primary School	Lotukman Enterprise ltd	500,000	100%	Complete and in use
	Total			11,060,000		

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Use of Goods and Services

1.1 Fuel, Oil and Lubricants.

Included in the use of goods and services figure of Kshs.9,405,672 reflected in note 4 to the financial statements is fuel, oil and lubricants expenditure of Kshs.220,000. Available information indicate that the fuel was procured from a supplier as shown below:

Date	Payee	Payment Voucher Number	Description	Cheque Number.	Amount (Kshs)
22/03/2018	Matecha Enterprises	20	Payment of fuel	9625	50,000.00
13/06/2018	Matecha Enterprises	132	Payment for supply of fuel for office use	9943	60,000.00
05/04/2018	Matecha Enterprises	98	Payment for fuel for office use	9668	110,000.00
	Total				220,000.00

However, procurement records such as signed contract, letter of notification, acceptance letter and tender evaluation minutes were not availed for audit verification. Further, work ticket, fuel register, detailed orders and merchant statements were not availed for audit review. Under the circumstances, the validity, accuracy and propriety of Fuel, oil and Lubricants expenditure of Kshs.220,000 for the year ended 30 June 2018 could not be confirmed.

1.2 Routine Maintenance of Motor Vehicle and Other Transport Equipment

Included in the routine maintenance- vehicles and other transport equipment figure of Kshs.437,525 reflected in note 4 to the financial statements is an expenditure of Kshs.312,525 incurred on repair of motor vehicles. However, the services were acquired by use of direct procurement method although the prevailing conditions did not support direct procurements. Further, pre and post mechanical inspection reports were not availed for audit

purposes. Under the circumstances, the validity and propriety of Kshs.312,525 expenditure on routine maintenance of motor vehicles and other transport equipment for the year ended 30 June 2018 could not be confirmed.

2.0 Other Grants and Transfers

2.1 Bursaries

Included in the other grants and other payments figure of Kshs.18,686,966 reflected in note 7 to the financial statement is bursary for secondary schools and tertiary institutions of Kshs 6,898,000 and 5,040,000 respectively all totaling to Kshs.11,,938,000. However, the criteria for identifying the beneficiaries was not availed for audit verification. Further, acknowledgement letters from recipient institutions were not availed for audit review. Under the circumstance, the validity and propriety of expenditure of Kshs.11,938,000 on bursary for the year ended 30 June 2018 could not be confirmed.

3.0 Other Payments

3.1 Irregular Procurement of a Strategic Plan.

Note 9 to the financial statements reflects other payments figure of Kshs.4,000,000 which relates to procurement of strategic plan through request for quotations although threshold for its use was exceeded. Under the circumstance, the management breached the public procurement laws and regulations.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Development Fund - Turkana Central Constituency ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to going concern/ sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the National Government Constituencies Development Fund - Turkana Central Constituency 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. In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way. Those charged with governance are responsible for overseeing the National Government Constituencies Development Fund - Turkana Central Constituency financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective

way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the National Government Constituencies Development Fund - Turkana Central Constituency policies and procedures may deteriorate.

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

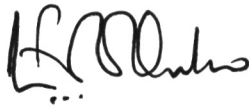
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.
- 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 National Government Constituencies Development Fund - Turkana Central Constituency ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the National

Government Constituencies Development Fund - Turkana Central Constituency to cease to continue as a going concern or 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 National Government Constituencies Development Fund - Turkana Central Constituency 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

09 May 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

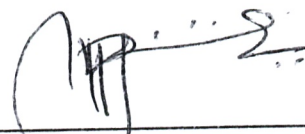
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	43,405,172	85,396,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		43,405,172	85,396,552
PAYMENTS			
Compensation of employees	4	3,007,613	2,669,196
Use of goods and services	5	9,405,672	13,654,431
Transfers to Other Government Units	6	12,320,000	89,479,803
Other grants and transfers	7	18,686,966	41,328,580
Acquisition of Assets	8	-	-
Other Payments	9	-	7,488,000
TOTAL PAYMENTS		43,420,251	154,620,010
SURPLUS/DEFICIT		(15,079)	(69,223,458)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA CENTRAL Constituency financial statements were approved on _____ 2018 and signed by:



Fund Account Manager
Name:



Sub-County Accountant
Name: PATRICK NJ
ICPAK Member Number:

**SUB-COUNTY ACCOUNTANT
TURKANA CENTRAL**

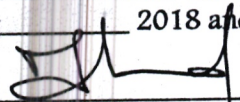
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

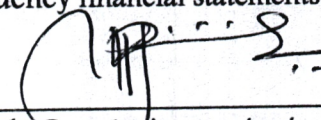
**Reports and Financial Statements
For the year ended June 30, 2018**

V. STATEMENT OF ASSETS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,532	23,611
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		8,532	23,611
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	23,611	138,683,528
Surplus/Deficit for the year		(15,079)	(69,223,458)
Prior year adjustments	14	-	-
NET LIABILITIES		8,532	69,460,070

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA CENTRAL Constituency financial statements were approved on 2018 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name: PATRICK NJ
ICPAK Member Number:
**SUB-COUNTY ACCOUNTANT
TURKANA CENTRAL**

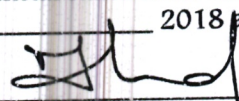
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA CENTRAL CONSTITUENCY**

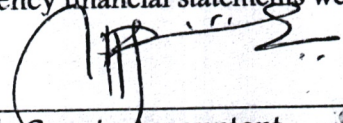
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	43,405,172	85,396,552
Other Receipts	3	-	-
		43,405,172	85,396,552
Payments for operating expenses			
Compensation of Employees	4	3,007,613	2,669,196
Use of goods and services	5	9,405,672	13,654,431
Transfers to Other Government Units	6	12,320,000	89,479,803
Other grants and transfers	7	18,686,966	41,328,580
Other Payments	9	-	7,488,000
		43,420,251	154,620,010
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(15,079)	(69,223,458)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(15,079)	(69,223,458)
Cash and cash equivalent at BEGINNING of the year	13	23,611	138,683,528
Cash and cash equivalent at END of the year		8,532	23,611

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA CENTRAL Constituency financial statements were approved on _____ 2018 and signed by:


Fund Account Manager


Sub-County Accountant
Name: PATRICK NJI
Name: ICPAK Member Number _____
**SUB-COUNTY ACCOUNTANT
TURKANA CENTRAL**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TURKANA CENTRAL
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	11,402,921	98,213,266	43,428,783	54,784,483	44%
Proceeds from Sale of Assets						
Other Receipts		-				
TOTAL RECEIPTS	86,810,345	11,402,921	98,213,266	43,428,783	54,784,483	44%
PAYMENTS						
Compensation of Employees	3,055,200		3,055,200	3,007,613	47,587	98%
Use of goods and services	4,757,732	585,335	5,343,067	9,405,672	(4,062,605)	176%
Transfers to Other Government Units	35,500,000	5,878,966	41,378,966	12,320,000	29,058,966	30%
Other grants and transfers	43,497,413	4,938,621	48,436,034	18,686,966	29,749,068	39%
Acquisition of Assets						
Other Payments						
TOTAL	86,810,345	11,402,921	98,213,266	43,420,251	54,793,015	44%


- a) The changes between original budget and the final budget is has result of a supplementary budget of Ksh.11.379,310.34 and the opening balance of Ksh.23,611
- b) The overall underutilization of funds for 2017-2018 financial year was as a result of delayed disbursement of funds from the Board

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TURKANA CENTRAL
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

- c) Over spending in Good & Services by 73% was as a result of funds for unconditionally approved projects from the Board and balances of projects in the bank

The NGCDF-TURKANA CENTRAL Constituency financial statements were approved on _____ 2018 and signed by:



Fund Account Manager
Name:



Sub-County Accountant
Name: *PATRICK M...*
ICPAK Member Number:

SUB-COUNTY ACCOUNTANT
TURKANA CENTRAL

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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 Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-TURKANA CENTRAL Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. 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.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. 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 Entity 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.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. 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 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO .A 892529	1	5,500,0000	
AIE NO. A 892802	2	37,905,172	
AIE NO. A 855104	1		36,853,449
AIE NO.A 839520	2		40,948,275
AIE NO. A 825927	3		4,094,821
	4		3,500,000
TOTAL		43,405,172	85,396,552

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 OTHER RECEIPTS			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Interest Received			-
Rents			-
Sale of Tender Documents			-
Other Receipts Not Classified Elsewhere (specify)			-
TOTAL			-

5. COMPENSATION OF EMPLOYEES

Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Basic wages of contractual employees		3,007,613	2,669,196
Basic wages of casual labour			
Personal allowances paid as part of salary			
House allowance			
Transport allowance			
Leave allowance			
Other personnel payments			
Employer contribution to NSSF			
Gratuity-contractual employees			
TOTAL		3,007,613	2,669,196

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	53,481	15,953
Electricity		
Water & sewerage charges	7,795	
Office rent		
Communication, supplies and services		396,726
Domestic travel and subsistence		600,000
Printing, advertising and information supplies & services		301,927
Rentals of produced assets		
Training expenses		2,200,000
Hospitality supplies and services		
Other committee expenses	1,228,000	3,500,000
Committee allowance	2,145,600	2,800,000
Insurance costs		305,408
Specialised materials and services		
Office and general supplies and services	80,615	1,300,000
Fuel, oil & lubricants	220,000	1,300,000
Other operating expenses	4,076,622	
Bank service commission and charges		
Security operations		
Routine maintenance - vehicles and other transport equipment	437,525	334,421
Routine maintenance- other assets	1,156,034	
TOTAL	9,405,672	13,654,435

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to Primary schools	6,660,000	50,986,214
Transfers to Secondary schools	5,660,000	38,493,589
Transfers to Tertiary institutions		
Transfers to Health institutions		
TOTAL	12,320,000	89,479,803

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary -Secondary	6,898,000	9,385,000
Bursary -Tertiary	5,040,000	13,456,000
Bursary-Special schools		
Mocks & CAT		
Water		
Food security		
Electricity		
Security	700,000	12,793,330
Roads and Bridges		
Sports		1,600,000
Environment		
Cultural Projects	1,480,000	
Agriculture		
Emergency Projects	4,568,966	4,094,250
TOTAL	18,686,966	41,328,580

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	4,000,000	
	4,000,000	4,000,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	
<i>KCB Lodwar Branch A/C 1107296684</i>	8,532	23,611
Total	8,532	23,611
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	8,532	23,611
Cash in hand	-	-
Imprest	-	-
Total	8,532	23,611

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	47,587	-
Use of goods and services	(4,062,605)	-
Amounts due to other Government entities (see attached list)	29,058,966	-
Amounts due to other grants and other transfers (see attached list)	29,749,068	-
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
	54,937,015	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 TURKANA CENTRAL CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	xxx	xxx
	xxx	xxx

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

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2017/18	2016/17	
Compensation of employees	payment for staff salaries	47,587.00		
Use of goods & services	purchase of fuel, committee expenses etc	4,062,605.00		
Amounts due to other Government entities				
Narengo pry	construction of 1No.classroom	1,100,000.00		
Nadoto pry	completion of 1 No.Classroom	500,000.00		
Nakurio Pry	construction of 1No.classroom	1,100,000.00		
Nangolpus pry	construction of 1No.classroom	1,100,000.00		
Kakwanyang pry	construction of 2 No.classrooms	2,200,000.00		
Katapakori pry	construction of 2 No.classrooms	2,200,000.00		
Nabwelpus pry	construction of 1No.classroom	1,100,000.00		
Natoot Pry	construction of 1No.classroom	1,100,000.00		
Napeget pry	construction of 1No.classroom	1,100,000.00		
Kangagetei pry-dorm	construction of 1No.dormitory	1,500,000.00		
Longech pry fence	Fencing of school compound	1,500,000.00		
Nakiria pry dorm	construction of 1No.dormitory	1,500,000.00		
Faith Homes Pry	construction of 1No.classroom	1,000,000.00		
Nayanae angikalalio	construction of 1No.classroom	1,100,000.00		
Nariamao pry school	construction of 1No.classroom	1,100,000.00		
Nayuu pry school	construction of 1No.classroom	1,100,000.00		

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

Reports and Financial Statements

For the year ended June 30, 2018

Loturerei sec	construction of 1No classroom	1,100,000.00		
Lolimo Girl's Sec School	Construction of 4 No.Classrooms	2,000,000.00		
St.Mary Pry School	completion of 1 No.Classroom	500,000.00		
Lomanimania Pry school	completion of 1 No.Classroom	500,000.00		
Kangagetei Pry School	renovation of 2No.Cassrooms	548,744.00		
Sub-Total		29,058,936.00		
Amounts due to other grants and other transfers				
Bursary -Secondary	Bursary for needy students	13,090,996.33		
Lobolo Eliye Security Access Road	Grading of Security road	3,000,000.00		
ICT HUB	Construction of ICT hubs	4,677,027.20		
Nakwaperit Chiefs office	construction of Chiefs office	1,100,000.00		
Lomopus Chiefs office	construction of Chiefs office	1,500,000.00		
NG-CDF Office	Construction of 1 Modern toilet	920,000.00		
NG-CDF Office	purchase of ICT equipments	200,000.00		
Emergency Projects	Emergency response	568,975.51		
SPORT	Sport Activities	1,861,034.48		
ENVIRONMENT	Environment activities	1,861,034.48		
Nadoto chiefs Office	Construction of a pit latrine	500,000.00		

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

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total				

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Loyo Day Sec School	KCB	1229544550	230,000	NIL
Alfred Powey Primary	KCB	1226508790	500,000	NIL
Talent High School	KCB	12323083832	820,000	NIL
Lokipetot Pry School	KCB	1226154794	67,800	NIL
Total				