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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
SIGOWET/SOIN CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
SIGOWET/SOIN CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
SIGOWET/SOIN CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -
SIGOWET/SOIN CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

- i. National Government- Constituencies Development Fund Board (NG-CDFB)
- ii. National Government 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	Sharon Kapto
3.	Accountant	Andrew Sang
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of SIGOWET/SOIN 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) SIGOWET/SOIN NG-CDF Headquarters

P.O. Box 1837-20200
Kericho, KENYA

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

(f) SIGOWET/SOIN NG-CDF Contacts

Telephone: (254) 715307740
E-mail: Sigowet/soin@ngcdf.go.ke
Website :www.cdf.go.ke

(g) SIGOWET/SOIN NG-CDF Bankers

1. Cooperative Bank of Kenya
P.O. Box 1742-20200
KERICHO

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

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

Sigowet/Soin NG-constituency development fund in the financial year 2016/2017 was allocated kshs 81,896,557.7 by the NG-CDF board. During the financial year the whole amount was disbursed to the constituency by end of June 2017. The funds were disbursed by the CDFC immediately upon receipt. Projects funded during the financial year are at various stages of completion as implemented by the project management committees. As at end of the financial year, all the bursaries had been disbursed.

Some of the projects received inadequacy of funds allocated for the completion of their projects this could be due to inadequate allocations and /or increasing costs for the various projects materials and labour cost as reported by the PMCs.

We appreciate all the work done by all the parties to ensure development is accomplished in our constituencies. Hope the financial year 2017/2018 will experience better performance.


Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SIGOWET/SOIN
CONSTITUENCY**

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For the year ended June 30, 2017

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Sigowet/Soin NG-CDF is responsible for the preparation and presentation of the NG-CDF's financial statements, which give a true and fair view of the state of affairs of the NG-CDF 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.

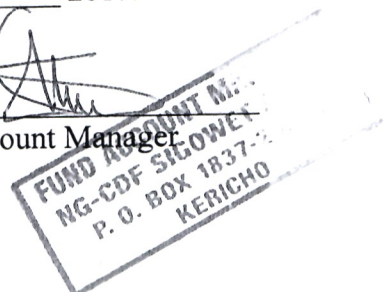
The Accounting Officer in charge of the Sigowet/Soin NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2017, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Sigowet/Soin 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 Sigowet/Soin NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NGCDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on _____ 2017.

Fund Account Manager



Chairman

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 – SIGOWET/SOIN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Sigowet/Soin Constituency set out on pages 6 to 21, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

In addition, as required by Article 229(6) of the Constitution, 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 Qualified Opinion

1.0 Unconfirmed Expenditure on Projects at Koiyat Primary School

The statement of receipts and payments reflects transfer to other government entities of Kshs.66,452,554 out of which Kshs.1,620,000 was remitted to Koiyat Primary School for purchase of one acre of land at Kshs.1,120,000 and construction of one classroom at Kshs.500,000. During an audit verification in May 2018, it was noted that the project management committee (PMC) did not adhere to the project specifications to construct one classroom, but instead constructed two, both of which were incomplete, on land whose ownership documents have not been provided for audit verification. Further the PMC did not provided the bank statement for the

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Sigowet/Soin Constituency for the year ended 30 June 2017

project account to show how the funds had been utilised. Under the circumstance, it could not be confirmed if the funds were utilized for the intended objective.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Sigowet/Soin Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0 Anomalies in Implementation of Projects

1.1 Projects at Sosur Primary School

National Government Constituencies Development Fund (CDF) – Sigowet/Soin remitted Kshs.800,000 to Sosur Primary School for part-purchase of 1 acre of land at Kshs.150,000, construction of one classroom at Kshs.500,000 and construction of toilets to completion at Kshs.150,000. The amount was remitted in February 2017. However, during an audit verification on 30 May 2018, it was noted that the projects had not started but the funds were still in the project account. In the circumstance, the continued delay in implementation of these projects implies that the funds may not be utilised for the intended objective.

1.2 Unproductive Boreholes at Kenya Medical Training College, Soin/Sigowet

The National Government CDF – Sigowet/Soin on 14 December 2016, contracted a firm, M/s Fountain Vent Limited of P. O. Box 14766 Nakuru to drill, equip and install a water borehole at the Kenya Medical Training College, Soin/Sigowet at a negotiated cost of Kshs.1,700,000. An audit verification in May 2018 revealed that the firm had sunk two boreholes at a total cost of Kshs.2,474,960 (Kshs.1,186,700 for the 1st borehole and Kshs.1,288,260 for the 2nd borehole). However, both boreholes were dry and without water despite the fact that hydrological survey had been carried out, indicating that there was sufficient underground water at the site. In the circumstance, no value may be realized from the funds spent since the management has not taken any mitigating action.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue 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 Fund's financial reporting process.

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. 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.

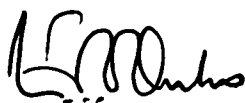
As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain 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 sustain services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate 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

09 August 2018

GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SIGOWET/SOIN


CONSTITUENCY
Reports and Financial Statements


For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016- 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	81,896,551.70	136,545,429.55
Proceeds from Sale of Assets	2	-	
Other Receipts	3	16,000.00	-
TOTAL RECEIPTS		81,912,551.70	136,545,429.55
PAYMENTS			
Compensation of employees	4	3,311,912.47	2,344,424.00
Use of goods and services	5	7,064,254.85	8,040,072.40
Transfers to Other Government Units	6	66,452,554.10	71,251,930.50
Other grants and transfers	7	26,521,797.90	46,535,416.00
Acquisition of Assets	8	-	947,610.00
Other Payments	9	-	-
TOTAL PAYMENTS		103,350,519.32	129,119,452.90
SURPLUS/DEFICIT		(21,437,967.62)	7,425,976.65

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Sigowet/Soin NGCDF financial statements were approved on _____ 2017 and signed by:


Richard Chepkwony
Chairman - NGCDFC


Sharon Kapio
Ag. Fund Account Manager
P. O. BOX 2200
KERICHO

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SIGOWET/SOIN
CONSTITUENCY**

Reports and Financial Statements


For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,887,271	23,191,238
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,887,271	23,191,238
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	23,191,238	15,445,761
Surplus/Deficit for the year		(21,437,968)	7,425,977
Prior year adjustments	14	134,000	319,500
NET LIABILITIES		1,887,271	23,191,237
		o	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Sigowet/Soin NGCDF financial statements were approved on _____ 2017 and signed by:


Richard Chepkwony
Chairman - NGCDFC


Sharon Kapto
Ag. Fund Account Manager
NGCDF
KERICHU

CONSTITUENCY DEVELOPMENT FUND- SIGOWET/SOIN

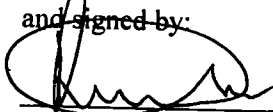
Reports and Financial Statements


For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	81,896,551.70	136,545,429.55
Other Receipts	3	16,000.00	-
		81,912,551.70	136,545,429.55
Payments for operating expenses			
Compensation of Employees	4	3,311,912.47	2,344,424.00
Use of goods and services	5	7,064,254.85	8,040,072.40
Transfers to Other Government Units	6	66,452,554.10	71,251,930.50
Other grants and transfers	7	26,521,797.90	46,535,416.00
Other Payments	9	-	-
		103,350,519.32	128,171,842.90
Adjusted for:			
Adjustments during the year	14	134,000.00	319,500.00
Net cash flow from operating activities		(21,303,967.62)	8,693,086.65
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(947,610.00)
Net cash flows from Investing Activities		-	(947,610.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(21,303,967.62)	7,745,476.65
Cash and cash equivalent at BEGINNING of the year	13	23,191,238.40	15,445,761.75
Cash and cash equivalent at END of the year		1,887,270.78	23,191,238.40

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Sigowet/Soin NGCDF financial statements were approved on _____ 2017 and signed by:


Richard Chepkwony
 Chairman NGCDFC


SHARON KAPCO
 Ag Fund Account Manager
 NG-CDF 1837-20200
 KERICHER

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	81,896,551.70	23,325,238.40	105,221,790.10	105,221,790.10	-	100.0%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	81,896,551.70	23,325,238.40	105,221,790.10	105,221,790.10	-	100.0%
PAYMENTS						
Compensation of Employees	2,600,000.00	1,000,000.00	3,600,000.00	3,311,912.47	288,087.53	92.0%
Use of goods and services	1,570,690.00	1,010,592.04	2,581,282.04	7,064,254.85	(4,482,972.81)	273.7%
Transfers to Other Government Units	61,910,861.70	20,314,646.00	82,225,507.70	66,452,554.10	15,772,953.60	80.8%
Other grants and transfers	15,815,000.00	1,000,000.00	16,815,000.00	26,521,797.90	(9,706,797.90)	157.7%
Acquisition of Assets	-	-	-	-	-	#DIV/0!
Other Payments						
TOTAL	81,896,551.70	23,325,238.04	105,221,789.74	103,350,519.32	1,871,270.42	98.2%

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –SIGOWET/SOIN
CONSTITUENCY**

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

- (a) During the year the receipts were from the NG CDF board vide AIEs. All the money for the current financial was received.
- (b) The adjustment relates to last financial year amount which was pending from board as the year ends and closing balances of last financial year.
- (c) The other budget items were done well.

The SIGOWET/SOIN NG-CDF financial statements were approved on _____ 2017
and signed by:

RICHARD CHEPKWONY
Chairman CDF


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

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 GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
SIGOWET/SOIN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

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 *NGCDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *NGCDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

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 –
SIGOWET/SOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
	AIE NO.		
Normal Allocation	A796153	-	26,069,248.55
	A759712		10,000,000.00
	A796500		20,000,000.00
	A820787		15,000,000.00
	A796369		10,000,000.00
	A825666		55,476,181.00
	A829997	4,094,827.60	
	A839628	36,853,449.00	
	A855554	40,948,275.10	
	AIE NO...	-	-
Conditional grants	AIE NO...	-	-
	AIE NO...		
Receipt from other Constituency	AIE NO...	-	
TOTAL		81,896,551.70	136,545,429.55

**FUND ACCOUNT MANAGER
NG-CDF SIGOWET / SOIN
P. O. BOX 1837-20200
KERICHO**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
SIGOWET/SOIN CONSTITUENCY**

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

2. PROCEEDS FROM SALE OF ASSETS

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Receipts from the Sale of Buildings		-	
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	
Receipts from the Sale of office and general equipment		-	
		-	-
Total			

**FUND ACCOUNT MANAGER
NG-CDF SIGOWET / SOIN
P. O. BOX 1837-20200
KERICHO**

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

3. OTHER RECEIPTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of tender documents	16,000.00	-
Other Receipts Not Classified Elsewhere (specify)		
Total	16,000.00	-

4. COMPENSATION OF EMPLOYEES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,696,548.00	2,025,124.00
Basic wages of casual labour		-
Personal allowances paid as part of salary		-
House allowance	230,000.00	295,900.00
Transport allowance		
Leave allowance		-
Other personnel payments		-
Employer contribution to NSSF	18,400.00	
gratuity	1,366,964.47	23,400.00
Total	3,311,912.47	2,344,424.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016- 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	41,942.00	34,788.00
Office rent	225,000.00	90,000.00
Communication, supplies and services		
Domestic travel and subsistence	508,100.00	291,200.00
Printing, advertising and information supplies & services		
Rentals of produced assets		-
Training expenses	740,000.00	862,600.00
Hospitality supplies and services		-
Other committee expenses	1,262,500.00	1,858,450.00
Committee allowance	3,096,000.00	3,319,650.00
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	494,331.00	719,298.40
Fuel ,oil & lubricants	451,000.00	400,000.00
Other operating expenses	25,640.00	15,360.00
Routine maintenance – vehicles and other transport equipment	219,741.85	448,726.00
Routine maintenance – other assets	-	-
	-	-
Total	7,064,254.85	8,040,072.40

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	36,173,873.00	29,941,930.50
Transfers to secondary schools	22,378,681.10	30,880,000.00
Transfers to Tertiary institutions	7,900,000.00	6,070,000.00
Transfers to Health institutions		4,360,000.00
TOTAL	66,452,554.10	71,251,930.50

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	7,825,700.00	5,585,938.00
Bursary -Tertiary	4,622,500.00	6,036,400.00
Bursary-Special schools	20,000.00	52,000.00
Mocks & CAT		-
water		5,200,468.00
Agriculture (food security)		1,035,725.00
Electricity projects		420,000.00
Security	7,924,238.80	9,583,000.00
Roads		14,277,335.00
Sports	1,485,359.10	1,314,550.00
Other capital grants and transfer	300,000.00	-
Emergency Projects (specify)	4,344,000.00	3,030,000.00
Total	26,521,797.90	46,535,416.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2016 - 2017	2015 - 2016
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings			-
Refurbishment of Buildings			547,770.00
Purchase of Vehicles			-
Purchase of Bicycles & Motorcycles			-
Overhaul of Vehicles			-
Purchase of office furniture and fittings			-
Purchase of computers ,printers and other IT equipments			-
Purchase of photocopier			-
Purchase of other office equipments			330,240.00
Purchase of soft ware			69,600.00
Acquisition of Land		-	-
		-	-
Total		-	947,610.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2016 - 2017 Kshs (30/6/2017)	2015 - 2016 Kshs (30/6/2016)
Cooperative Bank, kericho branch	1141529703100	1,887,271.05	23,191,238.40
		-	-
		-	-
Total		1,887,271.05	23,191,238.40

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

No outstanding Imprests as 30th June 2017.

0

12 Retention			
Supplier/Contractor	PV no	2016 - 2017	2015 - 2016
		Kshs	Kshs
TOTAL			

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

		2016 - 2017	2015 - 2016
		Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts		23,191,238.40	14,965,761.75
Cash in hand			-
Imprest			480,000.00
Total		23,191,238.40	15,445,761.75

Ksh. 23,191,238.4 was balance brought forward (opening balance) as at 1st Jul 2016.

14. PRIOR YEAR ADJUSTMENTS

		2016 - 2017	2015 - 2016
		Kshs	Kshs
Bank accounts		134,000.00	319,500.00
Cash in hand		-	-
Imprest		-	-
Total		134,000.00	319,500.00

NOTES

prior year adjustment of Ksh134,000 was reversal of tender deposit folio 32215

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2017 Kshs	2015 - 2016 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: OTHER PENDING PAYABLES (See Annex 3)

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

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	17,044,668.30	-
	17,044,668,30	-

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KERICHO**

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	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 CONSTITUENCIES DEVELOPMENT FUND – SIGOWET/SOIN CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		A	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	B	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/2017	Historical Cost (Kshs) 2015/2016
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings	179,300	179,300
ICT Equipment, Software and Other ICT Assets	534,900	534,900
Other Machinery and Equipment	4,970,315	4,970,315
Heritage and cultural assets		
Intangible assets		
Total	5,684,515	5,684,515

NOTES

- There was no additional equipment during this financial year.

Prepared by:


FUND ACCOUNT MANAGER
Sharon Kapto SIGOWET / SOIN
Ag. Fund Account Manager
Sigowet/soin KERICHO

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SIGOWET/SOIN CONSTITUENCY
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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)
3.0. Preparation and Presentation of the Financial Statements	The statements of Assets and the statements of Receipts and Payments in the financial statements were presented with comparative figures for the previous year 2013/2014. However, the following balances were noted to differ with those that appeared in the certified financial statements for 2013/2014.	The financial statement has been amended	FAM	Resolved	
4.0. Statement of Receipts and Payments	The statement of receipts and payments reflected receipts of Kshs.36,379,093.50 and Kshs.114,720,837.95 for 2013/2014 and 2014/2015	The CDF Sigowet/ Soin received kshs 26,069,248.25 from CDFB on 26.6.2016 which was not captured in the cash book as at 30 th June	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)
Payments	respectively This outstanding balance was however not captured in the financial statements under explanatory notes.	2015 thus not included in financial statement			
4.2 Payments	The statement of receipts and payments reflected payments of Kshs.99,869,310.70. However, the list of payments omitted the expenditure on acquisition of assets whose balance is Kshs.109,700. Further, Sigowet/Soin CDF spent Kshs.99,869,310.70 out of a budget of Kshs.140,656,086.50, implying an under expenditure of Kshs.40,786,775.80 (or 29%) The fund	The payment of kshs 109,700 has been included in the payment in financial statement. The fund account manager currently is following up the AIE as soon as the money is received from CDFB to ensure funds are released to project as soon as possible	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)
5.1 Cash and cash equivalent Balances	<p>manager should institute mechanisms for fast implementation of programmes</p> <p>The Statement of Assets includes a bank balance of Kshs.14,965,761.75 and outstanding imprest of Kshs. 480,000.00. A bank reconciliation statement was also provided to support the balance. However, no copy of warrant was provided to show the details of the imprest. Further, the folio of the cashbook to which the reconciled balance was reflected was not provided for confirmation</p>	<p>The copy of imprest warrant and the folio of cash book has been provided as per attached copies for confirmation of the balances</p>	FAM	Resolved	
6.0 Net	The prior year adjustments of	The prior year adjustment of	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)
Liabilities	<p>Kshs.59,188.00 was explained under Note 14 to be cash in hand. However, it is not clear what error was in the previous year's cash in hand balance to warrant an adjustment.</p> <p>Except for the unexplained prior year adjustment of Kshs.59,188.00, the represented by balance of Kshs.15,445,761.75 was confirmed to be fairly stated</p>	<p>kshs 59,188 represent reversal of bursary which was paid in 2013/14 of cheque no 861 of 29,000, of Kaitui sec school, cheque no 864 of 10,000, of KMTC Msambweni, cheque no 600 of 15,000 for Cheborgei boys high school and cheque no 601 of 5188 Cheborgei girls secondary school due to double posting, as per attached copy of folio 30 of cash book where reversal was done</p>			
7.0 Summary Statement of Appropriation	<p>The summary statement of appropriation at part VII of the financial statements showed a the final budget figure of Kshs.141,191,133. However, when summed up, the figures give a balance of Kshs.140,656,086.50,</p>	<p>The financial statement has been amended as per attached copy</p>	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)
8.0	<p>implying a casting error of Kshs.1,125,346.50.</p> <p>The financial statements are likely to mislead the users</p> <p>During the year under review, the CDF issued Kshs.19,487,700.00 worth of bursaries to various students. Out of the issued amount, only Kshs.15,117,100.00 was acknowledged by the beneficiary institutions leading to a difference of Kshs.4,370,600 bursaries that were not supported by official receipts from the respective institutions</p>	<p>The CDF has followed up and has received the availed acknowledgements and receipts</p>	FAM	Resolved	
9.0	<p>The statement of financial assets include a balance of Kshs.480,000.00 in respect of outstanding imprests. Note 12C to the financial statement listed only one individual as the</p>	<p>The copy of imprest warrant has been availed for audit verification. The imprest has been accounted for in the subsequent financial year 2015/16.</p>	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)
480,000.00	holder of the imprest. However, no evidence in form of an imprest warrant was provided to show when the imprest was taken and its purpose				
10.1 State Cheques - Kshs. 143,000.00	The bank reconciliation statement for the Sigowet/Soin CDF account, reflected unrepresented cheques totaling to Kshs.10,969,290.00 as at 30.6.2015. Out of this amount, Kshs.143,000.00 were state cheques dating as far back as 21.3.2014. It is not clear why these cheques have not been written back to the cash book.	The state cheque has been reversed in the subsequent financial year of 2015/2016 as per attached copy of folio of cash book where the cheque was reversed	FAM	Resolved	
10.2 Receipts in Bank not in	The bank reconciliation statement includes a balance of Kshs. 26,069,248.55, being a direct credit that was	The balance of Kshs 26,069,248.55 is amount received from CDF Board which was not recorded in cash book as at 30 th June	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)
Cashbook – Kshs. 26,069,248.55	received in bank on 26.6.2015 but had not been recorded in the cashbook. The source of the cash was not indicated. Further, it is not clear why the amount has not been recorded in the cashbook	2015 but it has been recorded in cash book in the subsequent financial year 2015/16			