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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Kesses Constituency set out on pages 5 to 38, which comprise the statement of assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation; recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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- Kesses 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 Units

1.1 Un-Supported Expenditure

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government units figure of Kshs.50,470,000 which comprises transfers to primary schools' figure of Kshs.27,370,000, transfers to secondary schools amount of Kshs.22,900,000 and to health institutions amount of Kshs.200,000 to fund various projects that were to be implemented by project management committees. However, the actual expenditure returns together with supporting documents and acknowledgement letters from the respective project management committees availed for audit verification accounted for only Kshs.900,000 leaving Kshs.49,570,000 un-supported.

Under the circumstances, it was not possible to confirm whether the total transfers of Kshs.49,570,000 was actually received by the institutions and utilized towards the planned projects during the year under review.

1.2 Renovation of Classrooms at Cheptiret Primary School

Included in the transfers to other government units figure of Kshs.50,470,000 is is an amount of Kshs.27,370,000 in respect of transfer to primary schools out of which an amount of Kshs.350,000 was disbursed to Cheptiret Primary School for renovation of 20 classrooms. The works to be done included painting the roofs, plastering floors and replacement of window panes. However, audit inspection of the project in June 2018 revealed that although the renovation works were complete, the floors in respect of three (3) classrooms had major cracks which is an indication of poor workmanship and therefore there was no value for money spent on the project. In addition completion certificate and hand over report were not availed for audit review.

Consequently, the propriety of the expenditure of Kshs.350,000 incurred on renovation of the classrooms could not be confirmed.

1.3 Procurement of School Bus for Koiluget Secondary School

Included also in the transfers to other government units figure of Kshs.50,470,000 is transfer to secondary schools amount of Kshs.22,900,000 out of which an amount of Kshs.3,000,000 was disbursed to Koiluget Secondary School for purchase of a school bus. The Project Management Committee (PMC) invited quotations for the purchase of a 33 seater luxury body bus and the evaluation done on 26 May 2016. According to the evaluation minutes, four (4) bidders submitted quotations after which the tender was awarded to the second highest bidder to supply the school bus at cost of Kshs.5,020,000 excluding insurance. Subsequently, three (3) instalments of Kshs.995,000 each, all totalling to Kshs.2,985,000 were made to the firm indicated as deposit for the purchase of a 51 seater bus. According to the acknowledgement of payments by the motor company on 21 October 2016, it indicated that the deposit was in respect of a 51 seater luxury bus. Available information revealed that on 23 December 2016, the motor company wrote to the school informing the management that the 51 seater bus Isuzu FRR was ready for branding/registration and need to pay the balance of Kshs.3,251,720 out of the price of Kshs.6,236,720 and insurance for one year amounting to Kshs.264,969.

However, the tender documents including, tender opening minutes, notification and acceptance letters, signed contract agreement, and performance bond guarantee were not availed for audit verification.

Further, the management has not provided any information including CDFC approval of variation from a 33 seater bus costing Kshs.5,020,000 to 51 seater costing Kshs.6,236,720 a variation of Kshs.1,216,7209 or 24% contrary to Section139(1) (4)(b) of the Public Procurement and Assets Disposal Act, 2015 which states that the quantity variation for goods and services does not exceed fifteen (15%) per cent of the original contract quantity.

In addition, as at the time of audit in June 2018 there was no evidence that the bus had been supplied which is over 20 months since the deposit of Kshs.2,985,000 was made.

Consequently, the propriety of the expenditure of Kshs.2,985,000 disbursed towards the purchase of the school bus could not be confirmed.

2.0 Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.28,704,480 for the year ended 30 June 2017 which includes bursaries to secondary schools amounting to Kshs.10,610,000 and bursaries to tertiary institutions amounting to Kshs.6,795,000 all totalling to Kshs.17,405,000. Although the bursary disbursements during the year were done by CDFC bursary subcommittee, the subcommittee as constituted did not co-opt two members one who must be the area education officer or representative of the of Ministry of Education as required by Constituencies Development Fund Board circular VOL1/111 dated 13 September 2010. In addition, only an amount of Kshs.945,000 was supported as having been received by the recipient institutions hence leaving Kshs.16,460,000 un-supported.

Consequently, the propriety of the bursary disbursements amounting to Kshs.16,460,000 could not be confirmed.

3.0 Unaccounted for Fuel

The statement of receipts and payments reflects use of goods and services amount of Kshs.5,318,132 which include Kshs.389,942 paid to a petroleum dealer for supply of fuel in bulk. However, quotations, evaluation and award minutes, fuel register, supplier statement and work tickets showing how the fuel purchased was utilized were not availed for audit review.

Consequently, the propriety of the expenditure of Kshs.389,942 on fuel could not be confirmed.

4.0 Cash and Cash Equivalents

4.1 Bank Balance

The statement of assets and liabilities as at 30 June 2017 reflects a bank balance of Kshs.4,386,789. An audit review of the bank reconciliation statement for the month of June 2017 showed unpresented cheques amounting to Kshs.1,914,390 out of which cheques amounting to Kshs.1,027,709 were dated 3 August 2016 and earlier and were therefore stale. Further cheques totalling Kshs.635,851 out of the balance of unpresented cheques amounting to Kshs.886,680 had not been cleared by 31 December 2017 and were therefore stale. Further, as at the time of audit in June 2018, all the stale cheques totalling to Kshs.1,663,559.55 had not been written back to the cash book and replaced and no reason was given for not clearing these stale cheques.

The bank reconciliation statement further reflects payments in bank statement not recorded in cash book amounting to Kshs.56,609.60 relating to bank charges which were also not recorded in the cashbook.

Consequently, the accuracy and validity of the bank balance of Kshs. Kshs.4,386,789 could not be confirmed.

4.2 Long Outstanding Imprest

The statement of assets and liabilities as at 30 June 2017 reflects outstanding imprests balance of Kshs.99,500. Available information revealed that the outstanding imprest was issued to the Fund Account Manager and has been outstanding for long. No justification was provided for failure to surrender or recover the imprest from the Manager's salary as required by the Public Finance Management (National Government) Regulations, 2015. Although management has indicated that the imprest has since been surrendered, the surrender voucher together with supporting documents were however not provided for audit verification.

Under the circumstances, the propriety of the outstanding imprest balance of Kshs.99,500 could not be confirmed.

5.0 Variances in the Project Management Committee (PMC) Account Balances

Note 15.4 to the financial statements indicate Project Management Committee bank account balances amounting to Kshs.2,279,532 as at 30 June 2017 while Annex 5 to the financial statements reflects total balance of Kshs.2,290,543.40 resulting to an unreconciled variance of Kshs.11,011. In addition, the cashbooks, bank reconciliation statements, certificate of bank balances and bank statements in support of the Project Management Committee bank account balances were not availed for audit review.

Consequently, the accuracy, validity and existence of the disclosed Project Management Committee balance of Kshs.2,279,532 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- Kesses 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 section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

1.1 Budgetary Performance

The National Government Constituencies Development Fund - Kesses Constituency had an approved budget of Kshs.132,739,684 for the financial year 2016/2017. During the same period, the Fund recorded expenditure of Kshs.87,305,120 or approximately 66% of the budget resulting in an under expenditure of Kshs.45,434,564 or 34% of the budget as detailed below:

Item	Approved Budget (Kshs)	Expenditure (Kshs)	Under absorption (Kshs)	Under Absorption (%)
Compensation of Employees	2,667,610	1,699,422	968,188	36
Use of goods and services	9,072,988	5,318,132	3,754,856	41
Transfers to Other Government Units	74,147,910	50,470,000	23,677,910	32
Other grants and transfers	45,426,945	28,704,480	16,722,465	37
Other Payments	1,424,231.00	1,113,086	311,145	22
Total	**132,739,684**	**87,305,120**	**45,434,564**	34

Non-utilization of funds is an indication that services and approved programs were not delivered, and therefore the budget did not meet the intended objectives of improving delivery of goods and services to the residents of Kesses Constituency.

Project Implementation Status

According to the project implementation status report availed for audit, the National Government Constituencies Development Fund- Kesses Constituency had budgeted to spend Kshs.120,122,755 towards the implementation of two hundred and nine (208) projects where Kshs.79,174,480 or approximately 66 % was disbursed to one hundred and twenty one (121) projects while eighty seven (87) projects with a budget of Kshs.40,948,275 were not funded during the year as shown below:

No	Project Name	Project Activities	Budgeted Amount (Kshs)	Amount Disbursed (Kshs)	Completion Rate (%)	Remarks
1	Chuchuniat Pri Sch	Completion of administration block	300,000	300,000	95	Complete
2	St Catherine Kahuho	Construction of one classroom.	450,000	450,000	100	Complete
3	Silaga Pri School	Construction of one classroom.	450,000	450,000	100	Complete
4	Toror Pri School (15-16)	Construction of one classroom.	450,000	450,000	100	Complete

5	Mugundoi Pr School	Constrution of girls domitory	700,000	700,000	100	Complete
6	Rongai Pri School	Construction of one classroom.	450,000	450,000	100	Complete
7	Asururiet Pri School	Construction of one classroom.	450,000	450,000	100	Complete
8	Ndungulu Pri School	Construction of one classroom.	450,000	450,000	100	Complete
9	Koitebes Pri School	Rennovation of 5 classrooms	500,000	500,000	100	Complete
10	St.Corneliu s Tilolwo Pri	Construction of one classroom.	450,000	450,000	100	Complete
11	Kapyemit Pri School	Final payment for 2 acres of land bought by cdf	150,000	150,000	100	Complete
12	Mogochore t Pri School	Completion of three classrooms	300,000	300,000	100	Complete
13	Sambul Pri School	Construction of one classroom.	450,000	450,000	100	Complete
14	Rehema Pri School	Completion of two classrooms	400,000	400,000	100	Complete
15	Subukia Pri School	Completion of two classrooms	200,000	200,000	100	Complete
16	Lainguse Pri School	Contruction of 6 new toilets	400,000	400,000	100	Complete
17	Aic Reverend Mesis Pri	Purchase 3 acre piece of land	900,000	900,000	100	Complete
18	Oasis Pri School	Completion of three classrooms	500,000	500,000	100	Complete
19	Tumoge Pri School	Painting of 13 classrooms	300,000	300,000	100	Complete
20	Ngeny Pri School	Construction one new classroom	450,000	450,000	100	Complete
21	Chebii Pri School	Completion of 2 classrooms	200,000	200,000	100	Complete
22	St Catherine Girls Kesses	Payment of school bus	1,500,000	1,500,000	100	Complete
23	Cheplaskei Secondary	Completion of dormitory	500,000	500,000	100	Complete
24	All Saints Chepkigen Secondary	Completion of lab,installations	600,000	600,000	100	Complete
25	Sosiani Sec Sch	Construction of one classroom.	450,000	450,000	100	Complete

26	Chirchir Sec School	Purchase lab equipments	500,000	500,000	100	Complete
27	Kiptega Sec School	Purchase of 5 acre school land	2,000,000	2,000,000	100	Complete
28	Ndungulu Secondary	Completion of adm.block	400,000	400,000	100	Complete
29	Kapilat Primary	Completion of two classrooms	200,000	200,000	100	Complete
30	Kondoo Farm 9 Primary	Construction of two classrooms	900,000	900,000	100	Complete
31	Bureti Kapsoen Primary	Purchase of one acre land	600,000	600,000	100	Complete
32	Bureti Kapsoen Primary	Construction of one classroom	450,000	450,000	100	Complete
33	Muchorwe Primary	Construction of one classroom	450,000	450,000	100	Complete
34	Tulwopng'etuny Primary	Construction of one classroom	450,000	450,000	100	Complete
35	Cheptiret Primary	Renovation of 20 classrooms	350,000	350,000	100	Complete
36	St.Corneliu s Tilolwo Primary	Construction of two classrooms	900,000	900,000	100	Complete
37	Kapilat Primary	Construction of two classrooms to completion	900,000	900,000	80	Complete
38	Toror Primary (16-17)	Construction of one classroom	450,000	450,000	100	Complete
39	Mugundoi Primary	Renovation of 13 classrooms	270,000	270,000	100	Complete
40	Chepkitiny Primary	Construction of one classroom	450,000	450,000	100	Complete
41	Tulwopng'etuny Pri.School	Construction of 1 classroom	450,000	450,000	100	Complete
42	Kaplamai Pri.School	Construction of 6 door toilets	400,000	400,000	100	Complete
43	Boror Pri.School	Completion of four classrooms	400,000	400,000	100	Complete
44	Lelmokwo Pri School	Construction of one classroom	450,000	450,000	100	Complete
45	Kapyemit Pri. School	Construction of one classrooms	450,000	450,000	100	Complete

46	Kerita Tulwet Pri School	Construction of one classroom	450,000	450,000	100	Complete
47	Subukia Primary	Construction of one classroom	450,000	450,000	100	Complete
48	Koiwoarus en Primary	Construction of 6 new toilets	400,000	400,000	100	Complete
49	Aic Reverend Mesis Primary	Construction of two classrooms	900,000	900,000	100	Complete
50	Tuiyobei Gaa Pri,School	Construction of 8 door new toilets	450,000	450,000	100	Complete
51	Chebii Pri.School	Completion of admin block	200,000	200,000	100	Complete
52	Emkwen Koitebes "B" Primary School	Construction of one classroom	450,000	450,000	100	Complete
53	Tinet Chebarus Primary	Construction of one classroom	450,000	450,000	100	Complete
54	Matharu Secondary	Construction of two classrooms	900,000	900,000	100	Complete
55	Saroiyot Sec.Sch.	Construction of 8 door new toilets	450,000	450,000	100	Complete
56	Kiptega Secondary	Construction of two classrooms	900,000	900,000	100	Complete
57	Lainguse Secondary	Construction of one classroom	450,000	450,000	100	Complete
58	Lainguse Secondary	Construction of 4 door new toilets	300,000	300,000	100	Complete
59	Lainguse Secondary	Completion of two classrooms	150,000	150,000	100	Complete
60	Tulwopng'e tuny Secondary School	Completion of admin block	300,000	300,000	80	Complete
61	Lingwai Sec.School	Completion of laboratory	500,000	500,000	100	Complete
62	Mugundoi Primary	Construction of 6 door new toilets	400,000	400,000	100	Complete
63	Chepkitiny Primary	Construction of Toilets	250,000	250,000	100	Complete
64	Kapchorwa Primary	Construction of Toilets	300,000	300,000	100	Complete
65	Kamuyu Secondary	Construction of Toilets	400,000	400,000	100	Complete

66	St. Catherine Kahuho Pry	Construction of Toilets	360,000	360,000	100	Complete
67	Koriomat Primary	Construction of Toilets	360,000	360,000	100	Complete
68	Koitebes Secondary	Construction of Toilets	360,000	360,000	100	Complete
69	Sosiani Primary School	Construction of Toilets	350,000	350,000	100	Complete
70	Lingwai Primary	Construction of Toilets	340,000	340,000	100	Complete
71	Cheboror Primary	Construction of Toilets	160,000	160,000	100	Complete
72	Kapyemit Primary	Construction of Toilets	400,000	400,000	100	Complete
73	Koisagat Secondary	Construction of Toilets	200,000	200,000	100	Complete
74	Kapilat Primary	Construction of Toilets	200,000	200,000	100	Complete
75	A.I.C Reverend Mesis Primary	Purchase of 3 acre piece of land	270,000	270,000	100	Complete
76	Bureti Kapsoen Primary	Construction of Toilets	200,000	200,000	100	Complete
77	Tinet Chebarus Primary	Construction of Toilets	200,000	200,000	100	Complete
78	Mugundoi Primary	Construction of Toilets	200,000	200,000	100	Complete
79	St. Mark Teldet Sec	Construction of Toilets	400,000	400,000	100	Complete
80	Tumoge Sec	Construction of Toilets	400,000	400,000	100	Complete
81	Cheboror Primary	Construction of Toilets	350,000	350,000	100	Complete
82	Koiluget Secondary	Construction of Toilets	400,000	400,000	100	Complete
83	Kapchorwa Primary	Construction of Toilets	400,000	400,000	100	Complete
84	Kondoo Farm 9 Pry	Construction of Toilets	400,000	400,000	100	Complete
85	Tumoge Primary	Construction of Toilets	200,000	200,000	100	Complete
86	Lainguse Cattle Dip	Renovation-plastering wall, floor, fencing	300,000	300,000	100	Complete

87	Kaplelach Community Water Project	Installation of water pump, piping to Tumoge sec, Tumoge pri, Lolmugusi pri, Kaplelach dispensary	500,000	500,000	99	Complete
88	Livigro Self Help Group	Fencing, planting trees for 9 schools	1,199,700	1,199,700	100	Complete
89	Cengalo Dispensary	Completion of staff houses	100,000	100,000	100	Complete
90	Matharu Dispensary	Completion of staff houses	100,000	100,000	100	Complete
91	Talents And Peace S.H.G	Organizing constituency sports tournament and awarding winners	1,199,780	1,199,780	100	Complete
92	Various Secondary Schools And Tertiary Institutions	Payment of bursaries to needy students	17,405,000	17,405,000	100	Complete
		Total Complete	**59,374,480**	**59,374,480**		
93	Rcea Seiyo Sec School	Construction of admin block	800,000	800,000	25	Incomplete
94	Aic Isaac Kosgey Secondary	Completion of dormitory	400,000	400,000	70	Incomplete
95	Koiluget Secondary	Purchase of the school bus	3,000,000	3,000,000	30	Incomplete
96	A.I.C Tulwet Sec	Construction of laboratory	800,000	800,000	80	Incomplete
97	Moi Chuiyat Secondary (16-17)	Completion of dining hall (plastering, windows and painting)	600,000	600,000	100	Incomplete
98	Moi Chuiyat Secondary School (15-16)	Completion of dining hall (plastering, windows and painting)	200,000	200,000	100	Incomplete
99	Barekeiwo Sec .School	Construction of admin block	800,000	800,000	30	Incomplete
100	Cengalo Sec School	Completion of dining hall	800,000	800,000	70	Incomplete
101	Racecourse Sec School	Completion of lab & installation	500,000	500,000	70	Incomplete
102	Moi Chuiyat	Completion of girls dormitory	200,000	200,000	10	Incomplete

	Secondary. Sch					
103	St. Mark Teldet Secondary	Completion of laboratory	500,000	500,000	80	Incomplete
104	Tulwopng'etuny Secondary School	Completion of admin block	500,000	500,000	80	Incomplete
105	Chepkoiyo Secondary School	Completion of admin block	800,000	800,000	70	Incomplete
106	Nabkoi Boys Boarding	completion of dormitory	400,000	400,000	60	Incomplete
107	Barakeiwo Secondary	Completion of admin block; windows, doors, plastering and painting	400,000	400,000	80	Incomplete
108	Chereber Primary	Construction of of boys toilets	200,000	200,000	20	Incomplete
109	Mogobich Pri School	Completion of admin block	300,000	300,000	95	Ongoing
110	Tarakwa Primary School (Special)	Completon of dormitory	400,000	400,000	80	Ongoing
111	Chorwet Pri School	Construction of two classrooms.	900,000	900,000	80	Ongoing
112	Koiluget Pri School	Completion of girls domitory(wall and floor plastering, windows, doors and painting)	600,000	600,000	80	Ongoing
113	Koiwoarusen Sec School	Construction of two classrooms.	1,000,000	1,000,000	80	Ongoing
114	Kipkorosyo Primary	Completion of admin block	800,000	800,000	80	Ongoing
115	Chesegem Primary	Completion of administration block	400,000	400,000	80	Ongoing
116	Tumoge Primary	Construction of administration block	700,000	700,000	80	Ongoing
117	Koiluget Pri.School	Completion of girls domitory(wall and floor plastering, windows, doors and painting)	400,000	400,000	75	Ongoing
118	Sugunanga Primary School	Construction of two classrooms	900,000	900,000	90	Ongoing

119	Koiwoarus en Sec.School	Completion of storey building(roofing,window s, doors, plastering and painting	1,000,000	1,000,000	80	Ongoing
120	Aic Kaptumo Secondary	Construction of laboratory	700,000	700,000	80	Ongoing
121	Ollainguse Chief's Office	Construction of chiefs office	800,000	800,000	50	Ongoing
	Total Ongoing		**19,800,000**	**19,800,000**		
122	Chuiyat Pri.Sch.	completion of administration block-wall plastering, roofing, windows, doors and painting work.	500,000.00	-	0	Not funded
123	St.Catherin e Kahuho Primary	construction of 6 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	400,000.00	-	0	Not funded
124	St.Catherin e Kahuho Primary	completion of two classrooms - wall plastering, roofing, windows, doors and painting work.	200,000.00	-	0	Not funded
125	Koriomat Primary	construction of one classroom-foundation, wall, roofing, doors, windows plastering and painting	450,000.00	-	0	Not funded
126	Koriomat Primary	completion of two classrooms - wall plastering, windows, doors and painting work.	150,000.00	-	0	Not funded
127	Matharu Primary	renovation of 2 classrooms ,wall and floor plastering and painting work,windows and door fittings	150,000.00	-	0	Not funded
128	Matharu Primary	completion of toilets - wall plastering, roofing, doors and painting work.	250,000.00	-	0	Not funded

129	Cheboror Primary	completion of administration block-wall plastering, roofing, windows, doors and painting work.	350,000.00	-	0	Not funded
130	Cheboror Primary	construction of 4 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	250,000.00	-	0	Not funded
131	Silaga Primary	construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000.00	-	0	Not funded
132	Silaga Primary	completion of one classroom - wall plastering, windows, doors and painting work.	150,000.00	-	0	Not funded
133	Mogobich Primary	completion of administration block-wall plastering, roofing, windows, doors and painting work.	300,000.00	-	0	Not funded
134	Rongai Primary	construction of one classroom-foundation, wall, roofing, doors, windows plastering and painting	450,000.00	-	0	Not funded
135	Rongai Primary	construction of 6 door boys toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000.00	-	0	Not funded
136	Barakeiwo Pri.School	construction of 6 door girls toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000.00	-	0	Not funded
137	Barakeiwo Pri.School	construction of 4 door staff toilets – foundation, wall, roofing, windows, doors plastering and painting work.	250,000.00	-	0	Not funded

138	Asururiet Pri. School	renovation of classrooms – wall finishes, floor repair	400,000.00	-	0	Not funded
139	Ndungulu Pri.School	construction of 6 door toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000.00	-	0	Not funded
140	Teldet Chuiyat Pri.Sch.	construction of one classroom- foundation, wall, roofing, windows, doors plastering and painting work.	450,000.00	-	0	Not funded
141	Tabarin Primary School	purchase of land one acre	500,000.00	-	0	Not funded
142	Tarakwa Pri.School	construction of one classroom-, foundation,wall and floor plastering and painting work.	450,000.00	-	0	Not funded
143	Tarakwa Pri.School (Special Unit)	completion of dormitory - wall plastering, roofing, windows, doors and painting work.	200,000.00	-	0	Not funded
144	Keringet Pri.School	completion of one classroom, wall and floor plastering and painting work	200,000.00	-	0	Not funded
145	Moi University Pri.Sch	completion of two classrooms,wall and floor plastering,windows,doors and painting work	400,000.00	-	0	Not funded
146	Mogochoret Pri.Sch.	construction of 6 door girls toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000.00	-	0	Not funded
147	Chagaiya Pri.School	construction of one classrooms, foundation, wall, roofing, windows, doors, plastering and painting work	450,000.00	-	0	Not funded
148	Chereber Pri.Sch.	construction of 6 door toilets – foundation, wall, roofing, windows, doors plastering and painting work.	400,000.00	-	0	Not funded

149	Sambul Pri.School	renovation of 10 class rooms, wall and floor plastering and painting work, windows and doors fitting	450,000.00	-	0	Not funded
150	Chesunet Primary	completion of administration block-roofing, windows, doors, plastering and painting work.	500,000.00	-	0	Not funded
151	Sosiani Primary	renovation of 8 classrooms – roofing (replacement of asbestos with iron sheets.)	700,000.00	-	0	Not funded
152	Rukuini Primary	renovation of 13 class rooms, wall and floor plastering and painting work, windows and doors fitting	400,000.00	-	0	Not funded
153	Chemare Pri School	construction of one classroom-foundation, wall, roofing, windows, doors, and painting work	450,000.00	-	0	Not funded
154	Kapchorua Primary	construction of 6 door new girls toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	400,000.00	-	0	Not funded
155	Lingwai Primary	construction of one classroom- foundation, wall, roofing, windows, doors, plastering and painting work.	450,000.00	-	0	Not funded
156	Muchorwe Primary	construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000.00	-	0	Not funded
157	Chorwet Primary	completion of two classrooms- wall plastering, roofing, windows, doors and painting work.	200,000.00	-	0	Not funded
158	Oasis Primary	construction of 6 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	400,000.00	-	0	Not funded

159	Racecourse Pri School	completion of two classrooms-fixing windows, door, plastering and painting	300,000.00	-	0	Not funded
160	Kapserton Primary	renovation of 7 class rooms, wall and floor plastering and painting work, windows and doors fitting	300,000.00	-	0	Not funded
161	Koitebes Primary	construction of administration block-foundation, wall, roofing, windows, doors, plastering and painting work.	800,000.00	-	0	Not funded
162	Chepkoiya Primary School	renovation of 6 class rooms,wall and floor plastering and painting work,windows and doors fitting	500,000.00	-	0	Not funded
163	Bureti Kapsoen Primary	construction of one classroom-foundation, wall, floor, roofing and plastering work	450,000.00	-	0	Not funded
164	Seiyo Primary School	renovation of 6 class rooms,wall and floor plastering and painting work,windows and doors fitting	500,000.00	-	0	Not funded
165	St. Mathews Central Primary School	renovation of 6 class rooms,wall and floor plastering and painting work,windows and doors fitting	300,000.00	-	0	Not funded
166	Kamuyu Primary School	construction of one classroom-foundation, wall, floor, roofing and plastering work	450,000.00	-	0	Not funded
167	Kapkoi Primary School	construction of one classroom-foundation,wall,roofing, windows doors and painting work	450,000.00	-	0	Not funded
168	Kapkoi Primary School	construction of 4 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	250,000.00	-	0	Not funded
169	Koisagat Primary	renovation of 10 classrooms ,wall and	400,000.00	-	0	Not funded

		floor plastering and painting work,windows and door fittings				
170	Rehema Primary	completion of two classrooms - wall plastering, windows, doors and painting work.	200,000.00	-	0	Not funded
171	Chepkoiyo Primary	construction of two classroom - foundation, wall, roofing, windows, plastering and painting.	900,000.00	-	0	Not funded
172	St. Mark Teldet Primary	completion of four classrooms - wall plastering, windows, doors and painting work.	400,000.00	-	0	Not funded
173	Aic Chebaiywo Ruman Primary	construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000.00	-	0	Not funded
174	Bindura Primary	construction of one classroom - foundation, wall, roofing, windows, plastering and painting.	450,000.00	-	0	Not funded
175	Tumoge Primary	construction of administration block-foundation, wall, roofing, windows, doors, plastering and painting work.	700,000.00	-	0	Not funded
176	Tuiyobei Gaa Primary	construction of 8door toilets	450,000.00	-	0	Not funded
177	Keringet Secondary	construction of 6 door new toilets-foundation, wall, roofing, windows, doors, plastering and painting work.	400,000.00	-	0	Not funded
178	Mkombozi Sec.Sch.	completion of administration block-plastering and painting work.	300,000.00	-	0	Not funded
179	Bindura Secondary	completion of laboratory-windows, doors, plastering and painting work.	300,000.00	-	0	Not funded
180	Kamuyu Sec.Sch.	construction of kitchen-foundation, wall, roofing, windows,	500,000.00	-	0	Not funded

		doors, plastering and painting work.				
181	Chagaiya Secondary	completion and equipping of laboratory-installation of lab fittings, pipes, plastering, shelves, apparatus and painting work	300,000.00	-	0	Not funded
182	Koiluget Sec.Sch.	purchase of school bus (final payment)	2,250,000.00	-	0	Not funded
183	Aic Isaac Kosgei Sec.School	completion of dormitory- fixing windows, doors, plastering and painting work.	500,000.00	-	0	Not funded
184	A.I.C Tulwet Secondary	completion of laboratory-installation of lab fittings, pipes, plastering, shelves, apparatus and painting work.	400,000.00	-	0	Not funded
185	St. Catherine Girls - Kesses	payment of school bus (final payment)	1,000,000.00	-	0	Not funded
186	Ndungulu Sec. School	completion of administration block-plastering, shelves, furniture and painting work.	200,000.00	-	0	Not funded
187	Cengalo Sec School	completion of dining hall-roofing, plastering, windows, doors and painting work.	600,000.00	-	0	Not funded
188	Koitebes Sec.School	construction of one classroom-foundation, roofing, windows, doors, wall and floor plastering and painting work	450,000.00	-	0	Not funded
189	Koisagat Secondary School	construction of one classroom-foundation, wall, roofing, windows, doors and painting work	450,000.00	-	0	Not funded
190	Matharu Secondary School	construction of one classroom-foundation, wall, roofing, windows,	450,000.00	-	0	Not funded

		doors and painting work				
191	Moi University Secondary School	completion and equipping of laboratory- foundation, wall, roofing, windows, doors, plastering and painting work.	400,000.00	-	0	Not funded
192	St. Lukes Cheptiret Secondary	completion of multi purpose hall- wall plastering, wiring, windows, doors and painting work.	200,000.00	-	0	Not funded
193	Rcea Seiyo Secondary	completion of two classrooms - wall plastering, windows, doors and painting work.	200,000.00	-	0	Not funded
194	Rehema Secondary	construction of laboratory- foundation, wall, roofing, windows, plastering and painting.	700,000.00	-	0	Not funded
195	Tarakwa Secondary	completion of dormitory - wall plastering, roofing, windows, doors and painting work.	300,000.00	-	0	Not funded
196	Kerita Day Secondary	completion of administration block - wall plastering, windows, doors and painting work.	400,000.00	-	0	Not funded
197	Kapkoiga Girls Secondary	construction of one classroom-foundation, roofing, windows, doors, wall and floor plastering and painting work	450,000.00	-	0	Not funded
198	Saroiyot Secondary	construction of 8door toilets-foundation, roofing, windows, doors, wall and floor plastering and painting work	450,000.00	-	0	Not funded
199	Chuiyat Chiefs Office	completion of chiefs office-wall plastering and painting work	400,000.00	-	0	Not funded
200	Lainguse Chiefs Office	completion of chiefs office-wall plastering and painting work	400,000.00	-	0	Not funded

201	Admin Salaries	payment of staff salaries and gratuity	500,000.00	-	0	Not funded
202	Goods &Services	purchase of fuel, repairs and maintenance, office rent, printing, stationery, telephone, travel and subsistence, office tea.	254,000.00	-	0	Not funded
203	Committee Expenses	payment of committee sitting allowances	1,740,000.00	-	0	Not funded
204	Monitoring Goods	purchase of fuel, repairs and maintenance, printing, stationery, airtime, travel and subsistence.	200,897.00	-	0	Not funded
205	Committee Expenses	payment of committee sitting allowances, inter-constituency visits	753,378.00	-	0	Not funded
206	Capacity Building	undertake training of the PMCS/NG-CDFCS on NG-CDF related issues	500,000.00	-	0	Not funded
207	Bursary Sec	payment of bursary to needy students	2,000,000.00	-	0	Not funded
208	Bursary Tertiary	Payment of bursary to needy students in tertiary institutions.	1,000,000.00	-	0	Not funded
		Total Not Funded	**40,948,275**	**-**		
		Grand total	**120,122,755**	**79,174,480**		

According to the project status report, ninety two (92) projects with a budget of Kshs.59,374,480 and which were fully funded were complete and in use, twenty-nine (29) projects with budget of Kshs.19,800,000 were still ongoing and at various levels of completion of between 20% and 90% while eighty seven (87) projects with total budget of Kshs.40,948,275 were not funded. Delay in implementation and completion of planned projects has effect of denying the people of Kesses constituency the benefits of these projects.

1.2 Project Verification

During the year under review, twenty-six (26) projects costing Kshs.13,510,000 were verified in June 2018 where by (16) projects with total disbursements amounting to Kshs.6,010,000 were found to be complete and in use while ten (10) projects with funding of Kshs.7,500,000 were incomplete but work was ongoing as shown below;

No	Project Name	Project Activity	Amount Disbursed (Kshs)	Remarks
1	Chebii primary school	Completion of admin block (plastering and painting work)	200,000	Project complete and in use.
2	Chebii primary school	Completion of 2 classrooms (fixing windows, doors, plastering and painting	200,000	Complete and in use
3	Emkwen koitebes B primary school	Construction of one classroom to completion	450,000	Classroom complete and in use
4	Kapchorwa primary	Construction of Toilets	300,000	Project complete, labelled and in use.
5	Kapchorwa primary	Construction of Toilets	400,000	Project complete, labelled and in use.
6	Kerita tulwet primary school	Construction of one classroom	450,000	Project complete, labelled and in use.
7	Koiluget secondary	Construction of new toilets	400,000	Project complete and in use. Not labelled.
8	Lainguse primary school	Construction of 6 new toilets	400,000	Project complete and in use.
9	Toror primary school (15-16)	Construction of one classroom.	450,000	Complete and in use
10	Toror primary school (16-17)	Construction of one classroom	450,000	Complete and in use
11	Koitebes primary school	Renovation of 5 classrooms (plastering and painting)	500,000	Project complete and in use. Plastering and painting done.
12	Koitebes secondary	Construction of 6 new toilets	360,000	Project complete and in use
13	Lainguse secondary	Completion of two classrooms (plastering, windows, doors and painting)	150,000	Project complete and in use
14	Mugundoi primary school	Construction of girls dormitory	700,000	Complete, labelled but not in use.
15	Mugundoi primary	Construction of 6 door new toilets	400,000	Complete and in use
16	Mugundoi primary	Completion of toilets	200,000	Complete and in use
		Total Complete	**6,010,000**	
17	Cheptiret primary	Renovation of 20 classrooms (painting roof, plastering floors and replacement of window panes)	350,000	Painting roof done, window panes fixed. Plastering floor not done. Project incomplete
18	Chereber primary		200,000	Only slab done, the project is incomplete.

19	Koiluget primary school (15-16)	Completion of girls dormitory (wall and floor plastering, windows, doors and painting)	600,000	windows, doors fixed. Plastering and painting not started. Project incomplete
20	Koiluget priimary school (16-17)	Completion of girls dormitory (wall and floor plastering, windows, doors and painting)	400,000	windows, doors fixed. Plastering and painting not started. Project incomplete
21	Koiluget secondary	Purchase of the school bus	3,000,000	The bus estimated cost is 5million, the school is waiting for the balance of 2 million from the CDF. Project incomplete.
22	Koiwoarusen sec.school	Completion of storey building (roofing, windows, doors, plastering and painting)	1,000,000	Project incomplete. Roofing done, windows and doors fitted. Plastering and painting not started
23	Lainguse secondary	Construction of one classroom to completion	450,000	Project incomplete, plastering, flooring and painting not done
24	Lainguse secondary	Construction of 4 door new toilets	300,000	Project not complete, plastering not done and doors not fixed
25	Ollainguse chief's office	Construction of chiefs office	800,000	slab done, walling done up to lintel, project not complete.
26	Tarakwa primary school (special unit)	Completion of dormitory (wall plastering, windows, doors and painting)	400,000	doors and windows fitted, painting not done. Project incomplete
		Total Ongoing	**7,500,000**	
		Grand Total	**13,510,000**	

Delay in completion of projects has the effect of denying the people of Kesses Constituency the services they are entitled to.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the 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 to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

09 August 2018