

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

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## **REPORT ON THE FINANCIAL STATEMENTS**

### **Adverse Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Kacheliba Constituency set out on pages 5 to 35, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund-Kacheliba Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that public money has not been applied lawfully and in an effective way.

### **Basis for Adverse Opinion**

#### **1.0 Transfers to Other Government Entities**

##### **1.1 Unconfirmed Expenditure**

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government units amount of Kshs.87,614,854 relating to funds disbursed to various project management committees. However, actual expenditure returns and acknowledgement letters from institutions that received the funds were not availed for audit verification contrary to Section 15(1) (d) of the National Constituency Development Fund Regulations, 2016. Under the circumstances, it was not possible to confirm whether the funds totalling Kshs.87,614,854 was actually received and utilized for the budgeted projects in the year under review.

##### **1.2 Purchase of Two Buses**

Included in the transfers to secondary schools figure of Kshs.20,150,000 is an amount of Kshs.12,400,000 paid to a motor dealer company vide voucher no.36 for the supply

of two new Isuzu semi-luxury buses Model FRR 51 seater passenger as detailed below:

Transaction Details					Amount
Date	Pv No.	Cheque no	Payee	Description	Kshs.
2-Dec-16	36	3018	Commissioner of VAT	Advance Tax	701,887
		3027	General Motors EA Ltd	Supply and Delivery of two number new semi luxury buses	11,698,113
	<b>TOTAL</b>				<b>12,400,000</b>

However, it was noted that the management used direct procurement method contrary to section 103 of the Public Procurement and Disposal Act 2015. Further, the payments were made against a proforma invoice No FS 03398 dated 16th November, 2016. This was in breach of Public Procurement and Disposal act 2015, Section 146 that states no works, goods or services contract shall be paid for before they are executed or delivered and accepted by the accounting officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement. Such an advance payment shall not be paid before the contract is signed.

Consequently, the management of the fund is in breach of the law and the propriety of 12,400,000 incurred on the purchase of the two buses could be confirmed.

### 1.3 Construction of Dormitory at Kodich Boys Secondary School

Included also in the transfers to secondary schools figure of Kshs.20,150,000 is an amount of Kshs.2,501,737 incurred for the construction of a dormitory at Kodich Boys Secondary School. An amount of Kshs.3,721,288 had been paid to the construction firm in the year 2015/2016 bringing the total payments to Kshs.6,223,025. However, the project files lacked actual expenditure returns, bills of quantities, minutes of site and inspection meetings, procurement records, contract agreement and completion certificates. It was also observed that due to delay by the contractor in completing the project the contract had to be terminated.

Consequently, the objective of the project has not been achieved and there was no value for money for the expenditure of Kshs.6,223,025 on the project.

## 2.0 Other Grants and Transfers

### 2.1 Bursary

The statement of receipts and payments for the year ended 30 June 2017 reflects other grants and transfers figure of Kshs.42,757,731 which include bursaries figure of Kshs.27,354,700 comprising of disbursements of Kshs.7,230,000 to secondary schools and Kshs.20,124,700 to tertiary institutions. However, the minutes of the bursary sub-committee indicating how the beneficiaries were identified and evidence that two members of whom one should be area education officer or officer seconded from the Ministry of Education were co-opted as required by the CDF Board circular Ref. CDF Board circulars/Vol 1/111 dated 13 September 2010 were not provided for audit review. In addition, no documentary evidence in form of acknowledgements from schools and institutions was provided for audit verification to confirm receipt of these bursaries.

Consequently, the management is in breach of the law and propriety of the bursary disbursement of Kshs.27,354,700 could not be confirmed.

## **2.2 Roads**

The other grants and transfers of Kshs.42,757,731 also include roads projects expenditure of Kshs.6,500,000 incurred on the Kauriong Nakusse, Kamka Kaphugun and Katuda Chelopoy roads. However, procurement records such as bill of quantities, tender documents, evaluation and award minutes and contract agreement were not provided for audit review.

Consequently, the propriety and validity of the expenditure of Kshs.6,500,000 on road projects for the year ended 30 June 2017 could not be confirmed.

## **2.3 Sports Projects**

Included in the other grants and transfers amount of Kshs.42,757,731 is sports projects expenditure of Kshs.1,637,931 used on cash purchases which exceeded the low value cash purchase limit of Kshs.5,000 for entities in class 'C'. Further, the payment vouchers were not supported by imprest warrant, invoices and goods received notes, distribution list and inspection and acceptance report. Under the circumstances, the validity and propriety of the cash purchases figure of Kshs.1,637,931 on sports projects could not be confirmed.

## **2.4 Emergency Projects**

Included in the other grants and transfers of Kshs.42,757,731 is emergency projects expenditure of Kshs.6,262,100 out of which cash purchases amounted to Kshs.4,058,100 which also exceeded the low value cash purchase limit of Kshs.5,000 for entities in class 'C'. Further, the payment vouchers were not supported by imprest warrant, invoices and goods received notes, distribution list and inspection and acceptance report.

Under the circumstances, the validity and propriety of the cash purchases figure of Kshs.4,058,100 on emergency projects could not be confirmed.

## **3.0 Acquisition of Assets**

### **3.1 Delay in Completion of Project**

The management of the CDF entered into contract with a construction firm on 22 August, 2014 to construct the CDF Office at Alale at a contract sum of Kshs.29,945,061. The contract was for eight months (8). During the year under review Kshs.7,800,000 was paid for roofing, windows, doors and plastering. However, physical verification of the project revealed that the office is not complete though approximately 90% complete. No explanation was provided for taking more than 5 years to complete the project instead of 8 months as per the contract agreement. Further no evidence was provided to confirm whether there was approval of the contract extension period. Also the status report on the project was not provided for audit review and therefore it was not possible to confirm the total payments so far paid to the contractor.

In the circumstances, the propriety of total expenditure incurred on this project so far could not be confirmed and the community may not realize value for money on the project.

### **4.0 Cash and Bank Balances**

The statement of financial assets reflects bank balances figure of Kshs.2,506,893 as at 30 June 2017. However, the bank reconciliation statement availed for audit review reflects un-presented cheques totalling Kshs.23,931,947 out of which cheques amounting to Kshs.890,981 had become stale but had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and bank balances of Kshs.2,509,893 as at 30 June 2017 could not be confirmed.

### **5.0 Project Management Committee Balances**

Note 15.4 to the financial statements reflects project management committee bank accounts balances of Kshs.34,644 as at disclosed under annex 4 in respect of unutilized funds in the project management committee bank accounts. However, cash books, board of survey report, bank confirmation certificates and bank reconciliation statements from project management committee were not availed for audit review. Under the circumstances, the accuracy, completeness and existence of the project management committee bank account balances of Kshs.34,644 could not be confirmed.

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

### **Key Audit Matters**

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

## Other Matter

### 1.0 Budget Control Performance

#### 1.1 Budget Performance

Kacheliba CDF approved budget for 2016/2017 amounted to Kshs.154,109,840. During the same period, the Fund incurred expenditure of Kshs.148,948,947 or 97% of the approved budget resulting to under-expenditure of Kshs.5,160,893 or 3 % of the approved budget as detailed below:

Item	Budget 2016/2017 (Kshs)	Actuals 2016/2017 (Kshs)	Under Expenditure (Kshs)	% Under Expenditure
Compensation of Employees	2,430,820	2,430,820	0	
Use of goods and services	8,152,266	8,345,542	(193,276)	
Transfer to other Government Units	93,255,323	87,614,854	5,640,468	6
Other grants and transfers	42,471,431	42,757,731	(286,300)	
Acquisition of Assets	7,800,000	7,800,000	0	
<b>Total</b>	<b>154,109,840</b>	<b>148,948,947</b>	<b>5,160,893</b>	<b>3</b>

Failure to utilize all the funds as budgeted is an indication that programs or activities were not implemented as planned thus not achieving the intended objective of improving delivery of goods and services to the people of Kacheliba Constituency.

#### 1.2 Project Implementation Status.

A review of the project implementation status as at 30 June 2017 revealed that Kshs.257,556,543 was disbursed to two hundred and fifty five (255) out of which one hundred and five (105) projects at an estimated cost of Kshs.128,923,720 were complete, one hundred and forty seven (147) projects at an estimated cost of Kshs.126,694,890 were partially complete while three (3) projects had not been initiated as indicated in below:-

#### Project Implementation Status

	Project Name	Sub-Project/ Activities	Location	Allocations Kshs	Disbursement Kshs	Cum. Achievement (%)	Remarks
	<b>Complete Projects</b>						
1	Kacheliba Health Center	Maternity wing	Kacheliba	1,700,000.00	1,700,000	80%	complete
2	Kacheliba Health Center	Maternity wing	Kacheliba	800,000.00	800,000	80%	complete
3	Kacheliba Health Center	Maternity wing	Kacheliba	2,000,000.00	2,000,000	100%	complete
4	Kacheliba Health Center	Eye unit	Kacheliba	400,000.00	400,000	30%	complete
5	Kacheliba Health Center	Eye unit	Kacheliba	2,000,000.00	2,000,000	100%	complete
6	Alale Health Centre	Prefabricated staff house	Alale	4,200,000.00	4,200,000	80%	Complete
7	Kour Dispensary	Outpatient	Ompolion	2,000,000.00	2,000,000	70%	Complete
8	Kour Dispensary	Outpatient	Ompolion	2,000,000.00	2,000,000	95%	Complete
9	Kour Dispensary	Outpatient	Ompolion	300,000.00	300,000	100%	Complete
10	Kour Dispensary	Staff Quarter	Ompolion	500,000.00	500,000	70%	Complete
11	Kour Dispensary	Staff Quarter	Ompolion	1,500,000.00	1,500,000	95%	Complete
12	Kour Dispensary	Staff Quarter	Ompolion	200,000.00	200,000	100%	Complete
13	Kour Dispensary	fencing	Ompolion	2,000,000.00	2,000,000	30%	Complete
14	Kour Dispensary	fencing	Ompolion	1,000,000.00	1,000,000	100%	Complete
15	Mading Dispensary	Outpatient	Konyao	2,000,000.00	2,000,000	100%	Complete
16	Mading Dispensary	Outpatient	Konyao	800,000.00	800,000	100%	Complete
17	Mading Dispensary	Staff Quarters	Konyao	500,000.00	500,000	60%	Complete
18	Mading Dispensary	Staff Quarter	Konyao	500,000.00	500,000	100%	Complete
19	Mading Dispensary	toilets	Konyao	200,000.00	200,000	100%	Complete
20	Kamla Dispensary	Outpatient	Kiwawa	2,000,000.00	2,000,000	100%	complete
21	Kamla Dispensary	Outpatient	Kiwawa	800,000.00	800,000	100%	Complete
22	Kamla Dispensary	Staff Quarters	Kiwawa	500,000.00	500,000	80%	Complete
23	Kamla Dispensary	Staff Quarters	Kiwawa	500,000.00	500,000	100%	Complete
24	Mbaro Dispensary	Outpatient	Lopet	2,000,000.00	2,000,000	80%	Complete
25	Mbaro Dispensary	Outpatient	Lopet	800,000.00	800,000	100%	Complete
26	Mbaro Dispensary	Staff Quarters	Lopet	500,000.00	500,000	60%	Complete
27	Mbaro Dispensary	Staff Quarters	Lopet	500,000.00	500,000	100%	Complete
28	Mbaro Dispensary	toilets	Lopet	200,000.00	200,000	100%	Complete
29	Sirwach Dispensary	Outpatient	Kaptolomwo	2,000,000.00	2,000,000	80%	Complete
30	Sirwach Dispensary	Outpatient	Kaptolomwo	800,000.00	800,000	100%	Complete
31	Sirwach Dispensary	Staff Quarters	Kaptolomwo	500,000.00	500,000	60%	Complete
32	Sirwach Dispensary	Staff Quarters	Kaptolomwo	500,000.00	500,000	100%	Complete
33	Sirwach Dispensary	toilets	Kaptolomwo	200,000.00	200,000	100%	Complete
34	Nasal Dispensary	Outpatient	Lokitonyala	2,000,000.00	2,000,000	80%	Complete
35	Nasal Dispensary	Outpatient	Lokitonyala	800,000.00	800,000	100%	Complete
36	Nasal Dispensary	Staff Quarters	Lokitonyala	500,000.00	500,000	60%	Complete
37	Nasal Dispensary	Staff Quarters	Lokitonyala	500,000.00	500,000	100%	Complete
38	Lengorok dispensary	Staff Quarter	Chemrongit	500,000.00	500,000	100%	Complete
39	Nakwijit dispensary	fencing	Kodich	700,000.00	700,000	100%	Complete
40	Ngotut dispensary	Outpatient Block	Konyao	1,500,000.00	1,500,000	50%	Complete

41	Ngotut dispensary	Outpatient Block	Konyao	1,000,000.00	1,000,000	80%	Complete
42	Nangolesinyon dispensary	Outpatient Block	Kases	1,500,000.00	1,500,000	50%	Complete
43	Nangolesinyon dispensary	Outpatient Block	Kases	1,000,000.00	1,000,000	100%	Complete
44	Chelopoi dispensary	Outpatient Block	Kiwawa	1,500,000.00	1,500,000	50%	Complete
45	Chelopoi dispensary	Outpatient Block	Kiwawa	1,000,000.00	1,000,000	100%	Complete
46	Murkorio dispensary	Outpatient Block	Kasei	1,500,000.00	1,500,000	50%	Complete
47	Murkorio dispensary	Outpatient Block	Kasei	1,000,000.00	1,000,000	100%	Complete
48	Konyao ecd	2classes	Kapchok	2,000,000.00	-	0%	Complete
49	kasei secondary	equipping the lab	Kasei	1,500,000.00	1,500,000	100%	Complete
50	Kasei secondary	purchase of bus	Kasei	7,500,000.00	7,500,000	100%	Complete
51	Kodich Boys Sec	building 4classes	Kodich	1,500,000.00	1,500,000	10%	Complete
52	Kodich Boys Sec	building dormitory	Kodich	2,000,000.00	2,000,000	30%	Complete
53	Kodich Boys Sec	building 4 classes	Kodich	2,000,000.00	2,000,000	100%	Complete
54	Kodich Boys Sec	building dormitory	Kodich	2,000,000.00	2,000,000	30%	Complete
55	Kodich Boys Sec	dorm	Kodich	2,000,000.00	2,000,000	30%	Complete
56	Kiwawa Boys sec	building 4 classes	Kiwawa	1,500,000.00	1,500,000	10%	Complete
57	Kiwawa Boys sec	building 4 classes	Kiwawa	2,000,000.00	2,000,000	100%	Complete
58	Kiwawa Boys sec	building dormitory	Kiwawa	2,000,000.00	2,000,000	20%	Complete
59	Kiwawa Boys sec	building dormitory	Kiwawa	2,000,000.00	2,000,000	40%	Complete
60	Kiwawa Boys sec	building dormitory	Kiwawa	2,000,000.00	2,000,000	60%	Complete
61	Holy Cross Sec	dining hall	Suam	4,500,000.00	4,500,000	80%	Complete
62	Holy Cross Sec	Bus	Suam	5,000,000.00	5,000,000		Complete
63	Holy Cross Sec	Bus	Suam	2,500,000.00	2,500,000	100%	Complete
64	St Baghita Karon secondary	Fencing round the School	Kacheliba	1,500,000.00	1,500,000	50%	Complete
65	St Baghita Karon secondary	Fencing round the School	Kacheliba	1,000,000.00	1,000,000	80%	Complete
66	St Comboni Amakuriat sec.	Fencing round the School	Alale	1,500,000.00	1,500,000	30%	Complete
67	St Comboni Amakuriat sec.	Fencing round the School	Alale	1,000,000.00	1,000,000	50%	Complete
68	St Comboni Amakuriat sec.	Purchase of Bus	Alale	7,000,000.00	7,000,000	100%	Complete
69	Boralee sec	Dormitory	Konyao	1,500,000.00	1,500,000	40%	Complete
70	Boralee sec	Dormitory	Konyao	1,500,000.00	1,500,000	50%	Complete
71	Boralee sec	40beds	Konyao	400,000.00	400,000	100%	Complete
72	St Anne sec	Twin Admin	Kiwawa	1,000,000.00	1,000,000	80%	Complete
73	Kasaka primary	1 Class	Kasei	400,000.00	400,000	80%	Complete
74	Cherangan primary	40beds	Kodich	480,000.00	480,000	100%	Complete
75	Kapsintoi primary	2 Classes	Kasei	500,000.00	500,000	80%	Complete
76	Kapsintoi primary	2 Classes	Kasei	300,000.00	300,000	100%	Complete
77	Katuperot primary	1 Class	Kacheliba	200,000.00	200,000	100%	Complete
78	Kapterema	1 Class	Kasei	400,000.00	400,000	100%	Complete
79	Chepurwo primary	1 Class	Kasei	300,000.00	300,000	100%	Complete

80	Kauriong' primary	1 Class	Kiwawa	300,000.00	300,000	100%	Complete
81	Kauriong' primary	1 Class	Kiwawa	500,000.00	500,000		Complete
82	Oron primary	1 Class	Alale	200,000.00	200,000	100%	Complete
83	Tight Primary	2 Classes	Kasei	600,000.00	600,000	70%	Complete
84	Tight Primary	2 Classes	Kasei	800,000.00	800,000	80%	Complete
85	Tight Primary	2 Classes	Kasei	300,000.00	300,000	20%	Complete
86	Rockvalley primary	2 Classes	Konyao	400,000.00	400,000	80%	Complete
87	Kameri primary	2 Classes	Kodich	400,000.00	400,000	100%	Complete
88	Nakwapuo Primary	2 Classes	Kodich	300,000.00	300,000	100%	Complete
89	Nakwapuo Primary	1classes	Kodich	700,000.00	700,000	80%	Complete
90	Nakwapuo Primary	1classes	Kodich	300,000.00	300,000	20%	Complete
91	Kasepa primary	1class	KAMKETO	400,000.00	400,000	100%	Complete
92	Alale girls sec	ud bus	Alale	7,643,720.00	7,643,720	100%	Complete
93	Churum primary	1class	Kasei	300,000.00	300,000	100%	Complete
94	Kodich A.I.C primary	electricity	Kodich	500,000.00	500,000	100%	Complete
95	Tiyinei primary	2 Classes	KOPULIO	400,000.00	400,000	100%	Complete
96	Katopoton Primary	2 Classes	Kodich	500,000.00	500,000	100%	Complete
97	Katopoton Primary	2 Classes	Kodich	400,000.00	400,000	100%	Complete
98	Kapkewa primary	2 Classes	Kasei	400,000.00	400,000	100%	Complete
99	Kalam primary	2 Classes	Kasei	400,000.00	400,000	100%	Complete
100	Woyakol Primary	2 Classes	Alale	400,000.00	400,000	50%	Complete
101	Woyakol Primary	2 Classes	Alale	700,000.00	700,000	80%	Complete
102	Woyakol Primary	2 Classes	Alale	300,000.00	300,000	20%	Complete
103	Sonkok Primary	2 Classes	Kasei	400,000.00	400,000	100%	Complete
104	Kapkoghin primary	2 Classes	Kiwawa	600,000.00	600,000	100%	Complete
105	Kimpur primary	2 Classes	Kiwawa	400,000.00	400,000	100%	Complete
					<b>128,923,720</b>		
		<b>New Projects</b>					
1	takawia preschool	4semi permanent classes	ompolion	400,000.00	400,000		New
2	kamketo primary	rehabilitation of 8 classrooms	Kasei	837,931.00	837,931	50%	New
3	kamketo primary	rehabilitation of 8 classrooms	Kasei	700,000.00	700,000	100%	Not implemented
					<b>1,937,931</b>		
		<b>Ongoing Projects</b>					
1	akelin primary	admin block	Kasei	500,000.00	500,000	80%	On going
2	akelin primary	admin block	Kasei	300,000.00	300,000	100%	On going
3	melee primary	finishing 2classes	Kases	600,000.00	600,000	100%	On going
4	kasei primary	footbal field leveling	Kasei	1,000,000.00	1,000,000	60%	On going
5	kasei primary	footbal field leveling	Kasei	1,000,000.00	1,000,000	100%	On going
6	kasei primary	40beds	Kasei	400,000.00	400,000	100%	On going
7	lonyangalem primary	building dormitory	Kasei	1,500,000.00	1,500,000	50%	On going



8	lonyangalem primary	building dormitory	Kasei	2,000,000.00	2,000,000	80%	On going
9	lonyangalem primary	building dormitory	Kasei	1,000,000.00	1,000,000	100%	On going
10	chepkinagh primary	25beds	Kiwawa	300,000.00	300,000	100%	On going
11	lokomolo primary	2classes	Suam	1,400,000.00	1,400,000	50%	On going
12	lokomolo primary	2classes	Suam	300,000.00	300,000	80%	On going
13	lokomolo primary	2classes	Suam	200,000.00	200,000	50%	On going
14	chepkinagh primary	40beds	Kiwawa	500,000.00	500,000	100%	On going
15	konyao dorcas adventist primary	1classes	Konyao	1,000,000.00	1,000,000	80%	On going
16	konyao dorcas adventist primary	1classes	Konyao	500,000.00	500,000	100%	On going
17	asilong primary	2classes	Kacheliba	600,000.00	600,000	100%	On going
18	asilong primary	1class	Kacheliba	700,000.00	700,000	100%	On going
19	kabul primary	2classes	Kacheliba	800,000.00	800,000	100%	On going
20	kabul primary	1classes	Kacheliba	700,000.00	700,000	100%	On going
21	kacheliba mix primary	boys dormitory	Kacheliba	500,000.00	500,000	100%	On going
22	chelopoi primary	girls dormitory	Kiwawa	500,000.00	500,000	100%	On going
23	chelopoi primary	40beds	Kiwawa	500,000.00	500,000	100%	On going
24	kawolok primary	2classes	Konyao	400,000.00	400,000	60%	On going
25	kawolok primary	2classes	Konyao	600,000.00	600,000	80%	On going
26	kawolok primary	2classes	Konyao	500,000.00	500,000	100%	On going
27	tapadany rescure c	rescure center	Kacheliba	1,500,000.00	1,500,000	70%	On going
28	tapadany rescure c	rescure center	Kacheliba	700,000.00	700,000	100%	On going
29	mbaro primary	dormitory	lopet	2,000,000.00	2,000,000	50%	On going
30	mbaro primary	dormitory	lopet	800,000.00	800,000	100%	On going
31	kacheliba mix primary	4beds	Kacheliba	500,000.00	500,000	100%	On going
32	kacheliba islamic	2classes	Suam	1,200,000.00	1,200,000	80%	On going
33	kacheliba islamic	2classes	Suam	300,000.00	300,000	80%	On going
34	kacheliba islamic primary	2classes	Suam	300,000.00	300,000		On going
35	konyao arid zone	renovation: 2dorms	Kapchok	800,000.00	800,000	30%	On going
36	konyao arid zone	renovation: 2dorms	Kapchok	800,000.00	800,000	60%	On going
37	lotepes primary	2classes	Kodich	1,400,000.00	1,400,000	80%	On going
38	lotepes primary	2classes	Kodich	300,000.00	300,000	90%	On going
39	kotulpogh primary	2classes	kamketo	1,500,000.00	1,500,000	80%	On going
40	kotulpogh primary	2classes	kamketo	300,000.00	300,000	100%	On going
41	cheptopongwuny pri	2classes	Alale	1,400,000.00	1,400,000	80%	On going
42	cheptopongwuny pri	2classes	Alale	400,000.00	400,000	100%	On going
43	chedawa primary	2classes	Kasei	1,400,000.00	1,400,000	80%	On going

44	chedawa primary	2classes	Kasei	300,000.00	300,000	100%	On going
45	atatar primary	2classes	Kiwawa	1,366,010.00	1,366,010	80%	On going
46	atatar primary	2classes	Kiwawa	300,000.00	300,000	100%	On going
47	katumkale primary	2class	Kiwawa	1,366,010.00	1,366,010	100%	On going
48	katumkale primary	2class	Kiwawa	300,000.00	300,000	100%	On going
49	kalapata primary	dormitory	Alale	1,300,000.00	1,300,000	50%	On going
50	kalapata primary	dormitory	Alale	300,000.00	300,000	100%	On going
51	nagwailap primary	1class	Alale	500,000.00	500,000	100%	On going
52	nagwailap primary	1class	Alale	700,000.00	700,000	100%	On going
53	nagwailap primary	1class	Alale	700,000.00	700,000	100%	On going
54	nagwailap primary	1class	Alale	300,000.00	300,000		On going
55	naruoro primary	2classes	Alale	1,300,000.00	1,300,000	80%	On going
56	naruoro primary	2classes	Alale	300,000.00	300,000	100%	On going
57	nauyapong' primary	dormitory	lokitonyala	2,000,000.00	2,000,000	50%	On going
58	nauyapong' primary	dormitory	lokitonyala	800,000.00	800,000	80%	On going
59	morwepong pri	2classes	Suam	1,200,000.00	1,200,000	80%	On going
60	lobiroi primary	2classes	Alale	1,200,000.00	1,200,000	100%	On going
61	lobiroi primary	2classes	Alale	700,000.00	700,000	80%	On going
62	lobiroi primary	2classes	Alale	300,000.00	300,000		On going
63	katich primary	1classes	Alale	600,000.00	600,000	80%	On going
64	Katich primary	1classes	Alale	700,000.00	700,000	80%	On going
65	Katich primary	1classes	Alale	300,000.00	300,000	100%	On going
66	Katich primary	1classes	Alale	300,000.00	300,000		On going
67	Kapetakinei pri	2classes	Suam	872,772.00	872,772	70%	On going
68	Kapetakinei pri	2classes	Suam	300,000.00	300,000		On going
69	Shongen pri	2classes	Suam	872,772.00	872,772	70%	On going
70	Shongen pri	2classes	Suam	300,000.00	300,000	50%	On going
71	Kopeyon pri	2classes	Konyao	1,000,000.00	1,000,000	70%	On going
72	Kopeyon pri	2classes	Konyao	300,000.00	300,000	50%	On going
73	Kariamawoi	2classes	Konyao	1,000,000.00	1,000,000	70%	On going
74	Kkariamawoi	2classes	Konyao	300,000.00	300,000	50%	On going
75	Kanyerus pri	2classes	Suam	1,000,000.00	1,000,000	70%	On going
76	Kanyerus pri	2classes	Suam	300,000.00	300,000	50%	On going
77	Kalas pri	dormitory	Kodich	1,500,000.00	1,500,000	70%	On going
78	Kalas pri	dormitory	Kodich	500,000.00	500,000		On going
79	Cheptapa pri	2classes	Kiwawa	700,000.00	700,000	70%	On going
80	cheptapa pri	2classes	Kiwawa	300,000.00	300,000		On going
81	krimti pri	2classes	Kodich	700,000.00	700,000	70%	On going
82	krimti pri	2classes	Kodich	300,000.00	300,000	50%	On going
83	Namoru pri	3classes	Kodich	400,000.00	400,000	100%	On going
84	Sirwach pri	2classes	katolomwo	1,200,000.00	1,200,000	80%	On going
85	Sirwach pri	2classes	katolomwo	300,000.00	300,000	50%	On going
86	Kasopit pri	2classes	kamketo	1,000,000.00	1,000,000	70%	On going
87	Kasopit pri	2classes	kamketo	300,000.00	300,000		On going
88	Kapcheror pri	2classes	Kasei	1,000,000.00	1,000,000	80%	On going

89	Kapcheror pri	2classes	Kasei	300,000.00	300,000		On going
90	Kour pri	dormitory	Kasei	1,500,000.00	1,500,000	70%	On going
91	Kour pri	dormitory	Kasei	400,000.00	400,000		On going
92	Kangoletiang pri	dormitory	Kasei	1,500,000.00	1,500,000	0%	On going
93	Katuda pri	2classes	Kiwawa	1,000,000.00	1,000,000	80%	On going
94	Katuda pri	2classes	Kiwawa	300,000.00	300,000		On going
95	Kases pri	2classes	Kiwawa	1,000,000.00	1,000,000	70%	On going
96	Kases pri	2classes	Kiwawa	300,000.00	30,000		On going
97	Lochoriamonyang pr	2classes	Alale	1,000,000.00	1,000,000	70%	On going
98	Lochoriamonyang pr	2classes	Alale	300,000.00	300,000		On going
99	Wasat pri	1classes	Kiwawa	500,000.00	500,000	70%	On going
100	Wasat pri	1classes	Kiwawa	300,000.00	300,000		On going
101	Kapem pri	2classes	Kiwawa	700,000.00	700,000	70%	On going
102	Kapem pri	2classes	Kiwawa	300,000.00	300,000	50%	On going
103	Chepsepin pri	2classes	Kiwawa	700,000.00	700,000	70%	On going
104	Chepsepin pri	2classes	Kiwawa	300,000.00	300,000		On going
105	Sasak pri	dormitory	Alale	1,500,000.00	1,500,000	60%	On going
106	sasak pri	dormitory	Alale	400,000.00	400,000		On going
107	Alany pri	2classes	Alale	1,200,000.00	1,200,000	80%	On going
108	Alany pri	2classes	Alale	300,000.00	300,000	50%	On going
109	Nasal pri	staff hse	Alale	800,000.00	800,000	80%	On going
110	Nasal pri	staff hse	Alale	300,000.00	300,000	50%	On going
111	Alale pri	fence	Alale	1,500,000.00	1,500,000	40%	On going
112	Kaptolomwo pri	2classes	Kasei	700,000.00	700,000	70%	On going
113	Kaptolomwo pri	2classes	Kasei	300,000.00	300,000	50%	On going
114	mayaipogh pri	1class	Kasei	500,000.00	500,000	20%	On going
115	lokichar pri	dormitory	Kodich	1,000,000.00	1,000,000	20%	On going
116	ngengechwa pri	dormitory	Suam	1,000,000.00	1,000,000	20%	On going
117	ngotut pri	dormitory	Kapchok	1,000,000.00	1,000,000	20%	On going
118	kasitet pri	1class	Alale	500,000.00	500,000	20%	On going
119	mistin pri	1class	Kasei	500,000.00	500,000	20%	On going
120	kachawa pri	1class	Kasei	500,000.00	500,000	20%	On going
121	napitiro pri	1class	Kapchok	500,000.00	500,000	20%	On going
122	tapadany borehole (primary)	drilling & installation of pipes	Kacheliba	1,500,000.00	1,500,000	100%	On going
123	cheputir cattle dip	renovation	Kasei	464,004.00	464,004.0	100%	On going
124	kamila tarakit rd	opening of new rd	Kiwawa	2,000,000.00	2,000,000	100%	On going
125	Alale naruoro rd	opening of new rd	Alale	6,000,000.00	6,000,000	100%	On going
126	Katuda chelopoi rd	opening of new rd	Kiwawa	2,000,000.00	2,000,000	100%	On going
127	Kaurioug nakuse rd	opening of new rd	Kiwawa	2,500,000.00	2,500,000	100%	On going
128	Kamila d.o office	100chairs/10tables	Kiwawa	500,000.00	500,000.0	100%	On going
129	DC residence	fencing	Alale	500,000.00	500,000.0	100%	On going

130	DC residence	fencing	Alale	200,000.00	200,000.0	70%	On going
131	CDF office	roofing	Alale	8,000,000.00	8,000,000	50%	On going
132	CDF office	building cdf office	Alale	7,000,000.00	7,000,000	90%	On going
133	Constituency office	finishing	Alale	1,000,000.00	1,000,000	100%	On going
134	Constituency office	electrification	Alale	700,000.00	700,000	100%	On going
135	Konyao D.O office	office	Kapchok	2,329,310.00	2,329,310	70%	On going
136	orolwo chiefs office	1 block	Kodich	1,000,000.00	1,000,000	70%	On going
137	korokou pri	Tree Seedlings	Kasei	400,000.00	400,000.0	100%	On going
138	alale pri	Tree Seedlings	Alale	310,000.00	310,000	100%	On going
139	tapadany pri	Tree Seedlings	Suam	154,014.00	154,014	100%	On going
140	nakuyen pri	Tree Seedlings	Suam	300,000.00	300,000.0	100%	On going
141	chepkinagh pri	Tree Seedlings	Kiwawa	350,000.00	350,000.0	100%	On going
142	kasaka pri	Tree Seedlings	KASE	330,000.00	330,000.0	100%	On going
143	kasei pri	Tree Seedlings	Kasei	300,000.00	300,000.0	100%	On going
144	kodera pri	Tree Seedlings	Kapchok	300,000.00	300,000.0	100%	On going
145	kameris pri	Tree Seedlings	Alale	150,000.00	150,000.0	100%	On going
146	kodich aic pri	Tree Seedlings	Kodich	150,000.00	150,000.0	100%	On going
147	nakwijit pri	Tree Seedlings	Kodich	150,000.00	150,000.0	100%	On going
	<b>Sub-Total</b>				<b>126,694,892</b>		
	<b>Total</b>				<b>257,556,543</b>		

Projects which are partially/not implemented impact negatively on the service delivery to the people of Kacheliba constituency.

### 1.3 Projects Verification

Eight (8) projects costing Kshs.21,501,737 were physically verified and the following observations were made regarding the projects:

No.	Date	PV No.	Project	Activity	Amount	Remarks
1	13-Apr-17	120	Kodich Secondary School	Construction of cubicle dormitory at kodich Secondary School	2,501,737	On-going, Foundation done, materials on the ground. A new contractor on site.
2	2-Dec-16	36	Holy cross boys Secondary School Bus	Supply and Delivery of two number new semi luxury buses	12,000,000	The Buses were delivered and in use by the school
3			St Comboni Amakuriat Secondary School Bus			
4	28-Sep-16	9	Kiwawa Boys Secondary School	Completion of 4 Classroom at Kiwawa Boy's Secondary	2,000,000	No window panes, No Electrical installation, Class are occupied and in use.

5	6-Sep-16	29	Kalas Primary School	Construction of Dormitory	1,500,000	Walling and roofing done, The dormitory is in use, Finishing not done.
6	16-Sep-16	3	St Comboni Amakuriat Secondary School Bus	Construction of Perimeter Fence	1,000,000	Fencing Partially done as per the disbursed funds
7	28-Sep-16	6	St. Bhakita Girls	Fencing by heavy duty chain Link	1,000,000	Fencing Partially done as per the disbursed funds
8	16-Sep-16	28	Alale Pry. School	Fencing by heavy duty chain Link	1,500,000	Fencing Partially done as per the disbursed funds
<b>Total</b>					<b>21,501,737</b>	

Consequently, the people of Kacheliba constituency may not have received value for money for Kshs.9,501,737 spent on seven projects that were still incomplete.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Fund's 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 conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

**15 August 2018**