

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SOY 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-Soy set out on pages 5 to 41, 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-Soy 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 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 Purchase of Land

Included in the transfers to primary schools figure of Kshs.32,150,000 as disclosed in note 6 to the financial statement is disbursements of Kshs.1,000,000 to Tegeiyat Gaa Primary School for purchase of 2 acres of school land. However, procurement records such as opening, evaluation and award minutes, and search results from lands office, valuation report, document of ownership such as title/lease and school's registration certificate from the Ministry of Education were not availed for audit verification. In addition, payment records availed for audit indicates that an amount of Kshs.919,000 was paid to a Mr. Koronei Serem instead of Mr. Sikei Kogo who was the vendor. No explanation has been provided for paying a different person other than the vendor.

The transfers to primary schools figure of Kshs.32,150,000 further includes Kshs.1,000,000 disbursed to Kapchan Primary School on 16 March 2017 vide PV No.291277 and cheque No.5012 for purchase of 2 acres of land. Although ownership

documents were provided for audit review, information available shows that Kapchan Primary School paid an additional Kshs.100,000 in respect of survey, rates and administration fees contrary to the provisions of the sale agreement which stipulated that the vendor shall pay outstanding land rates, rents and/or any other liabilities relating to the land.

Under the circumstances, the ownership, validity and propriety of the parcels of land costing Kshs.2,000,000 could not be confirmed.

2.0 Construction of NG-CDF - Soy Constituency Office Block

The statement of receipts and payments for the year ended 30 June 2017 reflects acquisition of assets figure of Kshs.3,525,829 which includes construction of buildings (NG-CDF Office) amount of Kshs.2,995,729. According to the contract agreement signed on 9 September 2015, the construction was to take 22 weeks with effect from 14 September 2015 when the site was handed over and be completed on 8 February 2016. Although the management attributes the delay to suspension of the CDF Act, 2013 by the high court after it was declared unconstitutional, no evidence of extension of the contract period was provided for audit verification.

Further, although the building was handed over on 28 September 2016 which was almost eight months late, the minutes of site/inspection meeting and completion certificate were not provided for audit review. In addition, according to the performance bond provided by the contractor, it was to expire on 10 March 2016 but the management has not provided documentary evidence to confirm whether the performance bond was renewed to cover the extension period of the contract.

Under the circumstances, the management breached the law and the propriety of the expenditure of Kshs.2,995,729 could not be confirmed.

3.0 Bursary

Included in the other grants and other payments figure of Kshs.45,039,000 reflected in note 7 to the financial statements is total bursary expenditure of Kshs.30,939,000. However, acknowledgement letters from recipient institutions were not availed for audit review. Further information revealed that as at 30 June 2017, cheques amounting to Kshs.1,481,000 payable to one hundred and ninety-nine (199) schools and colleges that were issued in March and May 2017 had not been presented for payment but were rather reversed in the cashbook on 9 August 2017. The management has however not indicated the measures put in place so that all bursary cheques are dispatched to the schools/colleges promptly as stipulated in the CDF Board Circular Vol.1/111 dated 13 September 2010 which requires the CDFCs to put in place adequate systems and procedures in the disbursement of bursary funds.

Under the circumstances, the management breached the law and validity, accuracy and propriety of the bursary expenditure of Kshs.30,939,000 could not be confirmed.

4.0 Retention Account

The statement of assets and liabilities as at 30 June 2017 reflects retention figure of Kshs.937,033 which is at variance with note 12 to the financial statements balance of Kshs.438,558 resulting to a variance of Kshs.498,475 and which has not been explained or reconciled. In addition, the detailed analysis of the retention balance of Kshs.937,033 was not provided for audit review. Consequently, the accuracy, completeness and validity of the retention balance of Kshs.937,033 could not be confirmed.

5.0 Project Management Committee (PMC) Bank Balance

Note 15.4 to the financial statements reflects project management committee bank account balances of Kshs.4,188,737 as disclosed under annex 5 held in one hundred and thirteen (113) bank accounts in various commercial banks as at 30 June 2017, out of which a total of Kshs.75,729 held in eighty four (84) bank accounts related to projects which according to the status report were indicated as complete. However, bank reconciliation statements, certificates of bank balances, cashbooks and bank statements were not availed for audit review. In addition, the management has not explained how the unutilized balances in respect of completed projects shall be used. Consequently, the accuracy of the project management committee account balance of Kshs.4,188,737 could not be confirmed.

6.0 Summary Statement of Appropriation Recurrent and Development Combined

The summary statement of appropriation recurrent and development combined reflects actual receipts on comparable basis amount of Kshs.117,719,037 for the year ended 30 June 2017 while the statement of receipts and payments reflects total receipts amounting to Kshs.109,783,153 and cash balance brought forward from 2015/2016 of Kshs.6,998,854 all amounting to Kshs.116,782,005 resulting to a variance of Kshs.937,032 and which has not been explained or reconciled.

Consequently, the accuracy of the summary statement of appropriation for the year ended 30 June 2017 could not be confirmed.

7.0 Non-Disclosure of Accounts Receivable

The Fund had an annual allocation for the year ended 30 June 2017 amounting to Kshs.81,896,552 out of which Kshs.48,948,277 was received from the National Government Constituencies Development Fund Board which results in a balance of Kshs.32,948,277.

However, the financial statements submitted for audit did not have a note as a disclosure that the amount of Kshs.32,948,277 was due from the NG-CDF Board

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund-Soy 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 Adverse Opinion section of my report, 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. Budget Performance

During the year under review, the National Government Constituencies Development Fund-Soy Constituency had an approved budget amounting to Kshs.149,723,280 against actual expenditure of Kshs.115,162,192 or approximately 77% of the approved budget resulting in under-expenditure of Kshs.34,561,088 or 23% of the final budget as shown below;

Item	Approved Budget (Kshs)	Expenditure (Kshs)	Under absorption (Kshs)	Under Absorption%
Compensation of Employees	3,917,373	3,120,535	796,838	20
Use of goods and services	10,169,525	8,126,828	2,042,697	20
Transfers to Other Government Units	76,384,905	55,350,000	21,034,905	28
1Other grants and transfers	55,710,453	45,039,000	10,671,453	19
Acquisition of Assets	3,536,024	3,525,829	10,195	0
Un allocated	5,000	0	5,000	100
TOTAL	149,723,280	115,162,192	34,561,088	23

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

1.2. Project Implementation Status

According to the project implementation status availed for audit, the National Government Constituencies Development Fund-Soy Constituency had budgeted to disburse Kshs.136,964,828.60 towards implementation of one hundred and ninety six (196) projects during the year 2016/2017 out of which Kshs.103,914,828.60 or approximately

76% was disbursed to 152 projects while forty four (44) projects with total budget of Kshs.33,050,000 were not funded as indicated below:

No.	Project Name	Activity	Allocation (Kshs)	Disbursements (Kshs)	Level of Completion (%)	Remarks
1	Matunda School For Disabled	Plastering, installation of doors & windows, flooring and painting of a dormitory	500,000.00	500,000.00	80%	Ceiling, painting, electrical works pending
2	Nyalilbei Primary School	Flooring, Plastering, Installation Of doors And Windows ,Painting Of 2classrooms	500,000.00	500,000.00	100%	Complete and in use
3	Kisabei Primary School	Flooring, plastering, painting, installation of windows & doors & veranda of 3 classrooms	500,000.00	500,000.00	100%	Complete and in use
4	Ripmoy Primary School	Plastering, installation of doors & windows, flooring and painting of 3 classrooms	500,000.00	500,000.00	100%	Complete and in use
5	Cheplelaibei Primary School	Roofing, plastering, flooring, installation of doors & windows and painting of an administration block	500,000.00	500,000.00	90%	Ceiling, painting, electrical works pending
6	Teldet Primary School	Flooring, plastering, installation of doors & windows and painting of 1 classroom	300,000.00	300,000.00	100%	Complete and in use
7	Kuresok Primary School	Flooring, Plastering, Installation Of Doors & Windows, And Painting Of 2classrooms	300,000.00	300,000.00	100%	Complete and in use
8	St. Barnabas Kipsomba Primary School	Foundation, walling, roofing and plastering, flooring of 1 classroom	600,000.00	600,000.00	100%	Complete and in use
9	Aic Kabobo Primary School	Foundation, walling, roofing and plastering, flooring of 2 classrooms	1,200,000.00	1,200,000.00	100%	Complete and in use
10	Sigowet Hill Primary School	Plastering, installation of doors & windows, flooring and painting of 4 classrooms	500,000.00	500,000.00	100%	Complete and in use
11	Lorwa Primary School	Plastering, painting, veranda of 3 classrooms	500,000.00	500,000.00	100%	Complete and in use
12	Kambuku Primary School	Walling, roofing, plastering, installation of doors & windows, flooring and painting of 1 classroom	600,000.00	600,000.00	100%	Complete and in use
13	Kapkatet Primary School	Flooring, Plastering, Installation Of Doors And Windows ,Painting Of 1classrooms	300,000.00	300,000.00	100%	Complete and in use
14	Lamaiywet Primary School	Plastering, flooring installation of windows & windows ,painting of 4 classrooms	500,000.00	500,000.00	100%	Complete and in use
15	Vumilia Primary School	Plastering, installation of doors & windows, and painting of 7 classroom	400,000.00	400,000.00	100%	Complete and in use
16	Sirikwa Primary School	Plastering, installation of doors & windows, flooring and painting of library	500,000.00	500,000.00	100%	Complete and in use
17	Milimani Primary School	Flooring, Plastering, Installation Of windows And Doors ,Painting Of 2 Classroom	300,000.00	300,000.00	100%	Complete and in use
18	Mogoon Primary School	Flooring, plastering ,painting of 8 classrooms	500,000.00	500,000.00	100%	Complete and in use
19	Limnyomoi Primary School	Flooring, Plastering, Installation Of Doors & Windows, And Painting Of 3classrooms	500,000.00	500,000.00	100%	Complete and in use
20	Aic Itigo Primary School	Flooring, plastering, installation of doors & windows, and painting of 3 classrooms	500,000.00	500,000.00	100%	Complete and in use
21	Barsombe Primary School	Plastering, Installation Of Doors & Windows, Flooring And Painting Of 3classrooms	400,000.00	400,000.00	100%	Complete and in use
22	Roret Primary School	Plastering, installation of doors & windows, flooring and painting of 3 classrooms	400,000.00	400,000.00	100%	Complete and in use

23	St. Peters Kamukunji Primary School	Plastering, flooring and painting of 5 classrooms	600,000.00	600,000.00	100%	Complete and in use
24	Bonden Primary School	Foundation, walling, roofing and plastering, flooring of 1 classroom	600,000.00	600,000.00	100%	Complete and in use
25	St. Thomas Mararai Primary School	Plastering, installation of doors & windows, flooring and painting of 3 classrooms	400,000.00	400,000.00	100%	Complete and in use
26	Matunda Primary School	Plastering, installation of doors & windows, flooring and painting of a dormitory	500,000.00	500,000.00	100%	Complete and in use
27	Kapkures Primary School	Roofing, Flooring, Plastering, Installation of Doors, Windows Of An Administration Block	600,000.00	600,000.00	80%	Ceiling, painting, electrical works pending
28	Chepkongi Primary School	Foundation, walling, roofing and plastering, flooring of 1 classroom	600,000.00	600,000.00	100%	Complete and in use
29	Ngeny Primary School	Installation of doors & windows, flooring and painting of 2 classrooms	300,000.00	300,000.00	100%	Complete and in use
30	Kiptanui Primary School	Plastering, installation of doors & windows, flooring and painting of 2 classroom	600,000.00	600,000.00	100%	Complete and in use
31	Ziwa Primary School	Roofing, plastering, installation of doors & windows, flooring and painting of 2 classrooms	400,000.00	400,000.00	100%	Complete and in use
32	Kosyin Primary School	Flooring, Plastering, Installation Of Doors & Windows ,Painting Of 1classrooms	300,000.00	300,000.00	100%	Complete and in use
33	Aic Tamboiyot Primary School	Flooring and painting of 5 classrooms	300,000.00	300,000.00	100%	Complete and in use
34	Nyalilbei Primary School	Flooring, Plastering, Installation Of doors And Windows ,Painting Of 2classrooms	500,000.00	500,000.00	100%	Complete and in use
35	Tegeiyat Gaa Primary School	Flooring, plastering, and painting of 3 classrooms	400,000.00	400,000.00	100%	Complete and in use
36	Chelabal Primary School	Flooring, plastering, and painting of 3 classrooms	300,000.00	300,000.00	100%	Complete and in use
37	Sda Sisoybei Primary School	Foundation, walling, roofing and plastering, flooring of 1 classroom	600,000.00	600,000.00	100%	Complete and in use
38	Ripmoy Primary School	Construction of two classrooms to completion	1,000,000.00	1,000,000.00	100%	Complete and in use
39	St Vincent Tuisuswo Pri School	Plastering, installation of doors & windows, flooring and painting of dining hall	500,000.00	500,000.00	100%	Complete and in use
40	Saramek Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
41	Tegeiyat Gaa Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
42	Kambuku Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
43	Kapkoros Gaa Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
44	Nabiswa Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
45	Kimurgoi Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
46	St. Peters Kamukunji Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
47	Chemaset Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
48	Chepterit Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
49	Lamaon Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
50	Kapkures Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils

51	Matunda Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
52	Bondeni Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
53	Kapkuis Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
54	Mogoiywet Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
55	Kipsangui Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
56	Soy Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
57	Lamaiywet Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
58	Natwana Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
59	Kisabei Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
60	Chemororoch Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
61	Shirika Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
62	Saniak Gaa Primary School	Purchasing of 50 desks for pupils	150,000.00	150,000.00	100%	Desks purchased and used by pupils
63	Kapkoros Gaa Primary School	Purchasing 2 acres of school land	800,000.00	800,000.00	80%	Land acquisition process in progress
64	St.Barnabas Kipsomba Primary School	Foundation, walling, roofing and plastering, flooring of 1 classroom	600,000.00	600,000.00	100%	Complete and in use
65	Mukungu Primary School	Plastering, installation of doors and windows, electrical works and painting works of 2 classrooms	500,000.00	500,000.00	100%	Complete and in use
66	Kapsumbeiywet Primary School	Roofing, Plastering, Installation Of Doors And Windows Electrical And Painting Works of 1 Classroom	500,000.00	500,000.00	100%	Complete and in use
67	Legebet Primary School	Plastering, flooring, ceiling , electrical works, and painting works of an administration block.	500,000.00	500,000.00	90%	Ceiling, painting, electrical works pending
68	Aic Tenai Primary School	Flooring, installation of window panes electrical works and painting works of 2 classrooms.	400,000.00	400,000.00	100%	Complete and in use
69	Greenfields Primary School	Flooring, glasses, ceiling board, doors and electrical works painting works of administration block	500,000.00	500,000.00	100%	Complete and in use
70	Kimurgoi Primary School	Renovation and replacement of worn out iron sheet of 6 classrooms	700,000.00	700,000.00	100%	Complete and in use
71	Kapkures Primary School	Roofing, Plastering, Doors And Windows Electrical And Painting Works of An Administration Block	500,000.00	500,000.00	70%	Plastering, painting, electrical works pending
72	Soy Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 2 classroom	1,000,000.00	1,000,000.00	70%	Plastering, painting, electrical works pending
73	Tegeiyat Gaa Primary School	Purchase of 2 acres of school land	1,000,000.00	1,000,000.00	80%	Land acquisition process in progress
74	Kapchan Primary School	Purchase of 2 acres of school land	1,000,000.00	1,000,000.00	100%	School title in place
75	Nukiati Primary School	Plastering, electrical works, flooring, installation of window panes and painting works of 3 classrooms	400,000.00	400,000.00	100%	Complete and in use
76	Maendeleo Primary School	Renovation and replacement of iron sheets of 5 classrooms	600,000.00	600,000.00	100%	Complete and in use
77	Aic Teldet Primary School	Construction of 3 door pit latrine	100,000.00	100,000.00	100%	Complete and in use
78	St Teresa Of Avilla Tekeiyat Primary School	Construction of 3 door pit latrine	100,000.00	100,000.00	100%	Complete and in use

79	Soy Primary School	Construction of 3 door pit latrine	100,000.00	100,000.00	100%	Complete and in use
80	Segero Primary School	Construction of 3 door pit latrine	100,000.00	100,000.00	100%	Complete and in use
81	St. Peters Kapkorren Secondary School	Construction of one classroom to completion	600,000.00	600,000.00	100%	Complete and in use
82	Ndabarnach Secondary School	Construction of one classroom to completion	600,000.00	600,000.00	100%	Complete and in use
83	Saramek Secondary School	Roofing, plastering, installation of doors & windows of laboratory	700,000.00	700,000.00	70%	Plastering, painting, lab fittings, electrical works pending
84	Ndabarnach Secondary School	Flooring, plastering, and painting of 1 classroom	300,000.00	300,000.00	100%	Complete and in use
85	Kipsangui Girls Secondary School	Plastering, flooring and painting of a dormitory	800,000.00	800,000.00	100%	Complete and in use
86	St. Peters Kamukunji Secondary School	Plastering, flooring, installation of windows doors of 3 classrooms	500,000.00	500,000.00	100%	Complete and in use
87	Rcea Kuinet Secondary School	Flooring, plastering, ceiling, tiling, installation of windows doors of a staff house	400,000.00	400,000.00	100%	Complete and in use
88	Kaptebengwet Secondary School	Plastering, flooring, doors, windows and painting of 2 classrooms	500,000.00	500,000.00	100%	Complete and in use
89	Kerotet Mixed Secondary School	Foundation, walling, roofing, plastering & painting of 1 classroom	600,000.00	600,000.00	80%	Painting, ceiling, lab fittings pending
90	St.Pauls Makongi Secondary School	Plastering, flooring, installation of windows, doors of a dining hall	700,000.00	700,000.00	80%	Painting, ceiling, lab fittings pending
91	Aic Tamboiyot Secondary School	Roofing, Installation Of Doors And Windows and Flooring Of A Laboratory	700,000.00	700,000.00	80%	Painting, ceiling, lab fittings pending
92	Aic Kosyin Secondary School	Gas piping ,fume chamber, departmental offices and painting of laboratory	800,000.00	800,000.00	80%	Painting, ceiling, lab fittings pending
93	St. Stephen Jabali Secondary School	Flooring, ceiling, installation of window, doors and painting of staff house	300,000.00	300,000.00	100%	Complete and in use
94	Soy Secondary School	Roofing, plastering, installation of doors & windows, flooring and painting of dining hall	800,000.00	800,000.00	80%	Painting, ceiling, lab fittings pending
95	Kapsang Secondary School	Gas piping ,fume chamber and painting of laboratory	500,000.00	500,000.00	100%	Complete and in use
96	Aic Magoon Secondary School	Gas piping and fitting of pipes of a laboratory	600,000.00	600,000.00	100%	Complete and in use
97	Mafuta Secondary School	Gas piping and fitting of pipes of a laboratory	500,000.00	500,000.00	100%	Complete and in use
98	Lorwa Secondary School	Gas piping and fume chamber of a laboratory	500,000.00	500,000.00	100%	Complete and in use
99	Sda Sisyobei Secondary School	Plastering, flooring, installation of windows, doors, of an administration block	700,000.00	700,000.00	100%	Complete and in use
100	Ziwa Secondary School	Walling, slabbing and column bars of 2 storey 4 classrooms	2,000,000.00	2,000,000.00	40%	Second floor pending

101	St. Peters Natwana Secondary School	Plastering, wiring, ablution block and painting of a dormitory	500,000.00	500,000.00	80%	Ablution block, electrical works pending
102	Rcea Chepkigen Secondary School	Installation of gas piping, lab fitting and equipment of a laboratory	700,000.00	700,000.00	80%	Fume chamber, worktops, painting pending
103	Moisbridge Sec School	Plastering, flooring, installation of doors, windows, electrical and painting works of an administration block	2,000,000.00	2,000,000.00	90%	Painting and ablution block pending
104	Kapngetuny Gaa Sec School	Buying school land 2 acres	800,000.00	800,000.00	100%	School land acquired
105	Lolkinyei Sec School	Plastering, flooring, installation of doors, windows, electrical and painting works of a girls dormitory	1,700,000.00	1,700,000.00	80%	Ceiling, tiling, painting, electrical works pending
106	Cheplelaibei North Sec School	Roofing, Installation Of doors, Windows, Plastering, Flooring, Electrical And Painting Works Of An Administration Block	2,000,000.00	2,000,000.00	80%	Ceiling, tiling, painting, electrical works pending
107	St. Josephs Mobet Sec School	Walling, roofing, installation of doors and windows of an administration block	1,700,000.00	1,700,000.00	80%	Ceiling, tiling, painting, electrical works pending
108	Teachers Advisory Centre Moisbridge	Ceiling, tiling and painting of multi-purpose hall	700,000.00	700,000.00	100%	Complete and in use
109	Various Secondary Schools And Tertiary Institutions	Payment of bursaries to needy students	30,939,000.00	30,939,000.00	100%	Bursaries disbursed
110	Jabali-Assistant Chiefs Office	Roofing, Plastering, Installation Of doors, Windows	800,000.00	800,000.00	70%	Paintings, tiling, ceiling, electrical works pending
111	Legebet Assistant Chiefs Office	Roofing, Plastering, Installation Of doors, Windows	600,000.00	600,000.00	70%	Paintings, tiling, ceiling, electrical works pending
112	Kipsomba Chiefs Office	Roofing, plastering, installation of doors, windows	700,000.00	700,000.00	70%	Paintings, tiling, ceiling, electrical works pending
113	Matunda Chiefs Office	Plastering ,flooring and painting of chiefs office	500,000.00	500,000.00	80%	Tiling, electrical works pending
114	Lower-Moiben Chiefs Office	Roofing plastering, installation of doors, windows,	800,000.00	800,000.00	70%	Paintings, tiling, ceiling, electrical works pending
115	Koisagat Chiefs Office	Roofing, Plastering, Installation Of doors, Windows	700,000.00	700,000.00	80%	Tiling, electrical works pending
116	Kuinet Chiefs Office	Roofing, plastering, installation of doors, windows	800,000.00	800,000.00	80%	Tiling, electrical works pending
117	Kongasis Chiefs Office	Foundation, walling and roofing of chiefs office	800,000.00	800,000.00	60%	Plastering, painting, electrical works pending
118	Segero Chiefs Office	Plastering, flooring of chiefs office	700,000.00	700,000.00	80%	Tiling, electrical works pending
119	Moisbridge Chiefs Office	Roofing, plastering, installation of doors, windows	800,000.00	800,000.00	70%	Paintings, tiling, ceiling, electrical works pending
120	Kongasis Chiefs Office	Roofing, plastering, installation of doors, windows	700,000.00	700,000.00	80%	Tiling, electrical works pending
121	Segero Chiefs Office	Installation of windows, doors flooring and painting of chiefs office	600,000.00	600,000.00	90%	Tiling and painting pending
122	Kuinet Chiefs Office	Plastering, flooring and painting of chiefs office	700,000.00	700,000.00	90%	Tiling and painting pending
123	Koisagat Chiefs Office	Installation of windows, doors flooring and painting of chiefs office	300,000.00	300,000.00	90%	Tiling and painting pending

124	Koisagat Chiefs Office	Installation of windows, doors flooring and painting of chiefs office	200,000.00	200,000.00	90%	Tiling and painting pending
125	Kongasis Chiefs Office	Roofing, plastering, installation of doors, windows	100,000.00	100,000.00	80%	Tiling, electrical works pending
126	Soy Chiefs Office	Fencing, land reclamation and planting of trees seedlings	100,000.00	100,000.00	50%	Fencing done
127	Chepkoiel Youth Development Group	Desilting of soy dam	100,000.00	100,000.00	100%	Desilting done
128	Kapkorren Pri School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
129	St. Thomas Mararai Pri School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
130	Mukunga Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
131	Lorwa Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
132	Sigaon Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
133	Kipsomba Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
134	Kambuku Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
135	Kapkuis Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
136	Cheukta Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
137	Ripmoy Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
138	Chepkongi Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
139	Jabali Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
140	Kipsomba Farm Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
141	St. Mathews Lamaiywet Primary School	Construction of 4 door pit latrine	150,000.00	150,000.00	100%	Complete and in use
142	Bwayi Primary School	Reroofing of 4 classrooms	500,000.00	500,000.00	100%	Complete and in use
143	Kiborom Sec School	Construction of 5 door pit latrine	300,000.00	300,000.00	100%	Complete and in use
144	Kipsangui Girls Secondary School	Construction of training system, septic tank in girls dormitory	650,000.00	650,000.00	100%	Complete and in use
145	Kosirai North Primary School	Construction of 5 door pit latrine	250,000.00	250,000.00	100%	Complete and in use
146	Cheptarit Primary School	Construction of 4 door pit latrine	120,000.00	120,000.00	100%	Complete and in use
147	Kiptanui Primary School	Construction of 4 door pit latrine	180,000.00	180,000.00	100%	Complete and in use
148	Ecocraft Holding Limited	Installation of window curtains in the office	127,500.00	127,500.00	100%	Curtains installed
149	Wayshan Ltd	Office construction	2,562,044.60	2,562,044.60	100%	Complete and in use
150	Macney Limited	Erection of a sign post and car shade	306,184.00	306,184.00	100%	Complete and in use
151	Prison Industry Fund	Purchase of office furniture	432,100.00	432,100.00	100%	Office furnished
152	Futuretech Computers	Purchase of computers	98,000.00	98,000.00	100%	Computers in use
		Total	103,914,828.60	103,914,828.60		
		Projects not funded				
1	Soy Chiefs Office	Land reclamation, water drainage, planting of tree seedlings and fencing of chiefs office	500,000.00	–	0%	Not started

2	Sports	Purchase of 2 football balls, 2 volleyball balls,1 volleyball net, 2 football nets and 2 sets of sports uniforms in 15 secondary schools.	1,500,000.00	–	0%	Not started
3	Social Security	Payment of NHIF contribution for 300 vulnerable families for a period of one year @ Kshs 6000	1,800,000.00	–	0%	Not started
4	Lemoru Primary School	Plastering, electrical works, installation of window panes, flooring and painting works of an administration block	500,000.00	–	0%	Not started
5	Saramek Primary School	Roofing, plastering, electrical works, doors and windows of 1 classroom	300,000.00	–	0%	Not started
6	Ziwa Primary School	Plastering, electrical works, doors and windows of 2 classrooms	500,000.00	–	0%	Not started
7	Aic Tamboiyot Primary Sch00l	Partitioning, electrical works, plastering, doors and windows and painting works of 2 classrooms.	500,000.00	–	0%	Not started
8	Sda Ainamoi Primary School	Walling, roofing, plastering, electrical works, doors & windows of 2 classrooms.	800,000.00	–	0%	Not started
9	St. Mathews Lamaiywet Pri School	Plastering, flooring, electrical works, and painting works of 4 classrooms.	500,000.00	–	0%	Not started
10	Majimazuri Primary Sch	Plastering, flooring, installation of window panes, electrical works and painting works of 2 classrooms	500,000.00	–	0%	Not started
11	Kilima Primary School	Plastering, installation of window panes, electrical works, painting works, doors, window of a dormitory	500,000.00	–	0%	Not started
12	Kuinet Primary School	Roofing, plastering, painting works, doors, window, electrical works of a one classroom	400,000.00	–	0%	Not started
13	Tamboiyot Primary School	Plastering, installation of doors and windows electrical and painting works of 2 classrooms	500,000.00	–	0%	Not started
14	Lelboinet Primary School	Plastering, installation of doors and windows electrical and painting works of 2 classrooms	500,000.00	–	0%	Not started
15	Kipketiengwet Pri School	Plastering, flooring ,doors, windows electrical and painting works of 4classrooms	900,000.00	–	0%	Not started
16	Kamoiyo Primary School	Plastering, flooring installation of window panes, electrical works and painting works of 2 classrooms	500,000.00	–	0%	Not started
17	Kipsomba Farm Primary School	Plastering, flooring installation of window panes, electrical works and painting works of 2 classrooms	500,000.00	–	0%	Not started
18	Sinendet Primary School	Plastering, flooring installation of window panes, electrical works and painting works of 2 classrooms	300,000.00	–	0%	Not started
19	Matunda School Of Disabled	Plumbing, electrical works, Plastering and painting works of dormitory	400,000.00	–	0%	Not started
20	Chekta Primary School	Plastering, flooring installation of window panes , electrical and painting works of 4 classrooms	500,000.00	–	0%	Not started
21	Sugutek Primary School	Plastering, flooring installation of window panes , electrical and painting works of 3 classrooms	500,000.00	–	0%	Not started
22	Sigaon Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 1 classroom	600,000.00	–	0%	Not started

23	Kapsabul Primary School	Purchase of 2 acres of school land	1,000,000.00	–	0%	Not started
24	Koitebes Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 1 classroom	600,000.00	–	0%	Not started
25	Kidiwa Primary School	Renovation and replacement of asbestos with iron sheet of 6 classrooms	800,000.00	–	0%	Not started
26	Lalakin Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 1 classroom	600,000.00	–	0%	Not started
27	Vumilia Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 2 classroom	1,200,000.00	–	0%	Not started
28	Kapchan Primary School	Foundation, walling ,doors, windows, plastering, electrical and painting works of 1 classroom	600,000.00	–	0%	Not started
29	Cheptarit Primary School	Foundation, walling ,doors, windows, plastering, electrical and painting works of 1 classroom	600,000.00	–	0%	Not started
30	Kosirai North Pri School	Foundation, walling, doors, windows, plastering, electrical and painting works of 1 classroom	600,000.00	–	0%	Not started
31	Matunda Primary School	Renovation and replacement of worn out iron sheet of 8 classrooms	800,000.00	–	0%	Not started
32	Kimurgoi Primary School	Renovation and replacement of worn out iron sheet of 6 classrooms	700,000.00	–	0%	Not started
33	Desks	Purchase of 50 pupils' desks for 23 primary schools at a cost of 150,000 for 22 schools	3,450,000.00	–	0%	Not started
34	St. Pauls Makongi Secondary School	Installation of window panes ,flooring, windows, electrical and painting works of a dining hall	600,000.00	–	0%	Not started
35	Saramek Secondary School	Installation of gas piping, electrical and lab fitting and equipment of a laboratory	800,000.00	–	0%	Not started
36	Kokwet Secondary School	Roofing, windows, doors, electrical works and plastering of a laboratory	800,000.00	–	0%	Not started
37	Aic Tamboiyot Secondary School	Installation of gas piping, electrical and lab fitting and equipment of a laboratory	800,000.00	–	0%	Not started
38	Kerotet Mixed Secondary School	Windows, doors, plastering, flooring, electrical and painting works and installation of lab fittings	800,000.00	–	0%	Not started
39	Rcea Chepkigen Secondary School	Installation of gas piping, lab fitting and equipment of a laboratory	700,000.00	–	0%	Not started
40	Kuinet Secondary School	Plastering, installation of doors and windows, electrical and painting works of a dining hall	1,000,000.00	–	0%	Not started
41	St. Michaels Kipsomba Sec Sch	Roofing, installation of doors, windows, plastering, flooring, electrical and painting works of 2 unit staff houses	1,000,000.00	–	0%	Not started
42	Lower Moiben Chiefs Office	Installation of window panes, plastering, flooring, ceiling, electrical and painting works of chiefs office	800,000.00	–	0%	Not started
43	Jabali Ass. Chiefs Office	Plastering, flooring, Installation of window panes, ceiling, electrical and painting works of chiefs office	700,000.00	–	0%	Not started
44	Kipsomba Chiefs Office	Installation of window panes, flooring, ceiling, electrical and painting works of chiefs office	600,000.00	–	0%	Not started
		Total not funded	33,050,000.00			
		Total budget	136,964,828.60	103,914,828.60		

According to the project implementation status report availed for audit review, one hundred and fourteen (114) projects with a budget of Kshs.73,714,828.60 and which were fully funded were complete and in use, while thirty eight (38) projects with funding of Kshs.30,200,000 were still ongoing and at various levels of completion of between 40% and 90%. Forty-four (44) projects with total budget of Kshs.33,050,000 were not funded during the year ended 30 June 2017 and no reason was provided for non-disbursement of the funds.

Delay in implementation and completion of planned projects has an effect of denying the people of Soy Constituency the benefits of these projects.

1.3. Projects Verification

During the audit, nineteen (19) projects with total disbursements amounting to Kshs.15,100,000 were verified in May 2018 out of which twelve (12) projects with disbursements totalling to Kshs.6,700,000 were found to be complete and in use while seven (7) projects with disbursements totalling to Kshs.8,400,000 were incomplete but construction was ongoing as detailed below:

No.	Project Name	Activity	Amount (Kshs)	Remarks
1	St .Barnabas Kipsomba Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 1 classroom	600,000	The classroom is complete and in use but no certificate of completion
2	Mukunga Primary School	Plastering, installation of doors and windows, electrical works and painting works of 2 classrooms	500,000	All the 2 Classrooms are complete and in use but no certificate of completion
3	Kapsumbeiywet Primary School	Roofing, plastering, installation of doors and windows electrical and painting works of 1 classroom	500,000	The classroom is complete and in use but no certificate of completion
4	Legebet Primary School	plastering, flooring, ceiling , electrical works, and painting works of an administration block.	500,000	Painting, ceiling and electrical works not yet done
5	Aic Tenai Primary School	Flooring, installation of window panes electrical works and painting works of 2 classrooms.	400,000	Complete and in use but no certificate of completion
6	Greenfields Primary School	Flooring, glasses, ceiling board, doors and electrical works painting works of administration block	500,000	Complete and in use but no certificate of completion
7	Kimurgoi Primary School	Renovation and replacement of iron sheets of 5 classrooms	700,000	The classrooms are fully plastered and with new roofing but no certificate of completion
8	Kapkures Primary School	Roofing, plastering, doors and windows electrical and painting works of an administration block	500,000	Painting, ceiling and electrical works not yet done
9	Soy Primary School	Foundation, walling, doors, windows, plastering, electrical and painting works of 2 classroom	1,000,000	Plastering of exterior wall, painting, ceiling and electrical works not yet done
10	Tegeiyat Gaa Primary School	Purchase of 2 acres of school land	1,000,000	Land acquisition on progress, no tittle deed
11	Kapchan Primary School	Purchase of 2 acres of school land	1,000,000	Land acquired, tittle deed already processed and availed
12	Nukiat Primary School	Plastering, electrical works, flooring, installation of window panes and painting works of 3 classrooms	400,000	All the 3 classrooms complete and in use but no certificate of completion
13	Maendeleo Primary School	Renovation and replacement of iron sheets of 5 classrooms	600,000	The classrooms are fully plastered and with new roofing but no certificate of completion

14	Kuinet Primary School	Roofing, plastering, painting works, doors, window, electrical works of a one classroom	500,000	Complete and in use but no certificate of completion
15	Maendeleo Pr School	Renovation and replacement of iron sheets of 5 classrooms	600,000	Renovation done and iron sheets replaced but no completion certificate
16	Nukiat Primary School	Plastering, electrical works, flooring, installation of window panes and painting works of 3 classrooms	400,000	Complete and in use but no certificate of completion
17	Lolkinyei Sec School	Plastering, flooring, installation of doors, windows, electrical and painting works of a girls dormitory	1,700,000	Exterior walls, painting and electrical installations not yet done
18	Cheplelaibei North Sec School	Roofing, installation of doors, windows, plastering, flooring, electrical and painting works of an administration block	2,000,000	One wing complete and in use, no wall in wing 2
19	St. Josephs Mobet Sec School	Walling, roofing, installation of doors and windows of an administration block	1,700,000	Plastering, ceiling, painting electrical works not yet done
		Total	15,100,000	

Delay in project implementation denies the constituents the benefits arising from the completed projects.

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.

A handwritten signature in black ink, appearing to read 'E. O. Ouko', with a stylized flourish at the end.

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

Nairobi

06 August 2018