

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

THE NATIONAL ASSEMBLY

DATE: 06 AUG 2023

DAY
TUESDAY

OF

TABLED

BY

MARK-AT

TABLE:

Hon Owen Baya, MP
Deputy Leader of the Majority
Anne Sumbuko

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - BOMACHOGE
BORABU CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2022**



BOMACHOGE BORABU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

DATE: 30 JUN 2023	
TABLED BY:	
CLERK AT THE TABLE:	

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

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I. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The Bomachoge Borabu Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)

ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Patrick Malongo Lidovolo
2.	Sub-County Accountant	Charles Morira
3.	Chairman NGCDFC	Polycarp Onduso
4.	Member NGCDFC	Tom Joseph Maenda

(d) Fiduciary Oversight Arrangements

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

(e) Bomachoge Borabu Constituency NGCDF Headquarters

P.O. Box 132-50200
NGCDF Building,
Mogonga-Kenyenya Road, Off Kisii-Kilgoris Road
KENYENYA, KENYA

(f) Bomachoge Borabu Constituency NGCDF Contacts

Telephone: (254) 723447873
E-mail: cdfbomachogeborabu@ngcdf.go.ke
Website: www.go.ke

(g) Bomachoge Borabu Constituency NGCDF Bankers

Equity Bank
Branch Kisii
P.o Box 2903
KISII

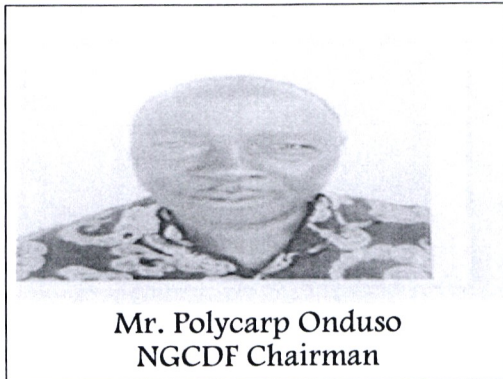
(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman’s Report



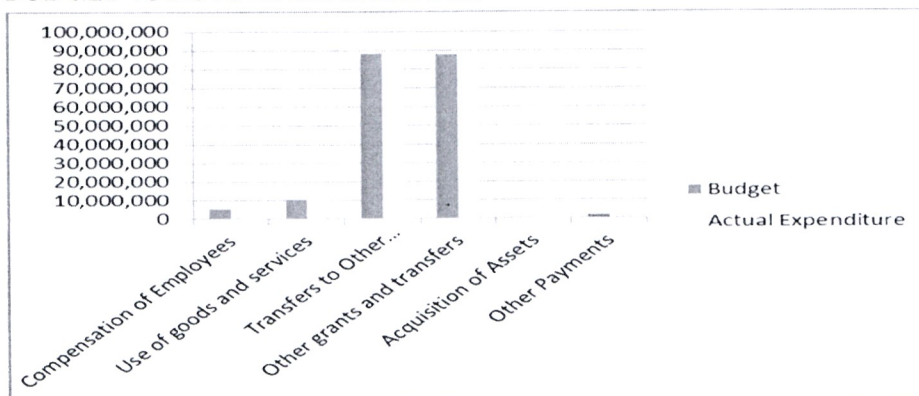
The Bomachoge Borabu NG-CDF Committee wishes to present to you the Financial Statements for 2020-2021 in line with the Public Finance Management Act 2012, Section 81 and CDF Act 2015, Section 38(4). The Constituency has prepared the financial statements as per the Public Sector Accounting Standards Board (PSASB) guidelines.

In the year under review, the Constituency inflow from the NGCDF Board increased by 30% to Ksh. 172,177,758 from Ksh. 132,267,724 received in 2021-2020 Financial year. This translated to an increase of 35% in total expenditure to Ksh. 183,520,659 from Ksh. 135,693,474.

Sector wise, the Constituency experienced tremendous growth in Other Transfers and grants to Ksh. 83,981,770. This growth was majorly an increased in bursary allocations where a total of 9,690 students benefitted. This comprised of 2,185 students in Universities, 832 students in Colleges and Technical Training Institutes and 6,673 students in secondary schools.

There was also a massive allocation to primary schools whereby a total of Ksh. 85,034,253 was used to improve the Infrastructural development. Below is an analysis of budget against expenditure for each category:

BUDGET VS ACTUAL EXPENDITURE



The Constituency has endeavored to shift the Primary School infrastructure by Constructing to completion 8 centers of Excellence at Magena, Riokindo, Ritembu, Mokomoni, Ichuni, Kiabugesi,

Metembe and Emesa. Currently works has started at Kenya, Nyakorere and Igorera Primary Schools Centers of Excellence to bring the total numbers to 12. This should translate into improved academic performance in these schools.

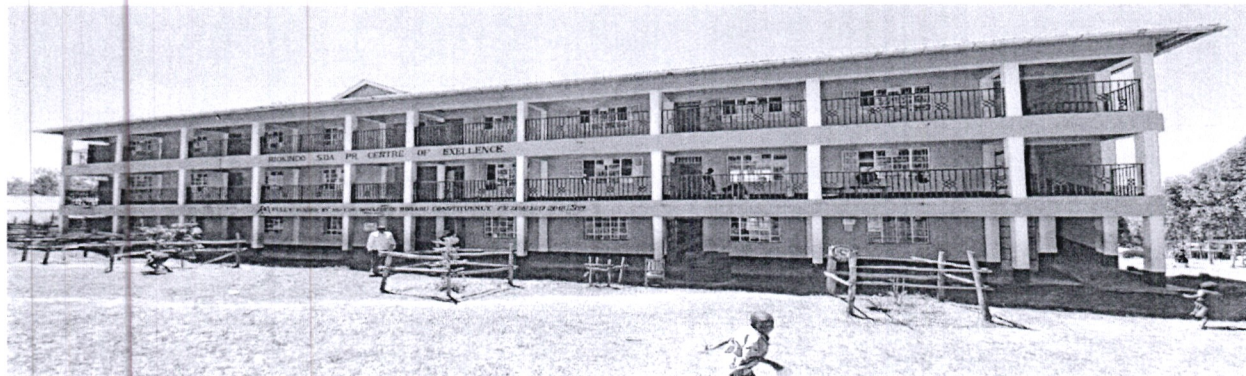


Figure 1. Completed and in use 12 classrooms Centre of Excellence at Riokindo Primary School

In the Secondary Education Sub Sector, the Constituency has promoted experimental science approach in teaching of science subjects and also encouraged the culture of reading by constructing libraries at Nyangeti and Emesa Secondary Schools in addition to constructing laboratories in the two schools.

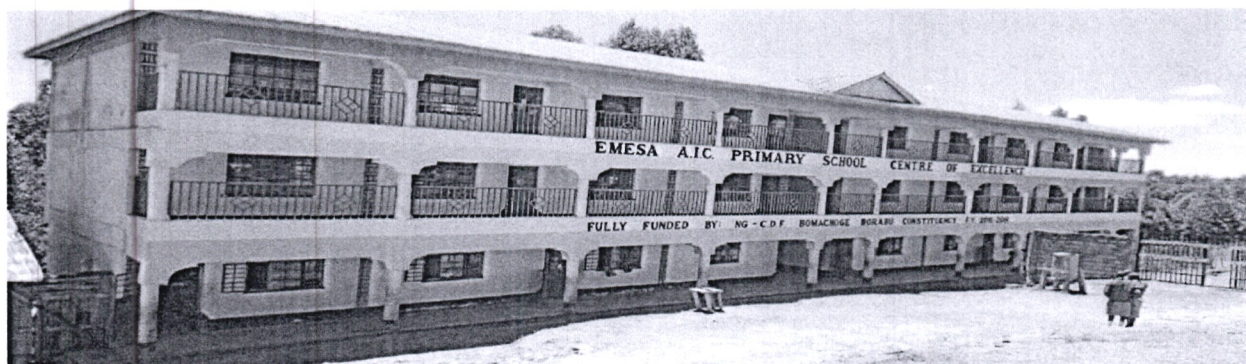


Figure 2: Completed and in use 12 classrooms Centre of Excellence at Emesa AIC Primary School

In the security sector, the Constituency has improved the working environment of Security agencies by Constructing Chief offices at Boochi Borabu and Nyamecheo Location in addition to refurbishment of Kenya AP line.

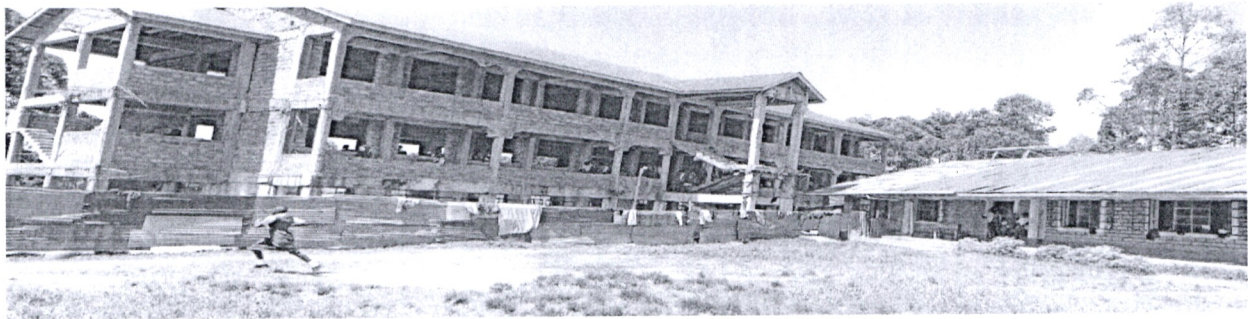


Figure 3: Ongoing Construction works of a Dormitory at Ekerubo CCF Primary School

Despite all these successes, the Bomachoge Borabu Constituency has been hard hit with the effects of Covid 19 as staff work in shifts. Further the management of Projects Management Committees (PMC) has had challenges. The Bomachoge Borabu Constituency had tried to address these by mounting training for capacitation of PMC.

MR. POLYCARP ONDUSO

CHAIRMAN NGCDF COMMITTEE

III. Statement of Performance against Predetermined Objectives for FY2021/22

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of Bomachoge Borabu Constituency 2018-2022 plan are to:

- i) **Direct efforts and resources to better** articulate the CDFC's vision, mission, values, mandate, core functions and policy priorities. The Plan has also identified strategic issues and formulated strategies to address them. In short, the Plan shall give direction to staff and stakeholders.
- ii) **Enhance partnerships with stakeholders:** The CDFC works through stakeholders at various stages of implementation of policies and management of financial resources. The Plan seeks to identify and involve them in the service delivery process. The process strengthens partnerships to ensure a focus on achieving the mandate of the CDF Committee.
- iii) **Adapt to the changing environment:** Strategic planning involves scanning of the context, identifying changes and aligning structures, systems, processes and people. This Plan will, therefore, facilitate change, which is now a day-to-day target of managers.
- iv) **Mobilize Resource:** Through strategic planning, project and activities have been identified and projections on resource requirements made and strategies to mobilize them thought through.
- v) **Monitoring and Evaluation:** The Plan is critical for monitoring and evaluation of the Committee's programmes and activities. One of the deliverables of this strategic plan is the logical framework given later in the Plan. The framework has the objective(s), outputs, activities and inputs and verifiable indicators. Another deliverable is the implementation matrix which also shows the activities, time frame, actors/implementer, verifiable indicators and resources.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 21/22 -we increased number of classrooms by 48 in the following schools: Igorera Primary, Nyakorere Primary and Kenyenia Primary Schools. Dormitories were increased by 60 beds at Ekerubo CCF Primary. The number of Laboratories increased by 4 at Nyangeti, Emesa, St. Augustine Magenche and Mobirona primary Schools. - Bursary beneficiaries at all levels were as per the attached schedules
Security	Ensure all Chiefs and their assistants have permanent offices	Improved administrative response service delivery to Constituents	Number of administrative offices built and operational	Increased Chiefs offices from 6 to 7 at Boochi Borabu and Nyamecheo locations.
Environment	To improve sanitary Infrastructure in primary school	Improved public Health and sanitation in schools	Number of 4 door pit latrines constructed and in use	Constructed 9 pit latrines in the following schools: Mosensema, Amaiga, Tongeri, Amatagaro, Nyabate, Magenge, Ichuni, Randani, Rianyangita,
Sports	To Improve access to sports materials in Schools	Increased number of schools with sports uniforms and Balls	Number of Schools issued with sports uniforms and Balls	Issued sports uniforms and balls to 18 schools as attached.
Emergency	To ensure adequate preparedness to emergency situations in	Increased response rate to emergency situations in the constituency	Number of Interventions sought and mitigated	Constructed 9 pit latrines in the 9 schools as attached.

*Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

	the Constituency.			
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IV. Environmental and Sustainability Reporting

Bomachoge Borabu NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Bomachoge Borabu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Bomachoge Borabu NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Employee welfare

We invest in providing the best working environment for our employees. Bomachoge Borabu constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Bomachoge Borabu constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

3. Market place practices-

Bomachoge Borabu NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from

the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

4. Community Engagements-

Bomachoge Borabu NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.


***Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Bomachoge Borabu NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.


Patrick Malongo Lidovolo
FUND ACCOUNT MANAGER

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Bomachoge Borabu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Bomachoge Borabu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Bomachoge Borabu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

***Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

The Accounting Officer in charge of the NGCDF –Bomachoge Borabu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity’s funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*’s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Bomachoge Borabu Constituency financial statements were approved and signed by the Accounting Officer on September 11th 2022.

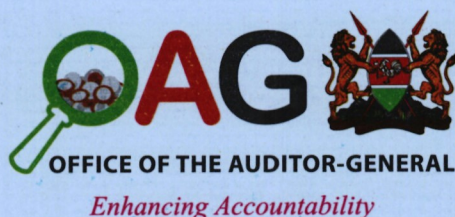


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Polycarp Onduso
Chairman – NGCDF Committee



.....
Patrick Malongo Lidovolo
Fund Account Manager

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BOMACHOGE BORABU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bomachoge Borabu Constituency set out on pages 1 to 34, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement

of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Bomachoge Borabu Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following anomalies and instances of non-compliance with the financial reporting template prescribed by the Public Sector Accounting Standards Board:

- i. Annex 5-PMC Bank balances as at 30 June, 2022 reflects no amounts in the "Bank Balance 2021/22" column. Instead, each of the cells in the column shows the word Kilgoris.
- ii. The statement of receipts and payments reflects Kshs.Nil proceeds from sale of assets, while Annex 4-summary of fixed asset register shows disposals during the year of Kshs.4,700,000, resulting in an unexplained variance of Kshs.4,700,000.
- iii. The statement of receipts and payments reflects acquisition of assets amount of Kshs.20,999 which differs with additions during the year of Kshs.8,023,902 reflected in the summary of fixed asset register, resulting in an unexplained variance of Kshs.8,002,903.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Committee Allowances

The statement of receipts and payments and Note 5 to the financial statements reflects use of goods and services payments totalling Kshs.9,256,387 which includes committee allowances of Kshs.2,480,000. However, minutes and signed attendance schedules for committee meetings were not provided for audit review.

In the circumstances, the accuracy and regularity of the committee allowance payments of Kshs.2,480,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Bomachoge Borabu Constituency Management in accordance with

ISSAI 130 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. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis totalling Kshs.194,302,737 and Kshs.183,797,737 respectively, resulting to a shortfall of revenue totalling Kshs.10,000,000 (or 5%) of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling Kshs.194,302,737 and Kshs.183,797,654 respectively, resulting to under-expenditure of Kshs.10,505,083 (or 5%) of the budget.

The underfunding and under-expenditure constrained execution of planned activities and delivery of services to the constituents of Bomachoge Borabu Constituency.

2. Unresolved Prior Year Matters

The audit report for the financial year ended 30 June, 2021 highlighted several unsatisfactory issues relating to balances reflected in the financial statements presented for audit. The report on progress on following up on the Auditor's recommendations appended to the financial statements for the year under review indicates that the matters had not been resolved as at 30 June, 2022. No explanation has been provided by Management for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report. I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non-Compliance with the Provisions of the Procurement Act

The statement of receipts and payments and Note 7 to the financial statements reflects grants and transfers balance of Kshs.83,981,770 which includes bursary-tertiary institutions amount of Kshs.39,076,000 out of which, Kshs.3,500,000 was paid to a driving school, being the cost of training Boda Boda operators. In October, 2021, the Bursary

Committee prepared a driving school bursary report aimed at training boda boda operators within Bomachoge Constituency. According to the report, a total of 174 individuals applied out of which 140 were successful. The Management in its sitting held on 7 November, 2021 approved the training at a total cost of Kshs.3,500,000. Review of the financial records revealed that the driving school was paid before delivery of services, contrary to Section 146 of the Public Procurement and Asset Disposal Act, 2015. Further, no evidence was provided to confirm whether the services of the driving school were procured competitively.

In the circumstances, Management was in breach of the law.

2. Procurement of Environmental Impact Assessment

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers balance of Kshs.83,981,770. Included in the balance is an expenditure on emergency projects of Kshs.5,221,770 out of which, Kshs.200,000 was paid to a firm to undertake environmental impact assessment. However, the firm was single sourced and there was no evidence that the service was delivered since no report was provided for audit verification to support the environmental impact assessment. Further, no evidence was provided to show that the exercise was an emergency.

In the circumstances, the regularity of the expenditure of Kshs.200,000 on environmental impact assessment could not be confirmed.

3. Construction of Classrooms through Use of Emergency Funds

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers balance of Kshs.83,981,770. Included in the balance, is an amount of Kshs.5,221,770 in respect of emergency projects out of which Kshs.601,770 was paid to a firm in respect of the construction of seven (7) iron sheets classrooms at Nyamecheo Boarding Primary School. However, review of the financial records revealed the following issues;

- i. The company was not competitively procured.
- ii. The authority to pay was granted on 26 January, 2022, whereas the cheques were presented for payment between 10 and 19 January, 2022 under unclear circumstances.
- iii. The Committee approved the emergency allocation to the School on 3 January, 2022, the Final certificate was issued on 11 November, 2021 while the invoice was raised on 16 November, 2021 clearly indicating that the invoice preceded the approval process.
- iv. The bill of quantities were not prepared and the basis of the estimates could not be ascertained.

In the circumstances, the regularity of expenditure of Kshs.601,770 could not be confirmed.

4.0 Partially Complete Projects

The statement of receipts and payments and Note 6 to the financial statements, reflects transfers to other government units balance of Kshs.85,034,253 and which included an amount of Kshs.81,334,253 that was transferred to primary schools. Review of financial records revealed the following issues:

i. An amount of Kshs.21,200,000 was spent on completion of twelve (12) classrooms, centre of excellence; 2 storey blocks; columns, beams, roofing, ceilings; fitting doors and windows, plastering, branding at Metembe Primary School. The project had been completed. However, there were cracks on the floors, electrical works had not been carried out and water harvesting gutters had not been fitted and the project was not in use.

ii. Further, an amount of Kshs.2,704,250 was incurred on construction of classrooms at Nyabongo Primary School. The project was complete. However, poor workmanship such as poorly done paintworks and cracked walls was noted, electrical works and branding had not been done. In addition, the classrooms were not in use since late 2022 when they were completed.

iii. Moreover, an amount of Kshs.1,800,000 was spent on construction of classrooms at Kiango Primary School. The contract was to cover construction of 3No. classrooms. However, audit verification revealed that the classrooms were complete and one classroom was not in use.

iv. An amount of Kshs.1,800,000 was incurred on construction of classrooms at Omosobwa Primary School. The classrooms had been completed. However, poor workmanship was noted; evidence of peeling paints, windows and doors had been fixed but without panes and the project had not been branded. Further, the project was not in use.

In the circumstances, value for money on the expenditure of Kshs.27,504,250 on construction of classrooms in four (4) schools could not be confirmed.

5. Failure to Constitute Project Management Committee

The statement of receipts and payments and Note 6 to the financial statements, reflects transfers to other government units balance of Kshs.85,034,253 which included Kshs.81,334,253 transferred to primary schools out of which an amount of Kshs.9,000,000 was disbursed to Nyakorere Primary School for the construction and completion of twelve (12) classrooms, centre of excellence; two (2) storey blocks; columns, beams, roofing, ceilings; fitting doors and windows, plastering, branding at a contract sum of Kshs.22,984,216. However, review of the records revealed that the project was implemented without involving the project management committees as required by Regulation 15(1) of the National Government Constituency Development Regulations, 2016.

In the circumstances, Management was breach of the law.

6. Budgeted Projects Not Implemented

The transfers to other government units balance of Kshs.85,034,253 includes Kshs.15,700,000 disbursed for implementation of three (3) primary schools and one (1) secondary school projects. However, review of the project implementation report revealed that the four projects had not been implemented as at the time of audit in March, 2023 as detailed below:

Name of School	Description of Project	Amount Disbursed (Kshs.)
Botoranda Primary School	1. Construction of 6 door pit latrine 2. Construction of 3 No. Classrooms including electrification, installation of gutters and 10,000 litre tank, painting and branding	1,300,000
Eberege Primary School	Completion of 12 classrooms, centre of excellence; 2 storey blocks; columns, beams, roofing, ceilings; fitting doors and windows, plastering, branding	5,900,000
Nyamesocho Primary School	Completion of 12 classrooms, centre of excellence; 2 storey blocks; columns, beams, roofing, ceilings; fitting doors and windows, plastering, branding	7,500,000
Mosensera Secondary School	Construction of Classrooms	1,000,000
Total		15,700,000

In the circumstances, the expected benefits from the projects may not be realized.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund, or cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 applicable 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 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 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 July, 2023


Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VII. Statement of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	172,177,758	132,267,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	505,083	-
Total Receipts			
Payments		172,682,841	132,267,724
Compensation Of Employees	4	5,227,250	3,360,706
Use Of Goods and Services	5	9,256,387	11,665,923
Transfers To Other Government Units	6	85,034,253	95,388,053
Other Grants and Transfers	7	83,981,770	17,708,792
Acquisition Of Assets	8	20,999	7,570,000
Other Payments	9	-	-
Total Payments		183,520,659	135,693,474
Surplus/(Deficit)		(10,837,818)	(3,425,750)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved on September 11th 2022 and signed by:


 Fund Account Manager

Patrick Malongo Lidovolo


 National Sub-County
 Accountant

Charles Morira
 ICPAK M/No:


 Chairman NG-CDF
 Committee

Polycarp Onduso



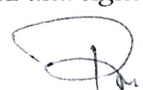
*Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. Statement of Assets and Liabilities as At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	1,200,161	12,067,979
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		1,200,161	12,067,979
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		1,200,161	12,067,979
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	418,083	448,083
Gratuity	12B	-	-
Total Financial Liabilities		782,078	11,619,896
Net Financial Assets			
Represented By			
Fund Balance B/Fwd	13	11,619,896	15,045,646
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(10,837,818)	(3,425,750)
Net Financial Position		782,078	11,619,896

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on September 11th 2022 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Patrick Malongo Lidovolo	Charles Morira ICPAK M/No:	Polycarp Onduso

Bomachoge Borabu Constituency
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IX. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	172,177,758	132,267,724
Other Receipts	3	505,083	-
Total Receipts		172,682,841	132,267,724
Payments			
Compensation Of Employees	4	5,227,250	3,360,706
Use Of Goods and Services	5	9,256,387	11,665,923
Transfers To Other Government Units	6	85,034,253	95,388,053
Other Grants and Transfers	7	83,981,770	17,708,792
Other Payments	9	-	-
Total Payments		183,499,660	128,123,474
Total Receipts Less Total Payments			
Adjusted For:	15	-	-
Decrease/ (Increase) In Accounts Receivable	16	-	(1,058,874)
Increase/ (Decrease) In Accounts Payable	14	-	-
Prior Year Adjustments		-	(1,058,874)
Net Cash Flow from Operating Activities		(10,846,819)	3,085,376
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(20,999)	7,570,000
Net Cash Flows from Investing Activities		(20,999)	(7,570,000)
Net Increase In Cash And Cash Equivalent		(10,867,818)	(4,484,624)
Cash & Cash Equivalent At Start Of The Year	10	12,067,979	16,552,603
Cash & Cash Equivalent At End Of The Year		1,200,161	12,067,979

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

**Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
Receipts	2021/2022				2021/2022	30/06/2022		
Transfers From NGCDF Board	Kshs				Kshs	Kshs		
Proceeds From Sale of Assets	137,088,879		11,619,896	45,088,879	193,797,654	183,797,654	10,000,000	94.8%
Other Receipts	-		-	-	-	-	-	
Totals	137,088,879		505,083	45,088,879	194,302,737	184,302,737	10,000,000	94.9%
Payments								
Compensation Of Employees	4,917,332		553,205	-	5,470,537	5,227,250	243,287	95.6%
Use Of Goods and Services	7,399,667		2,866,691	-	10,266,358	9,256,387	1,009,971	90.2%
Transfers To Other Government Units	71,050,000		3,200,000	14,184,253	88,434,253	85,034,253	3,400,000	96.2%
Other Grants and Transfers	51,892,207		5,000,000	30,904,626	87,796,833	83,981,770	3,815,063	95.7%
Acquisition Of Assets	20,999		-	-	20,999	20,999	-	100.0%
Other Payments	1,808,674		-	-	1,808,674	-	1,808,674	0.0%
Unallocated fund**	-		505,083	-	505,083	-	505,083	0.0%
Totals	137,088,879		12,124,979	45,088,879	194,302,737	183,797,654	10,782,078	94.5%

**Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.


**Bomachoge Borabu Constituency
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	10,782,078
Less undisbursed funds receivable from the Board as at 30 th June 2022	10,000,000
	782,078
Add Accounts payable	418,083
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	1,200,161

The Constituency financial statements were approved on September 11th 2022 and signed by:


Fund Account Manager

Patrick Malongo Lidovolo


National Sub-County Accountant

Charles Morira
ICPAK M/No:


Chairman NG-CDF Committee

Polycarp Onduso

**Bomachoge Borabu Constituency
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X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,917,332	553,205		5,470,537	5,227,250	243,287
1.2 Committee allowances	1,248,000	-		1,248,000	1,384,000	(136,000)
1.3 Use of goods and services	2,039,001	1,056,691		3,095,692	1,252,457	1,843,235
	8,204,333	1,609,896	-	9,814,229	7,863,707	1,950,522
2.0 Monitoring and evaluation						
2.1 Capacity building	400,000			400,000	400,000	-
2.2 Committee allowances	2,412,666			2,412,666	2,376,500	36,166
2.3 Use of goods and services	1,300,000	1,810,000		3,110,000	3,765,200	(655,200)
3.0 Emergency						
SEDA HOUSE	200,000.00			200,000.00	200,000.00	
RIANYANCHABERA PRIMARY SCHOOL	500,000.00			500,000	500,000	
JOREV CONST CO.	120,000			120,000	120,000	
NDERETI ORPHANAGE PRIMARY SCHOOL	500,000			500,000	500,000	

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
MOTETITIBE PRIMARY SCHOOL	300,000			300,000	300,000	
MOBIRONA PRIMARY SCHOOL	300,000			300,000	300,000	
IGORERA PRIMARY SCHOOL	300,000			300,000	300,000	
ITONGO PRIMARY SCHOOL	300,000			300,000	300,000	
SENGERA PRIMARY SCHOOL	300,000			300,000	300,000	
KENYENYA PRIMARY SCHOOL	300,000			300,000	300,000	
NYABIOSI PRIMARY SCHOOL	300,000			300,000	300,000	
NYAMESOCHO PRIMARY	300,000			300,000	300,000	
BOTARANDA PRIMARY SCH	300,000			300,000	300,000	
NYAKORERE PRIMARY SCHOOL	300,000			300,000	300,000	
EMESA SEC.SCHOOL	300,000			300,000	300,000	
NYAMECHEO BOARDING PRI	601,770			601,770	601,770	
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	14,500,000	3,000,000	18,328,626	35,828,626	34,984,000	866,396
4.3 Tertiary Institutions	25,000,000	2,000,000	12,076,000	39,076,000	39,076,000	-
4.4 Special Schools	1,000,000			1,000,000		1,000,000
5.0 Sports						
5.1 Constituency Sports Tournament	1,500,000		500,000	2,000,000	2,000,000	-
6.0 Environment						
Mosensema Primary	300,000			300,000	300,000	
Amaiga Primary	300,000			300,000	300,000	
Tonger Primary	300,000			300,000	300,000	

**Bomachoge Borabu Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Amatagaru Primary	300,000			300,000	300,000	
Nyaibate Primary	300,000			300,000	300,000	
Magenge Primary	300,000			300,000	300,000	
Ichuni Secondary	300,000			300,000	300,000	
Randani Primary	300,000			300,000	300,000	
Rianyangita Primary	300,000			300,000	300,000	
7.0 Primary Schools Projects (List all the Projects)						
Botaranda Primary	1,800,000			1,800,000	1,800,000	
Bendera Primary			100,000	100,000	100,000	
Botaranda Primary	500,000			500,000	500,000	
Eberege Primary School	6,000,000		2,000,000	8,000,000	8,000,000	
Ekerubo CCF Primary School	3,000,000			3,000,000	3,000,000	
Getenga Primary	1,000,000			1,000,000	1,000,000	
Ichuni Primary	4,000,000			4,000,000	4,000,000	
Igorera Primary			1,500,000			

**Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Itembu Primary	7,500,000			9,000,000	9,000,000	-
Kebabe Primary	1,000,000			1,000,000	1,000,000	-
Kebabe Primary	1,800,000			1,800,000	1,800,000	-
Kenyenya Primary	750,000			750,000	750,000	-
Kiango Primary	7,500,000			7,500,000	6,000,000	1,500,000
Metembe Primary	1,800,000			1,800,000	1,800,000	-
Mokubo Primary	6,000,000	1,000,000	2,000,000	9,000,000	10,200,000	(1,200,000)
Mosobeti Primary	5,000,000			5,000,000	3,000,000	2,000,000
Motontera Primary	1,000,000			1,000,000	1,000,000	1,000,000
Nyakorere Primary	1,800,000			1,800,000	1,800,000	-
Nyambunwa Primary School	7,500,000		1,500,000	9,000,000	9,000,000	-
Nyamesocho Primary	2,500,000			2,500,000	2,500,000	-
Omosobwa Primary	7,500,000			7,500,000	7,500,000	-
Riyabu Primary	300,000		1,000,000	1,300,000	1,300,000	-
Nyamecheo	300,000		500,000	800,000	800,000	-
			800000			

**Bomachoge Borabu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Oroche Primary School			1,500,000	1,500,000	1,500,000	-
Rianyanchabera Primary			1,000,000	1,000,000	1,000,000	-
Rimbasa Primary School			30,000	30,000	30,000	-
Nyabongo Primary School			1,254,253	1,254,253	1,254,253	-
8.0 Secondary Schools Projects (List all the Projects)						
St. Augustine Magenche Secondary	800,000			800,000	800,000	-
Mobirona Secondary	700,000			700,000	700,000	-
Riokindo Girls Secondary School	1,000,000			1,000,000	1,000,000	-
Mosenema Secondary School		1,000,000		2,000,000	1,000,000	
Nyangeti Sec		1,200,000		1,200,000	1,200,000	
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
10.1						
10.2						
10.3						
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						

**Bomachoge Borabu Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of Printers	20,999			20,999	20,999	-
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.3 CDF Office Renovation	1,808,674			1,808,674		
Funds pending approval**	10,000,000					
Total	137,088,879	11,619,896	45,088,879	193,797,654	183,520,659	

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury

XI. Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
B096899		5,000,000
B104583		22,800,000
B104551 2015/2016		900,000
B104951		3,997,724
B104990		9,000,000
B124896		8,500,000
B124832		7,570,000
B119741		6,900,000
B119751		12,000,000
B126060		7,000,000
B132096		6,000,000
B138764		12,000,000
B128351		7,000,000
B126349		11,600,000
B105194		12,000,000
B140841	33,000,000	
B140785	13,088,879	
B28765	12,000,000	
B154262	18,000,000	
B132451	6,000,000	
B154367	12,000,000	
B105414	44,000,000	
B155924	12,088,879	
B105732	22,000,000	
TOTAL	172,177,758	132,267,724

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Notes To the Financial Statements (Continued)

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Others (specify)		
Total		

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents		
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere		
Revenue	87,000	-
Retention	418,083	-
TOTAL	505,083.00	-

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,035,200	3,099,346
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	2,192,050	2,192,050
Employer Contributions Compulsory national social security schemes		
Total	5,227,250	3,360,706

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	64,200	-
Electricity	-	16,170
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	488,100	-
Domestic travel and subsistence	-	360,900
Printing, advertising and information supplies & services	-	764,348
Rentals of produced assets		-
Training expenses	-	544,500
Hospitality supplies and services	867,010	631,990
Other committee expenses	3,376,500	2,847,716
Committee allowance	2,480,000	2,918,000
Insurance costs	349,473	-
Specialised materials and services	-	-
Office and general supplies and services	274,957	411,300
Fuel , oil & lubricants	1,211,068	1,462,500
Other operating expenses	64,000	500,000
Bank service commission and charges	29,400	104,597
Other Operating Expenses	-	-
Security operations	-	453,902
Routine maintenance - vehicles and other transport equipment	51,679	-
Routine maintenance- other assets	-	650,000
TOTAL	9,256,387	11,665,923

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Notes To the Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	81,334,253	74,678,053
Transfers To Secondary Schools (See Attached List)	3,700,000	20,710,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	85,034,253	95,388,053

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	34,984,000	640,000
Bursary – tertiary institutions (see attached list)	39,076,000	4,101,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	3,400,000
Sports projects (see attached list)	2,000,000	-
Environment projects (see attached list)	2,700,000	1,425,000
Emergency projects (see attached list)	5,221,770	8,142,792
Total	83,981,770	17,708,792

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	7,570,000
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets-Printer	20,999	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	20,999	7,570,000

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Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan		
ICT Hub		

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
10A: Bank Accounts (Cash Book Bank Balance)	1,200,161	12,067,979
<i>Equity Bank-Kisii Branch AC No. 0510261687843</i>	-	-
Total	1,200,161	12,067,979
10 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

11: Outstanding Imprests

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

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12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	448,083.00	1,506,957
Retention held during the year (B)	-	30,000
Retention paid during the Year (C)	30,000.00	1,088,874
Closing Retention as at 30 th June D= A+B-C	418,083.00	448,083

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	2,389,600	-
Gratuity paid during the Year (C)	2,389,600	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	11,619,896	15,045,646
Cash in hand		
Imprest		
Total	11,619,896	15,045,646

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Notes To the Financial Statements (Continued)

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
Total			

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	7,260,000	6,924,617
Imprest surrendered during the Year (C)	7,260,000	6,924,617
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A		

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	448,083	1,506,957
Deposit and Retentions held during the year (B)	2,389,600	30,000
Deposit and Retentions paid during the Year (C)	2,419,600	1,088,874
closing account payables D= A+B-C	418,083	448,083
Changes in Accounts Payable E= D-E	(30,000)	(1,058,874)

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Notes To the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
Total		

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff		
Others (<i>specify</i>)		
Total		

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	243,287	553,205
Use of goods and services	1,009,971	2,866,691
Amounts due to other Government entities (see attached list)	3,400,000	17,384,253
Amounts due to other grants and other transfers (see attached list)	3,815,063	35,904,626
Acquisition of assets	-	-
Other payments	1,808,674	-
Funds pending approval	505,083	505,083
Total	10,782,078	57,213,858

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Notes To the Financial Statements (Continued)

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	29,836,180	22,206,690
Total	29,836,180	22,206,690

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Annexes
Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	A	b	C	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

Annex 2 - Analysis of Pending Staff Payables

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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Employees' Salaries		553,205	
Use of goods & services	Office Operations	276,995	2,866,691	Pending approvals
Amounts due to other Government entities				
Ichuni Primary School	Construction of centre of excellence	6,000,000		
Eberege Primary School	Construction of centre of excellence	4,000,000	2,000,000	
Bendera Primary School			100,000	
Igorera Primary School			1,500,000	
Metembe Primary School			3,000,000	
Nyakorere Primary School			1,500,000	
Omosobwa Primary School			1,000,000	
Riyabu Primary School			500,000	
Nyamecheo			800,000	
Oroche Primary School			1,500,000	
Rianynchabera Primary			1,000,000	
Riombasa Primary			300,000	
Nyabongo Primry			1,254,253	
Mosensema Secondary			2,000,000	
Nyangeti Secondary			1,200,000	
Sub-Total		10,000,000	17,654,253	
Amounts due to other grants and other transfers				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bursary Secondary			18,328,628	
Bursary Tertiary			17,076,000	
Sports			500,000	
Sub-Total			35,904,628	
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval				
Grand Total		10,276,995	56,708,775	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	2,200,000	-	-	2,200,000
Buildings and structures	6,900,000	-	-	6,900,000
Transport equipment	7,570,000	-	-	7,570,000
Office equipment, furniture and fittings	2,641,902	20,999	-	2,662,901
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	19,311,902	20,999	-	19,332,901

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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Date Account Opened	Bank Balance 2021/22	Bank Balance 2020/21
Metembe Primary School	1285685881	KCB	July 2021	Kilgoris	1,544,806.00
Nyakorere Primary School	1285685903	KCB	July 2021	Kilgoris	4,347,572.00
Nyamesocho Primary School	1285685954	KCB	July 2021	Kilgoris	5,997,446.00
Kenyanya Primary School	1285685970	KCB	July 2021	Kilgoris	2,473,496.00
Igorera Primary School	1285685997	KCB	July 2021	Kilgoris	4,445,006.00
Mokomoni Primary	1285700341	KCB	July 2021	Kilgoris	1,697,320.00
Ichuni Primary School	1285709152	KCB	July 2021	Kilgoris	2,043,948.00
Boochi Borabu Chief Office	1285709667	KCB	July 2021	Kilgoris	7,672.00
Eberege Primary	1286403677	KCB	July 2021	Kilgoris	4,850,357.00
Ekerubo CCF primary	1286403766	KCB	July 2021	Kilgoris	2,428,557.00
TOTALS					29,836,180

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Annex 6: Progress On Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2019-2020	2.1 Outstanding Imprest of Ksh. 532,679.00	The Bomachoge Borabu NG-CDF indeed surrendered the above imprest before 30/6/2020 but by the time of the audit, the Payment voucher was still in process.	Resolved	October 2021
	2.2 Inaccurate Summary statement of Appropriation	The Bomachoge Borabu NG-CDF has issued an updated statement of appropriation	Resolved	October 2021
	2.3 Non Filling of Expenditure Returns by PMC		Resolved	October 2021
2018-2019	2.1 Outstanding Imprest of Ksh. 532,679.00	The Bomachoge Borabu NG-CDF indeed surrendered the above imprest before 30/6/2020 but by the time of the audit, the Payment voucher was still in process.	Resolved	October 2021
	2.2 Inaccurate Summary statement of Appropriation	The Bomachoge Borabu NG-CDF has issued an updated statement of appropriation	Resolved	October 2021
2017-2018	1.1 Use of goods and Services- variances in figures in Financial			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Statements and Expenditures schedule.			
	1.2 Failure to prepare a Trial Balance	A Trial Balance was not presented by the time of audit, however, the copy was later availed	Resolved	
	2. Cash and Cash Equivalents	As at the time of the audit, the Bank Balance was 689, 178.30. However, in the AG report, the amount captured was 1,738,378.30 which was different as at the close of the financial year.	Resolved	



 Patrick Malongo Lidovolo
 Fund Account Manager.

