



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

DATE: 31



Wednesday

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
BOMACHOGE CACHE CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2018

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOMACHOGE  
CHACHE CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGE CHACHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
BOMACHOGE CHACHE CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGE CHACHE CONSTITUENCY**  
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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.

**(b) Key Management**

The NGCDF Bomachoge Chache 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	John Onger
3.	Sub-County Accountant	Joseph A. Wesonga
4.	Chairman NGCDFC	Salim Orina
5.	Member NGCDFC	Fredrick Bosire Osoro

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF –Bomachoge Chache Constituency. 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) NGCDF BOMACHOGE CHACHE Constituency Headquarters**  
P.O. Box 303-40204  
NG-CDF Office Building  
OGEMBO



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGE CHACHE CONSTITUENCY**  
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**For the year ended June 30, 2018**

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**(f) NGCDF BOMACHOGE CHACHE Constituency Contacts**

Telephone: (254) 710 426880  
E-mail: [cdfbomachogechache@cdf.go.ke](mailto:cdfbomachogechache@cdf.go.ke)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) NGCDF BOMACHOGE CHACHE Constituency Bankers**

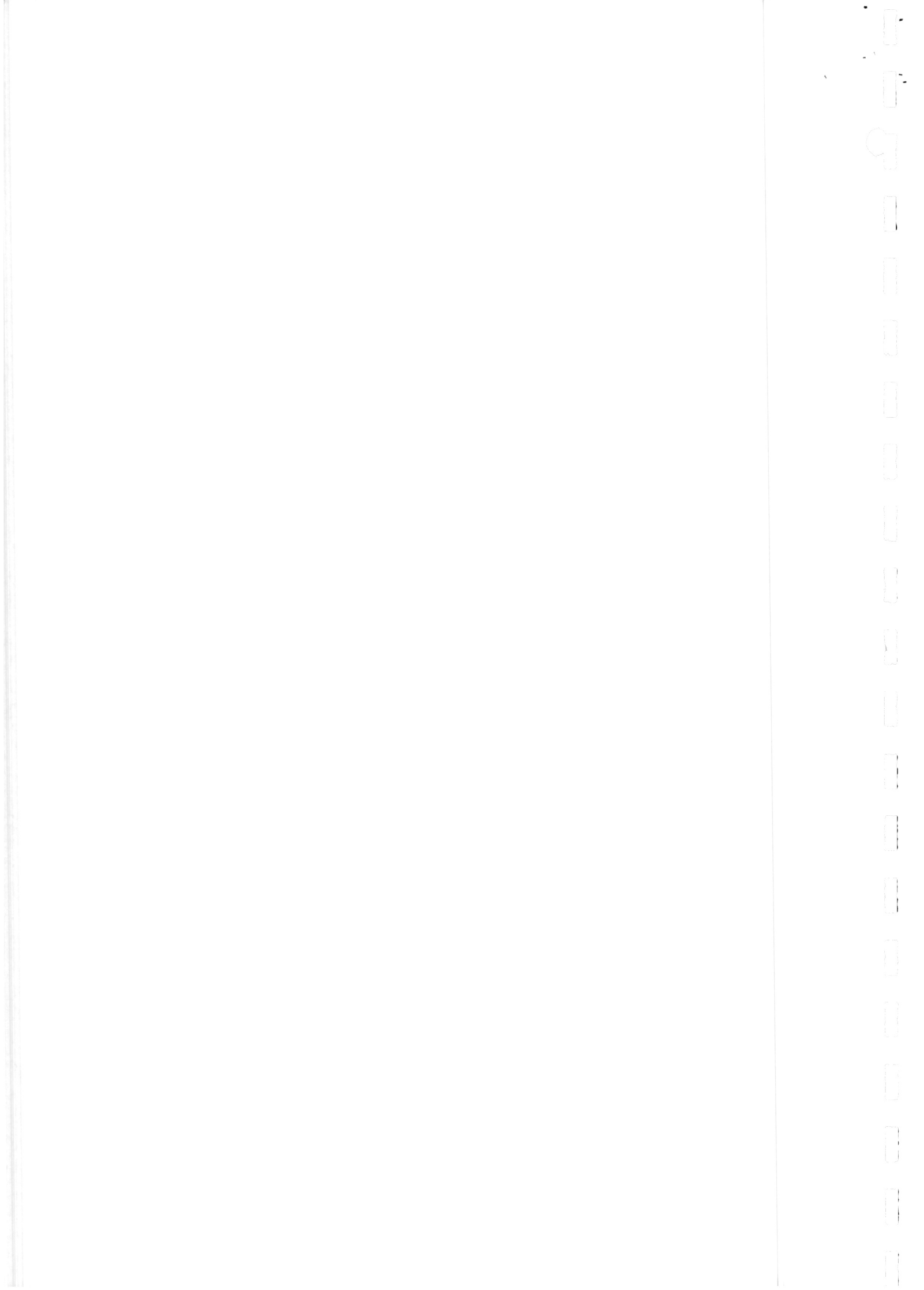
1. Equity Bank  
Account no.0510261687855  
Kisii Branch  
P.O. Box 303- 40204  
Ogembo-Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGHE CHACHE CONSTITUENCY**  
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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The NG-CDFC wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF have improved in their budget performance despite the challenges encountered with the high turnover of managers and delay in receipt of funds from the board. The performance in all the sectors i.e. Education, Security, Bursary and other projects implemented achieved a desirable 73.7 % in terms of utilization.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals, reallocations and staff turnover especially on fund manager transfers.

The NG-CDFCs wish that the issues of having the project on going for more than two years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Finally, the Bomachoge Chache NG-CDF wish to thank the NG CDF board and all other stake holders who have made it easy for them to be able to deliver services to the people of Bomachoge Chache NG-CDF within the precincts of the NG-CDF Act, 2015.

Sign  .....  
CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**BOMACHOGE CHACHE CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 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 Chache 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, 2018. 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 Chache 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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Bomachoge Chache Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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.

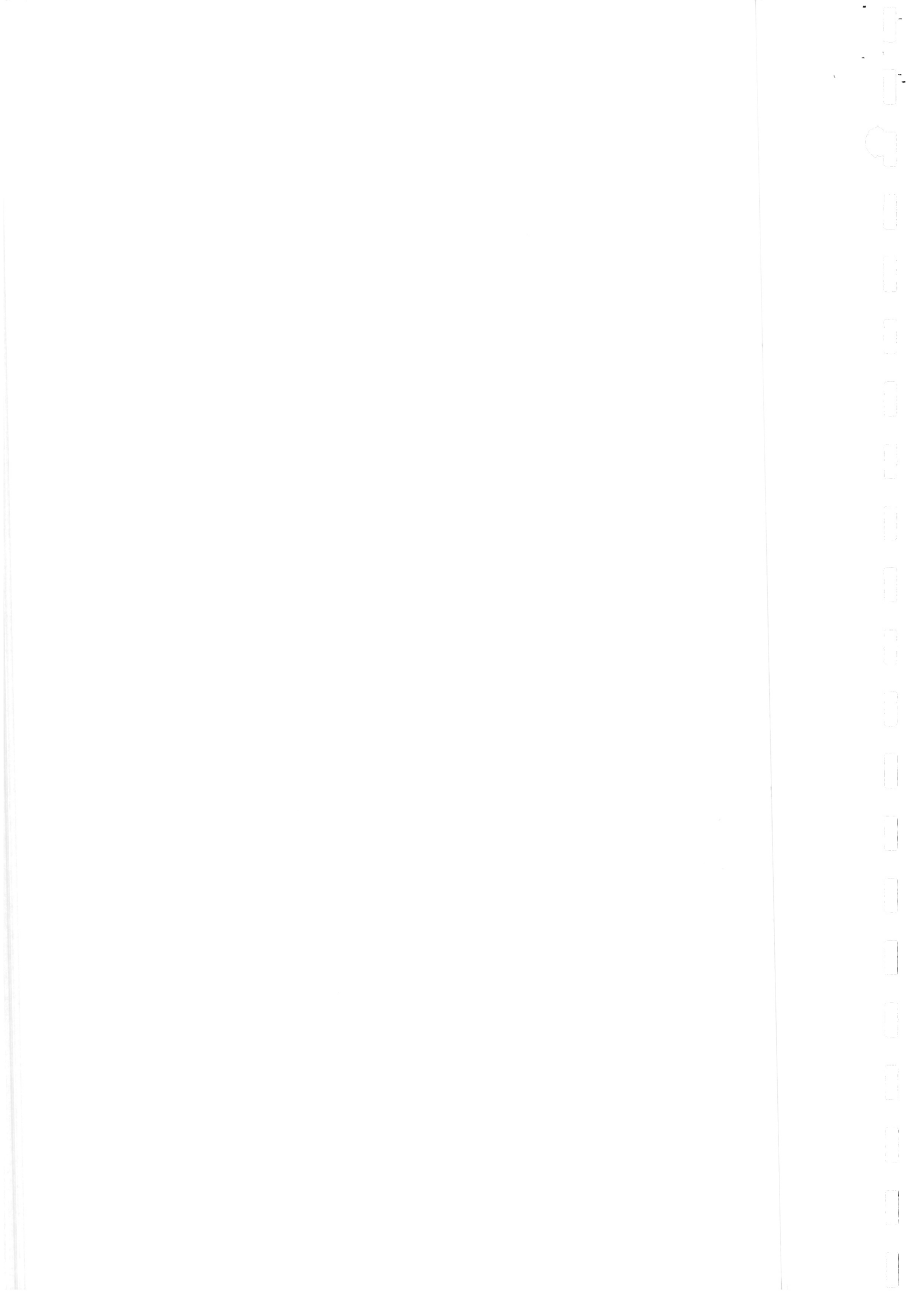
The Accounting Officer in charge of the NGCDF-Bomachoge Chache Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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 Chache Constituency financial statements were approved and signed by the Accounting Officer on 15/09 2018.

  
\_\_\_\_\_  
Fund Account Manager  
Name: John Ongeri  
ICPAK Member Number: 16303

  
\_\_\_\_\_  
Sub-County Accountant  
Name: Joseph A. Wesonga



# REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BOMACHOGE CACHE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the financial statements of National Government Constituencies Development Fund - Bomachoge Cache Constituency set out on pages 6 to 28, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, except for the effects of the 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 Cache Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Net Financial Position

The statement of assets as at 30 June 2018 reflects total financial assets balance of Kshs.4,902,983 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the statement of assets shows net liabilities instead of the net financial position of Kshs.4,902,983.

##### 2. Summary Statement of Appropriation

The summary statement of appropriation - recurrent and development combined for the year ended 30 June 2018 reflects an original budget 86,810,345 and an adjustment of Kshs.48,683,630 resulting in a final budget of Kshs.135,493,975 for both receipts and expenditure, respectively. However, the management did not provide an analysis or break down of the adjustment of Kshs.48,683,630.

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Bomachoge Cache Constituency for the year ended 30 June 2018*

Consequently, the validity, completeness and accuracy of the adjustment could not be ascertained.

### 3. Unutilized Funds

Disclosed in the financial statements under Note 15.3 are unutilized funds amounting to Kshs.70,687,467 as 30 June 2018. The balance is, however, not in agreement with the corresponding total amount of Kshs.67,645,681 indicated in Annex 3 and the total amount of Kshs.59,687,467 reflected in the statement of appropriation for the year ended 30 June 2018. These differences were neither explained nor reconciled.

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

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Basis for Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

## 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 Qualified Opinion and 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. Budget Performance Analysis

A comparison of the budget and actual expenditure revealed material under-utilization of funds during the year under review as tabulated below:

Expenditure Component	Final Budget Kshs.	Actual Expenditure Kshs.	Variance Kshs.	Under-utilization in %
Compensation of Employees	3,040,483	2,811,931	228,552	7 %
Transfer to Other Government Entities	53,720,981	15,300,000	38,420,981	72 %
Other Grants and Transfers	57,757,770	28,283,070	29,474,700	51 %
Acquisition of Assets	2,681,595	0	2,681,595	100 %

The underutilization of the allocated funds negatively affected the achievements of some of the core objectives of the Fund and in turn denied the constituents efficient and effective service delivery.

## 2. Transfers to Other Government Units

Included in transfer to other government units' expenditure of Kshs.15,800,000 is an amount of Kshs.4,600,000 which was re-allocated from renovations to the construction of classrooms without the approval National Government Constituencies Development Fund Board as shown in the table below:

Payee	Activity	Amount Kshs
Matagaro Boarding Primary School	Construction of classrooms	500,000
Getuki Primary School	Construction of Classrooms	700,000
Kebere DEB Primary School	Construction of Classrooms	1,000,000
Nyamboga DEB Primary School.	Construction of Classrooms	500,000
Nyakenyerere Primary School.	Construction of Classrooms	500,000
Mangere Primary School	Construction of Classrooms	1,700,000
Matagaro Primary School	Construction of Classrooms	200,000
<b>Total</b>		<b>4,600,000</b>

In the circumstances, the regularity and value for money of the Kshs.4,600,000 could not be confirmed.

## 3. Project Verification Status

Thirteen projects with a total cost of Kshs.14,481,034 were physically verified. It was observed that one project was ongoing while twelve were complete and in use. However, none of the projects was branded/had signage to indicate that they had been funded by NG-CDF Bomachoge Chache Constituency. The details of the verified projects are as tabulated below:

Project Name	Activity	Disbursement 2017/2018- Kshs	Remarks
Mangere primary School	Construction of 3 classrooms:	1,700,000	Three (3) classrooms were constructed.  Complete and are in use  Not branded.

Project Name	Activity	Disbursement 2017/2018- Kshs	Remarks
Nyataro primary	Completion of two classrooms – ground floor	500,000	Two classrooms completed and in use. Not branded.
Nyambogo primary school	Re-roofing of 5 classrooms	500,000	Roofing done. Project is complete and in use. Not branded
Nyangeke primary school	Re-roofing of 6 classrooms	700,000	11 classrooms re-roofed. Complete and are in use. Not branded.
Nyaburumbasipri mary school	Roof renovation of 5 classrooms	500,000	16 classrooms roofed. Complete and are in use. Not branded.
Kebere primary school	Roofing of 9 classrooms	1,000,000	9 classrooms re-roofed. Are complete and in use. Not branded.
Matagaro primary school	Construction of one classroom was changed to roof renovation of four classrooms	500,000	Four classrooms re-roofed Project is complete and in use. Not branded.
Matagaro primary school	Roof renovation of 2 classrooms	200,000	2 classrooms re-roofed. Project is complete and in use. Not branded.
Nyakenyerere primary school	Flooring of 8 classrooms changed to completion of 2 classrooms	500,000	2 classrooms are complete and in use. Not branded.
Don Bosco primary school	Dining hall walling	500,000	Ongoing project. Not branded.
Sengera Girls Primary School	Construction of pit latrines	200,000	Complete and is in use Not labeled

Project Name	Activity	Disbursement 2017/2018- Kshs	Remarks
Ntamocha DEB Primary School	Construction of pit latrines	850,000	Complete and in use Not branded.
Sengera, Ibencho, Getuki Maroba Markets	Installation of high mast flood lights	6,831,034	Complete The facilities are in use Not branded.
	<b>Total</b>	<b>14,481,034</b>	

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, except for the matters described in the Basis for Qualified Opinion and 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 internal controls, risk management and governance were not effective.

### Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 International Public Sector Accounting Standards (Cash Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund - Bomachoge Chache Constituency 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 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.

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 financial reporting process, reviewing the effectiveness of how the entity 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 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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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 control may not prevent or detect misstatements and instances of non-compliance. 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 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:

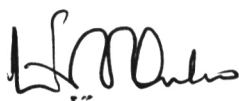
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 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 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 sustaining 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 National Government Constituencies Development

Fund - Bomachoge Chache Constituency to express an opinion on the financial statements.

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

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

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



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

**Nairobi**

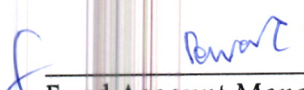
**17 June 2019**


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGE CHACHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	67,253,447	95,447,064
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>67,253,447</b>	<b>95,447,064</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,811,931	2,993,287
Use of goods and services	5	18,411,507	4,212,787
Transfers to Other Government Units	6	15,300,000	42,926,000
Other grants and transfers	7	28,283,070	35,988,494
Acquisition of Assets	8	-	7,705,000
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>64,806,508</b>	<b>93,825,568</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>2,446,939</u></b>	<b><u>1,621,496</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Bomachoge Chache Constituency financial statements were approved on 15/09/2018 2018 and signed by:

  
 Fund Account Manager  
 Name: John Onger

  
 Sub-County Accountant  
 Name: Joseph A. Wesonga  
 ICPAK Member Number: 16303

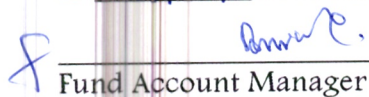



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGE CHACHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	4,902,983	2,456,044
Cash Balances (cash at hand)	10B	-	-
		-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>4,902,983</u></b>	<b><u>2,456,044</u></b>
<b>REPRESENTED BY</b>			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	2,456,044	834,548
Surplus/Deficit for the year		2,446,939	1,621,496
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b><u>4,902,983</u></b>	<b><u>2,456,044</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Bomachoge Chache Constituency financial statements were approved on 17/09/2018 2018 and signed by:

  
Fund Account Manager  
Name: John Onger

  
Sub-County Accountant  
Name: Joseph A. Wesonga  
ICPAK Member Number:16303

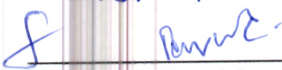
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BOMACHOGE CHACHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	67,253,447	95,447,064
Other Receipts	3	-	-
		67,253,447	95,447,064
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,811,931	2,993,287
Use of goods and services	5	18,411,507	4,212,787
Transfers to Other Government Units	6	15,300,000	42,926,000
Other grants and transfers	7	28,283,070	35,988,494
Other Payments	9	-	-
		64,806,508	86,120,568
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>2,446,939</b>	<b>9,326,496</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(7,705,000)
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(7,705,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
Cash and cash equivalent at BEGINNING of the year	13	2,456,044	834,458
Cash and cash equivalent at END of the year		<u>4,902,983</u>	<u>2,456,044</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Bomachoge Chache Constituency financial statements were approved on 13/09/2018 and signed by:

  
 Fund Account Manager  
 Name: John Onger

  
 Sub-County Accountant  
 Name: Joseph A. Wesonga  
 ICPAK Member Number: 16303



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOMACHOGE CHACHE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	86,810,345	48,683,630	135,493,975	69,709,491	65,784,484	51.4%
Proceeds from Sale of Assets	-					
Other Receipts	-					
<b>TOTAL</b>	<b>86,810,345</b>	<b>48,683,630</b>	<b>135,493,975</b>	<b>69,709,491</b>	<b>54,784,484</b>	<b>51.4%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,240,483	800,000	3,040,483	2,811,931	228,552	92.5%
Use of goods and services	8,661,241	9,631,905	18,293,146	18,411,507	(118,361)	100.6%
Transfers to Other Government Units	37,469,256	16,251,725	53,720,981	15,300,000	38,920,981	28.2%
Other grants and transfers	35,757,770	22,000,000	57,757,770	28,283,070	21,474,700	56.8%
Acquisition of Assets	2,681,595		2,681,595		2,681,595	0.0%
Other Payments	-					
<b>TOTALS</b>	<b>86,810,345</b>	<b>48,683,630</b>	<b>124,493,975</b>	<b>64,806,508</b>	<b>59,687,467</b>	<b>73.7%</b>

The NGCDF-Bomachoge Chache Constituency financial statements were approved on 15/09/2018 and signed by:

John Onger  
Fund Account Manager  
Name: John Onger

Joseph A. Wesonga  
Sub-County Accountant  
Name: Joseph A. Wesonga  
ICPAK Member Number: 16303



**Reports and Financial Statements**

**For the year ended June 30, 2018**

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The Total receipts from the NGCDF Board is 51.4% and this shows the board has not disbursed all the expected funds to Bomachoge Chache NGCDF.

On the Transfer to Other Government Units, the Constituency incurred an expenditure of 29.4% and this was due to adjustment of the Total budget to be high against expense.

On other grants and transfer, the Constituency incurred an expenditure of 48.5%, which is due to late submission of project proposal and receipt of funds.

On the acquisition of assets, 0% was incurred as the amount received was for the construction of office septic and drainage system and the procurement process is underway but so far, no expenditure was incurred as at the end of the financial year.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY**  
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**For the year ended June 30, 2018**

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**VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and basis of Preparation**

The financial statements have been prepared in accordance with 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 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 CHACHE 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.

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
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External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is 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.

**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 public entity 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 Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

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amounts; otherwise, the contribution is not recorded.

**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 the Central Bank of Kenya and 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 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**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 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 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 Funds**

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
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For the year ended June 30, 2018**

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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**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

**14. Errors**

Material prior period errors shall be 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**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY**  
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For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO. 892573	1	19,948,275	
AIE NO.892639	2	1,500,000	
AIE NO.892654	3	2,400,000	
AIE NO.855766	4	5,500,000	
AIE NO.892757	5	37,905,172	
AIE NO.A825782	1		44,498,787
AIE NO.A855004	2		36,853,449
AIE NO.A839664	3		10,000,000
AIE NO. A892757	4		4,094,828
<b>TOTAL</b>		<b>67,253,447</b>	<b>95,447,064</b>

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	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		
<b>Total</b>		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
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For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

3. OTHER RECEIPTS	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents		
Other Receipts Not Classified Elsewhere		
<b>Total</b>		
<hr/>		
4. COMPENSATION OF EMPLOYEES	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,660,611	1,137,413
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity	1,151,320	
Other personnel payments		
<b>Total</b>	<b>2,811,931</b>	<b>1,137,413</b>
<hr/>		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
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For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	6,052,000	1,073,568
Utilities, supplies and services	28,141	12,000
Communication, supplies and services		
Domestic travel and subsistence	-	
Printing, advertising and information supplies & services		
Rent	325,000	150,000
Training expenses	306,000	
Hospitality supplies and services (Other Allowances)	4,870,771	1,800,000
Insurance costs		
Fuel, Oil & Lubricants	1,682,000	434,095
Office and general supplies and services	324,800	464,897
Other operating expenses	4,718,275	20,000
Routine maintenance – vehicles and other transport equipment	104,520	258,227
Routine maintenance – other assets	-	-
<b>Total</b>	<b>18,411,507</b>	<b>4,212,787</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities		
Transfers to primary schools	11,500,000	18,900,000
Transfers to secondary schools	3,800,000	20,200,000
Transfers to tertiary institutions	-	1,026,000
Transfers to health institutions	-	2,800,000
<b>TOTAL</b>	<b>15,300,000</b>	<b>42,926,000</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools	1,999,536	3,217,800
Bursary – tertiary institutions	13,352,500	17,850,200
Bursary – special schools	-	-
Mock & CAT	-	-
Security projects	11,831,034	5,100,000
Sports projects		1,613,830
Environment projects		2,700,000
Emergency projects	1,100,000	1,659,464
<b>Total</b>	<b>28,283,070</b>	<b>35,988,494</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings		
Construction of Buildings		7,705,000
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialised Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
<b>Total</b>		<b>7,705,000</b>

9. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
ICT Hub	-	-
	-	-
	~	~

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity Bank Kisii Branch, Account No.</i>	4,902,983	2,456,044
<b>Total</b>	<b>4,902,983</b>	<b>2,456,044</b>
<b>10B: CASH IN HAND</b>		
Location 1		
Location 2	-	-
Location 3		
Other Locations ( <i>specify</i> )		
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		

3

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	0	0	0	0
<i>Name of Officer or Institution</i>				
<i>Name of Officer or Institution</i>				
<i>Name of Officer or Institution</i>				
<i>Name of Officer or Institution</i>				
<i>Total</i>				xxx

12 RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1		
Supplier 2		
Supplier 3		
<b>Total</b>		

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts		
Cash in hand		
Imprest		
<b>Total</b>		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	XX	XX
Cash in hand	XX	XX
Imprest	XX	XX
<b>Total</b>	<b>XX</b>	<b>XX</b>

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	XX	XX
Construction of civil works	XX	XX
Supply of goods	XX	XX
Supply of services	XX	XX
	<b>XX</b>	<b>XX</b>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff Salaries	-	-
Staff Gratuity	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	<b>-</b>	<b>-</b>

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	228,552	6,713
Use of goods and services	131,639	171,761
Amounts due to other Government entities (see attached list)	37,920,981	465,552
Amounts due to other grants and other transfers (see attached list)	29,724,700	2,461,506
Acquisition of assets	2,681,595	-
Others ( <i>specify</i> )	-	-
	<b>70,687,467</b>	<b>33,404,312</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BOMACHOGE CHACHE CONSTITUENCY  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)		



**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
Sub-Total						
<b>Construction of civil works</b>						
4.						
5.						
6.						
Sub-Total						
<b>Supply of goods</b>						
7.						
8.						
9.						
Sub-Total						
<b>Supply of services</b>						
10.						
11.						
12.						
Sub-Total						
Grand Total						



**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Staff Salaries</b>							
1. Dominic Motari Ogendi		25,000	March,2018	100,000			
2. Faraja Arenchi Nyamweya		18,000	March, 2018	72,000			Staff on Probation
3. Boniface Mogaka Onchera		17,000	March,2018	68,000			
4. Everlyne Kerubo Obwogi		15,000	March,2018	60,000			
5. Hassan Oseko Moya		15,000	March,2018	60,000			
	<b>Sub-Total</b>	<b>115,000</b>					
<b>Staff Gratuity</b>							
6.							
7.							
8.							
	<b>Sub-Total</b>						
<b>Unionisable Employees</b>							
9.							
10.							
11.							
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
12.							
13.							
14.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						



**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		228,552	6,713	
Use of goods & services		131,639	171,761	
Amounts due to other Government entities		37,920,981	465,552	
Sub-Total		37,920,981	465,552	
Amounts due to other grants and other transfers		29,724,700	2,461,506	
Sub-Total				
Sub-Total		29,724,700	2,461,506	
Acquisition of assets				
Others ( <i>specify</i> )				
Sub-Total				
Grand Total				



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs'000)**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	30,837,235	-	-	30,837,235
Transport equipment( Motor Vehicle)	6,544,000	-	-	6,544,000
Office equipment, furniture and fittings	6,200	-	-	6,200
ICT Equipment, Software and Other ICT Assets	182,485	-	-	182,485
Other Machinery and Equipment	123,500	-	-	123,500
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>37,693,400</b>	<b>-</b>	<b>-</b>	<b>37,693,400</b>





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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs'000)**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2016/2017	Inaccuracies in the financial statements	Issue resolved	John Ongeru	Issue resolved	12/12/18
"	Failure to prepare trial balance	Issue resolved	John Ongeru	Issue resolved	12/12/18
"	Unconfirmed use of Goods expenditure	Issue resolved	John Ongeru	Issue resolved	12/12/18
"	Construction of CDF Office		John Ongeru	Issue resolved	12/12/18
"	Unexplained compensation of employees expenditure	Issue resolved	John Ongeru	Issue resolved	12/12/18
"	Unaccounted for transfers to health sector	Issue resolved	John Ongeru	Issue resolved	12/12/18
"	Absence of a fixed Assets register	Issue resolved	John Ongeru	Issue resolved	12/12/18





OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT OF KENYA LIBRARY

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID

DATE: 31 JUL 2019

TABLED BY: Hon. Benjamin Wadhvani (Majority Whip)

CLERK OF THE TABLE: Hafima Ahmed

OF

**THE AUDITOR-GENERAL**

ON

**THE FINANCIAL STATEMENTS NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT IKOLOMANI CONSTITU**

FOR THE YEAR

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- IKOLOMANI  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

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III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES .....	5
IV. REPORT OF THE INDEPENDENT AUDITOR.....	6
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VII. STATEMENT OF CASHFLOW .....	9
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**(b) Key Management**

The *IKOLOMANI Constituency's* 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	<b>Mr. Yusuf Mbuno</b>
2.	A.I.E holder	<b>Mr. Tom Ageng'a</b>
3.	Sub-County Accountant	<b>Mr. Erick Ochuka</b>
4.	Chairman NGCDF	<b>Mr. David Muliru Lisamula</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) IKOLOMANI NGCDF Headquarters**

Ikolomani NG-CDF Office Building,  
Behind Malinya Market-Off Sigalagala-Butere Road  
P.O Box 2773-50100  
Kakamega

**(f) IKOLOMANI NGCDF Contacts**

Telephone: +254-716-830-440

E-mail: [cdfikolomani@cdf.go.ke](mailto:cdfikolomani@cdf.go.ke)

Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) IKOLOMANI NGCDF Bankers**

Cooperative Bank of Kenya

P.O Box 595-50100

Kakamega

**(h) Independent Auditors**

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- IKOLOMANI  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

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

To the residents of Ikolomani Constituency it's my pleasure to present the annual financial statements for Ikolomani NG-CDF for the financial year 2017/18. The NG-CDF Act, 2015 requires that every constituency develop and submit, within three months of the close of each financial year, financial statements to the Auditor General through the NG-CDFB. This report is thus submitted in fulfilment of this requirement for the financial year ended June 30, 2018.

The Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

During the last financial year 2017/18 we had an approved budget of KShs 86,810,345.00. During the financial year a supplementary budget of KShs 11,379, 310.00 was approved. In addition, there was a balance of KShs 3,140,946.00 from the previous financial year to bring to a total of KShs 101,330,601.00 as expected receipts from the NG-CDF Board. Further, a total of KShs 84,719,953.00 was received from the CDF Board, which represents approximately 87.0% of the total sums we had expected to receive, being the amounts of the total budget together with the balance from the previous financial year. In the same vein, the Ikolomani CDFC managed to disburse to various entities an average of 73%. Just to highlight a few areas; Transfers to other government entities was 86%, while other grants and transfers was 44%. The low absorption of funds was due to delayed disbursements of funds by the NGCDF Board.

This Annual Financial Report is divided in three sections; an informational section, statement of NGCDF management responsibilities and the financial statements section comprising of; Statement of Receipts and payments; Statement of Assets, Statement of Cash flow; Statement of appropriation; significant accounting policies; and notes to the financial statement together with their respective annexes.

I am very grateful to the Kakamega South Sub County Accountant; Mr. Erick Ochuka for his support in maintaining proper accounting records which indeed has formed the basis of preparing these annual financial statements. In addition, my deepest gratitude goes to the Fund Account Manager together with other NGCDF staff who have worked tirelessly to ensure that this report comes to fruition. I personally wish to thank them for their commitment and dedication. Let me also recognize the contribution of my committee who have worked so hard. I am indeed fortunate to be supported by a team of individuals with extensive knowledge and experience. I thank them for their commitment and support. Thank you for your interest, and in reviewing the 2017/18 Annual Financial Report.

Sign: .....  
David Muliru Lisamula  
NG-CDFC Chairman

Date: ..... 18/09/2018 .....



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- IKOLOMANI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

**III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government agency shall prepare financial statements in respect of that agency. 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 IKOLOMANI Constituency Development Fund is responsible for the preparation and presentation of the IKOLOMANI NGCDF financial statements, which give a true and fair view of the state of affairs of the IKOLOMANI NGCDF for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *NGCDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

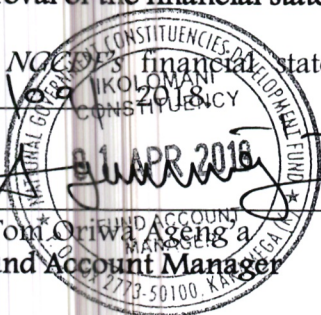
The Accounting Officer in charge of the IKOLOMANI NGCDF accepts responsibility for the *NGCDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NGCDF's* financial statements give a true and fair view of the state of *NGCDF's* transactions during the financial year ended June 30, 2018, and of the *NGCDF's* financial position as at that date. The Accounting Officer in charge of the IKOLOMANI NGCDF further confirms the completeness of the accounting records maintained for the *NGCDF*, which have been relied upon in the preparation of the *NGCDF's* financial statements as well as the adequacy of the systems of internal financial control.

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

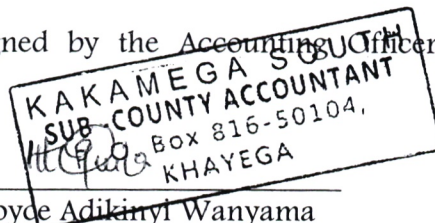
**Approval of the financial statements**

The *NGCDF's* financial statements were approved and signed by the Accounting Officer on

18/09/2018



Tom Oriwa Aseng'a  
Fund Account Manager



Loyde Adikinyi Wanyama  
Sub-County Accountant  
ICPAK Member Number: 19609



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Ikolomani Constituency set out on pages 7 to 26 which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and the 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Ikolomani Constituency as at 30 June, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

#### Basis for Opinion

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

#### Key Audit Matters

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

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*Report of the Auditor-General on the Financial Statements of the National Government Constituencies  
Development Fund- Ikolomani Constituency for the year ended 30 June 2018*

## Other Matter

### 1.0 Budgetary Control and Performance

#### 1.1 Budget Performance

The National Government Constituencies Development Fund - Ikolomani Constituency had an approved budget of Kshs.103,094,776 for the financial year 2017/2018. During the same period, the Fund recorded expenditure of Kshs.74,841,525 or approximately 73% of the budget resulting in an under expenditure of Kshs.28,253,251 or 27% of the budget as detailed below:

Item	Approved Budget (Kshs)	Expenditure (Kshs)	Under Absorption (Kshs)	Under Absorption (%)
Compensation of Employees	2,400,000	2,210,250	189,750	8
Use of goods and services	8,806,035	6,831,275	1,974,760	22
Transfers to Other Government Units	60,873,783	52,100,000	8,773,783	14
Other grants and transfers	31,014,958	13,700,000	17,314,958	56
<b>Total</b>	<b>103,094,776</b>	<b>74,841,525</b>	<b>28,253,251</b>	<b>27</b>

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

#### 1.2 Project Implementation Status

The management did not provide project implementation status of the approved projects according to the approved budget for 2017/2018 as required. Instead, it was provided wef 2013/2014 thus not able to provide a clear picture on how the approved budget for 2017/2018 was utilised.

However, according to the projects implementation status report availed for audit review, the National Government Constituencies Development Fund - Ikolomani Constituency had planned to implement three hundred and eight (308) projects between the financial years 2013/14 and 2017/18 estimated to cost Kshs.477,197,636. As at 30 June 2018, two hundred and fourteen (214) project were complete, ninety-three (93) projects were on going while one (1) project budgeted for Kshs.2,000,000 had not started as detailed below:

Sector/ Status	Abandoned		Not Started		Ongoing		Completed	
	No	Value (Kshs)	No	Value (Kshs)	No	Value (Kshs)	No	Value (Kshs)
Administration	0	-	0	-	2	6,677,027	21	45,252,503
Education	0	-	1	2,000,000	84	121,900,000	142	218,872,126
Environment	0	-	0	-	0	-	9	1,580,000
Emergency	0	-	0	-	4	10,225,944	0	-
Health	0	-	0	-	2	3,241,379	3	4,141,379
Roads	0	-	0	-	0	-	13	33,156,124
Security	0	-	0	-	0	-	11	7,350,000
Sports	0	-	0	-	0	-	7	7,211,962
Markets/Trade	0	-	0	-	1	-	2	3,064,468
Water	0	-	0	-	0	-	6	1,924,720
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2,000,000</b>	<b>93</b>	<b>142,044,350</b>	<b>214</b>	<b>322,553,282</b>

Delay in implementation and completion of planned projects has effect of denying the people of Ikolomani constituency the benefits of these projects.

## 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 section 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 Other Grants and Other Transfers

##### 1.1 Environmental Projects

Included in other grants and transfers figure of Kshs.13,700,000 is environmental projects amount of Kshs.200,000 paid to an Ikolomani youth group for supply and delivery of tree seedlings to various schools within the constituency. However, there was no approval from the line department of forestry sanctioning the tree planting activity. In addition, there was no acknowledgement from the beneficiary institutions/schools acknowledging receipt of the seedlings. Consequently, the propriety of Kshs.200,000 spent on environmental projects could not be confirmed.

## **1.2 Construction of Lusui Police Post**

The other grants and transfers amount of Kshs.13,700,000 also include emergency projects amount of Kshs.400,000 paid to a construction company for installation of unit huts, pit latrine and fencing of a plot for Lusui Police Post. The project was indicated to be an emergency and it was to take one month for it to be completed. A site visits of the project in January 2019 revealed that although the project was complete, it had not been put to use and the fence had been vandalized. Consequently, the propriety of Kshs.400,000 incurred on the project could not be confirmed and the resident of Ikolomani Constituency did not get value for money spend on the project.

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 overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 International Public Sector Accounting Standards (Cash Basis) and for maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the 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.

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 financial reporting process, reviewing the effectiveness of how the entity 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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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.

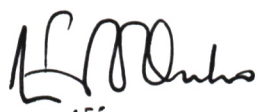
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**17 May 2019**

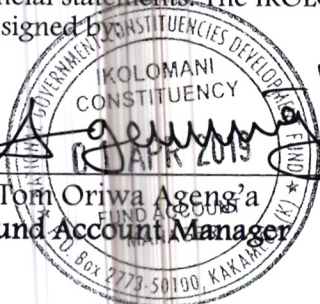
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- IKOLOMANI  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

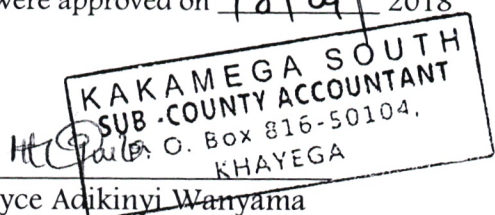
**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018 KShs	2016 - 2017 KShs
<b>RECEIPTS</b>			
Transfers from NGCDF board-AIEs' Received	1	84,810,345	79,896,552
Other Receipts	2	1,764,175	39,000
<b>TOTAL RECEIPTS</b>		<b>86,574,520</b>	<b>79,935,552</b>
<b>PAYMENTS</b>			
Compensation of employees	3	2,210,250	2,654,422
Use of goods and services	4	6,831,275	7,501,032
Transfers to Other Government Units	5	52,100,000	46,350,000
Other grants and transfers	6	13,700,000	30,947,600
Acquisition of Assets	7	0	888,000
<b>TOTAL PAYMENTS</b>		<b>74,841,525</b>	<b>88,341,054</b>
<b>SURPLUS/DEFICIT</b>		<b>11,732,995</b>	<b>(8,405,502)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The IKOLOMANI NGCDF financial statements were approved on 18/09/2018 and signed by



Tom Oriwa Ageng'a  
Fund Account Manager



Loyce Adikinyi Wanyama  
Sub-County Accountant  
ICPAK Member Number: 19609



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- IKOLOMANI  
CONSTITUENCY

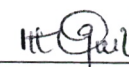
Reports and Financial Statements  
For the year ended June 30, 2018

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018 KShs	2016-2017 KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	8	14,873,941	3,140,946
<b>Total Cash and Cash Equivalents</b>		<b>14,873,941</b>	<b>3,140,946</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,873,941</b>	<b>3,140,946</b>
<b>FINANCIAL LIABILITIES</b>			
<b>NET FINANCIAL ASSETS</b>			
		<b>14,873,941</b>	<b>3,140,946</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd. 1st July...	9	3,140,946	11,536,448
Surplus/Deficit for the year		11,732,995	(8,405,502)
<b>NET LIABILITIES</b>		<b>14,873,941</b>	<b>3,140,946</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The IKOLOMANI NGCDF financial statements were approved on 18/09/2018 and signed by

  
Tom Oriwa Ageng'a  
Fund Account Manager

  
Loyce Adikinyi Wanyama  
Sub-County Accountant  
ICPAK Member Number: 19609

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- IKOLOMANI  
CONSTITUENCY**

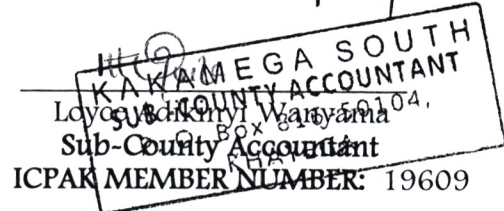
**Reports and Financial Statements  
For the year ended June 30, 2018**

**VII. STATEMENT OF CASHFLOW**

		2017 - 2018	2016 - 2017
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	84,810,345	79,896,552
Other Receipts	2	1,764,175	39,000
		<b>86,574,520</b>	<b>79,935,552</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	3	2,210,250	2,654,422
Use of goods and services	4	6,831,275	7,501,032
Transfers to Other Government Units	5	52,100,000	46,350,000
Other grants and transfers	6	13,700,000	30,947,600
		<b>74,841,525</b>	<b>87,453,054</b>
<b>Adjusted for:</b>			
Changes in Receivables		0	254,000
<b>Net cash flow from operating activities</b>		<b>11,732,995</b>	<b>(7,253,502)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	7	0	(888,000)
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>(888,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>11,732,995</b>	<b>(8,141,502)</b>
Cash and cash equivalent at BEGINNING of the year	9	3,140,946	11,282,448
<b>Cash and cash equivalent at END of the year</b>		<b>14,873,941</b>	<b>3,140,946</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The IKOLOMANI NGCDF financial statements were approved on 18/09/2018 and signed by

  
**Tom Oriwa Ageng'a**  
**Fund Account Manager**

  
**MEGA SOUTH**  
**KAKAMA COUNTY ACCOUNTANT**  
 Loyce Sub County, Wanyama  
 Sub-County Accountant  
 ICPAK MEMBER NUMBER: 19609



For the year ended June 30, 2018


VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,345.00	14,610,648.00	101,420,993.00	87,951,291.00	13,469,702.00	86.7%
Other Receipts	-	1,673,783.00	1,673,783.00	1,673,783.00	-	100.0%
<b>TOTAL</b>	<b>86,810,345.00</b>	<b>16,284,431.00</b>	<b>103,094,776.00</b>	<b>89,625,074.00</b>	<b>13,469,702.00</b>	<b>86.9%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,400,000.00	-	2,400,000.00	2,210,250.00	189,750.00	92.1%
Use of goods and services	5,064,352.00	3,741,683.00	8,806,035.00	6,831,275.00	1,974,760.00	77.6%
Transfers to Other Government Units	53,900,000.00	6,973,783.00	60,873,783.00	52,100,000.00	8,773,783.00	85.6%
Other grants and transfers	25,445,993.00	5,568,965.00	31,014,958.00	13,700,000.00	17,314,958.00	44.2%
<b>TOTAL</b>	<b>86,810,345.00</b>	<b>16,284,431.00</b>	<b>103,094,776.00</b>	<b>74,841,525.00</b>	<b>28,253,251.00</b>	<b>72.6%</b>

- i. Transfers from the Board of KShs 2,000,000.00 belonging to the original budget was not received since the proposed projects had been declined by the NGCDF Board, in addition a balance of KShs 11,379,310.00 which was not received was for the supplementary budget.
- ii. Under utilisation of use of goods and services was as a result of delay in the disbursement of funds by the NGCDF Board
- iii. Underutilisation in Transfers to other Government units was due to decline in approving two projects and projects funded through the supplementary budget that was not received during the financial year.
- iv. Underutilisation in Other grants and transfers was as a result of delay in the disbursement of funds by the NGCDF Board, non-utilization of the emergency fund and projects funded through the supplementary budget that was not received during the financial year.

The IKOLOMANI NGCDF financial statements were approved on 18/09 2018 and signed by:

  
 Tom Oriwa Ageng'a  
 Fund Account Manager

  
 KAKAMEGA SOUTH  
 SUB-COUNTY ACCOUNTANT  
 P. O. Box 816-50104,  
 HAYEGA  
 Loyce Adikinyi Wanyant  
 Sub-County Accountant  
 ICPAK Member Number: 19609

## IX. 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 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-IKOLOMANI** 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

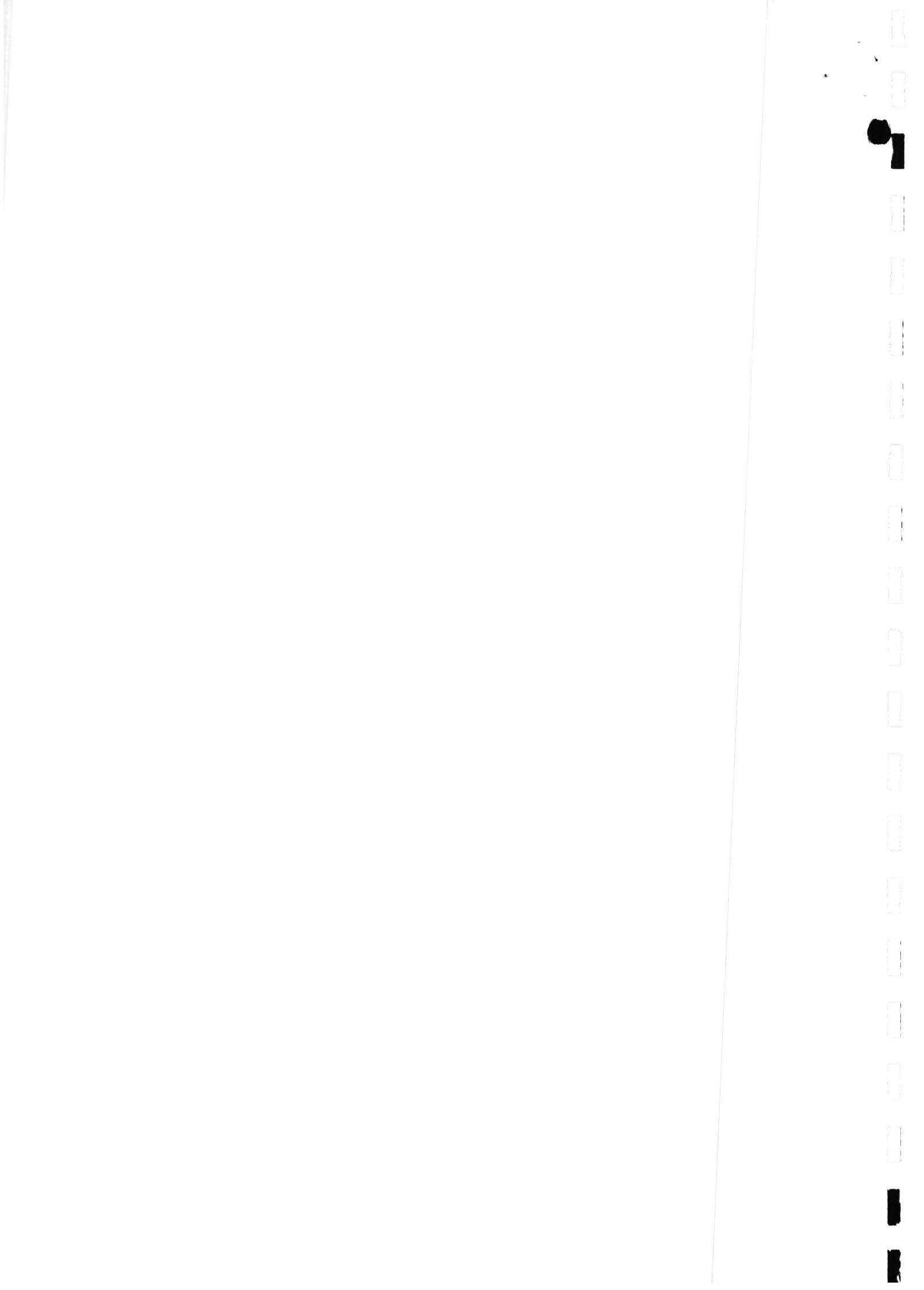
The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

##### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

##### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.



## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is 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.

### **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 public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

## SIGNIFICANT ACCOUNTING POLICIES

### 5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity 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.

### 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 the Central Bank of Kenya and 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 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

### 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 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 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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.



**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

**14. Errors**

Material prior period errors shall be 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**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2017 - 2018 KShs	2016 - 2017 KShs
Normal allocation		
A855822	5,500,000	4,094,828
A892916	37,905,172	36,853,449
A896828	21,000,000	38,948,275
A896903	20,405,173	
<b>TOTAL</b>	<b>84,810,345</b>	<b>79,896,552</b>

**2. OTHER RECEIPTS**

Description	2017 - 2018 KShs	2016 - 2017 KShs
Receipts from Sale of tender documents	-	39,000
Refunds from Closed PMCs Bank Accounts & Others	1,764,175	-
<b>Total</b>	<b>1,764,175</b>	<b>39,000</b>

**3. COMPENSATION OF EMPLOYEES**

Description	2017 - 2018 KShs	2016 - 2017 KShs
Basic wages of contractual employees	1,243,133	1,478,905
Basic wages of casual Labour	15,000	-
<b>Personal allowances paid as part of salary</b>		
House allowance	157,000	260,000
Transport allowance	170,000	284,000
Leave allowance	26,000	44,000
Other personnel payments	36,945	48,000
Employer contribution to NSSF	43,180	76,680
Gratuity	518,992	462,837
<b>Total</b>	<b>2,210,251</b>	<b>2,654,422</b>

**4. USE OF GOODS AND SERVICES**

Description	2017 - 2018 KShs	2016 - 2017 KShs
Utilities, supplies and services	26,747	19,474
Communication, supplies and services	266,069	200,016
Domestic travel and subsistence	302,800	545,905
Printing, advertising and information supplies & services	33,680	15,540
Rentals of produced assets	720,000	836,000
Training Expenses	400,000	600,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

Hospitality supplies and services	947,290	400,720
Other committee expenses	3,112,450	4,072,000
Committee allowance	226,000	372,000
Office and general supplies and services	185,833	250,304
Fuel, oil & lubricants	53,000	3,500
Bank Service Commission and Charges	18,525	31,065
Routine maintenance – vehicles and other transport equipment	526,841	147,508
Routine maintenance – other assets	12,040	7,000
<b>Total</b>	<b>6,831,275</b>	<b>7,501,032</b>

**5. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017 - 2018	2016- 2017
	KShs	KShs
Transfers to primary schools (see attached list)	37,300,000	41,750,000
Transfers to secondary schools (see attached list)	14,800,000	4,600,000
Transfers to tertiary institutions (see attached list)	-	-
<b>TOTAL</b>	<b>52,100,000</b>	<b>46,350,000</b>

**6. OTHER GRANTS AND OTHER PAYMENTS**

	2017 – 2018	2016 -2017
	KShs	KShs
Bursary – secondary schools (see attached list)	10,150,000	12,658,500
Bursary – tertiary institutions (see attached list)	1,150,000	4,646,500
Mock & CAT (see attached list)	-	2,637,600
Security projects (see attached list)	1,000,000	900,000
Sports projects (see attached list)	800,000	1,085,000
Environment projects (see attached list)	200,000	770,000
Emergency Projects (specify)	400,000	8,250,000
<b>Total</b>	<b>13,700,000</b>	<b>30,947,600</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**7. ACQUISITION OF ASSETS**

**Non-Financial Assets**

	2017 - 2018	2016 - 2017
	KShs	KShs
Purchase of Bicycles & Motorcycles	-	-
Purchase of Office Furniture and General Equipment	-	150,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	288,000
Purchase of Photocopier	-	450,000
<b>Total</b>	<b>-</b>	<b>888,000</b>

**8. Bank Balances (Cash Book Bank Balance)**

Name of Bank, Account No. & currency	2017 - 2018	2016 - 2017
	KShs	KShs
Cooperative Bank, Kakamega Branch A/C No.01120023550000	14,873,941	3,140,946
<b>TOTAL</b>	<b>14,873,941</b>	<b>3,140,946</b>

**9. BALANCES BROUGHT FORWARD**

	2017 - 2018	2016 - 2017
	KShs	KShs
Bank accounts	3,140,946	11,282,448
Cash in Hand	-	-
Imprest	-	254,000
<b>Total</b>	<b>3,140,946</b>	<b>11,536,448</b>

**10.0 OTHER IMPORTANT DISCLOSURES**

**10.1: OTHER PENDING PAYABLES (See Annex 1)**

	2017-2018	2016-2017
	KShs	KShs
Amounts due to other Government entities (see attached list)	10,773,783	2,000,000
Amounts due to other grants and other transfers (see attached list)	10,068,966	1,000,000
Others	9,910,532	2,630,946
	<b>30,753,281</b>	<b>5,630,946</b>



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

10.2: PMC account balances (See Annex 3)

	2017-2018	2016-2017
	KShs	KShs
PMC account Balances (see attached list)	5,862,169	12,436,742
	<u>5,862,172</u>	<u>12,436,742</u>

10.3: Pending Disbursements from NGCDF Board

	2017-2018	2016-2017
	KShs	KShs
Pending disbursements from the NGCDF Board	15,879,310	2,500,000
	<u>15,879,310</u>	<u>2,500,000</u>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**XI. ANNEXES**

**ANNEX 1 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contract ed	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		A	B	c	d=a-c		
<b>Amounts due to other Government entities</b>							
Iguhu KMTC	Purchase of land for the construction of MTC	2,000,000.00	n/a	Nil	2,000,000.00	2,000,000.00	Funds yet to be disbursed by the NGCDF Board
Lirhembe Girls Sec School	Part funding for Purchase of school Bus	800,000.00	n/a	Nil	800,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
Shiveye Secondary School	Part funding for Purchase of school Bus	1,000,000.00	n/a	Nil	1,000,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
Iguhu Primary School	Construction of administration block	500,000.00	n/a	Nil	500,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
Imbale Secondary School	Completion of storey dormitory	3,173,783.00	n/a	Nil	3,173,783.00	0.00	Funds yet to be disbursed by the NGCDF Board
Imulama Primary School	Construction of Tuition block	500,000.00	n/a	Nil	500,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
Milimani Primary School	Construction of Tuition block	400,000.00	n/a	Nil	400,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
Mumbetsa Primary School	Construction of Tuition block	400,000.00	n/a	Nil	400,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
Shiavihiga Primary School	Construction of Tuition block	2,000,000.00	n/a	Nil	2,000,000.00	0.00	Funds yet to be disbursed by the NGCDF Board
<b>Sub-Total</b>		<b>10,773,783.00</b>			<b>10,773,783.00</b>	<b>2,000,000.00</b>	
<b>Amounts due to other grants and other transfers</b>							



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Name	Brief Transaction Description	Original Amount	Date Payable Contract ed	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
1. Emergency Fund	To cater for any unforeseen occurrences in the constituency during the financial year	5,137,931.00	n/a	400,000.00	4,868,966.00	Nil	Unallocated funds from emergency
2. Bursary	Payment of fees to needy students	17,000,000.00	n/a	11,300,000.00	5,000,000.00	Nil	Funds yet to be disbursed by the NGCDF Board
3. Environment	Provision of seedlings to schools	200,000.00	n/a	200,000.00	0.00	Nil	Funds fully utilised
4. Social Security Program	Payment of NHIF to the elderly	2,000,000.00	n/a	2,000,000.00	0.00	1,000,000.00	Funds were reallocated
5. Lidambitsa Market	Payment of transaction costs for land bought	200,000.00	n/a	Nil	200,000.00	Nil	Funds yet to be disbursed by the NGCDF Board
<b>Sub-Total</b>		<b>24,537,931.00</b>		<b>14,100,000.00</b>	<b>10,068,966.00</b>	<b>1,000,000.00</b>	
<b>Others (specify)</b>							
6. Administration and M&E Expenses	For incurring office running costs and monitoring and evaluation	7,974,697.00	n/a	5,241,191.80	2,733,505.20	2,130,945.86	Funds are held at the constituency account
7. Audit Fee	Payment of audit fee to KENAO	500,000.00	n/a	0.00	500,000.00	500,000.00	These funds are earmarked for reallocation
8. Constituency Strategic Plan	Development of constituency strategic plan	2,000,000.00	n/a	0.00	2,000,000.00	0.00	Tendering process ongoing
9. Constituency innovation Hubs	Setting up of constituency innovation hubs	4,677,027.00	n/a	0.00	4,677,027.00	0.00	Guidelines on utilisation of funds
<b>Sub-Total</b>		<b>15,151,724.00</b>			<b>9,910,532.20</b>	<b>2,630,945.86</b>	
<b>Grand Total</b>		<b>50,463,438.00</b>			<b>30,373,941.00</b>	<b>5,630,945.86</b>	

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI CONSTITUENCY**  
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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (KShs) 2017/18</b>	<b>Historical Cost (KShs) 2016/17</b>
Land	300,000.00	300,000.00
Buildings and structures	5,000,000.00	5,000,000.00
Transport equipment	5,306,500.00	5,306,500.00
Office equipment, furniture and fittings	2,340,278.00	2,340,278.00
ICT Equipment, Software and Other ICT Assets	1,577,900.00	1,577,900.00
Other Machinery and Equipment	440,380.00	440,380.00
<b>Total</b>	<b>14,965,058.00</b>	<b>14,965,058.00</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI  
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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Bugute Pry School	COOP BANK	01139166636902	1,987.00	17,987.00
Bushilika Primary Sch	COOP BANK	01139632905101	63,087.00	1,000,000.00
Busilwa Primary Sch	COOP BANK	01139166147700	1,622.00	17,172.00
Eregi Mixed Pry Sch	COOP BANK	01139166941700	101,875.00	440,875.00
Eregi Police Station	COOP BANK	01141632676200	1,050.00	79,325.00
Ibuka Primary School	COOP BANK	01139165864300	5,178.00	24,878.00
Ibuyonje Primary Sch	COOP BANK	01141632874000	1,498,650.00	1,000,000.00
Ighu District Hosp.	COOP BANK	01141545715400	4,897.00	4,897.00
Iguyio Primary School	COOP BANK	01139165710400	9,500.00	-
Ikhulili Primary Sch	COOP BANK	01139165629401	103,815.00	999,145.00
Imalaba Primary Sch	COOP BANK	01139165651800	620,445.00	180,995.00
Imbale Secondary Sch	COOP BANK	01139545707600	42,733.00	3,183.00
Imulama Primary Sch	COOP BANK	01139167794600	1,030.00	1,030.00
Imulama Primary Sch	COOP BANK	01141167794600	12,003.00	999,325.00
Irechelo Primary Sch	COOP BANK	01139165784802	6,995.00	7,495.00
Ishianji Primary Sch	COOP BANK	01139166149102	32,650.00	23,065.00
Isulu Police Station	COOP BANK	01141632693100	1,235.00	3,225.00
Ivole Primary School	COOP BANK	01139166940200	2,274.00	482,274.00
Kasavai Primary Sch	COOP BANK	01139166266901	8.00	-
Lirhembe G. Sec Sch	COOP BANK	01139165613201	6,194.00	6,149.00
Lusiola Primary Sch	COOP BANK	01139166445500	55,308.00	1,516,408.00
Lusui Secondary Sch	COOP BANK	01139167319600	10,000.00	101,950.00
Lusui Primary School	COOP BANK	01139165623301	9,573.00	9,572.00
Lwenya Primary Sch	COOP BANK	01139166941200	204,387.00	4,387.00
Milimani Primary Sch	COOP BANK	01139166636802	52,884.00	23,214.00
Mukango Primary Sch	COOP BANK	01139165864100	41,718.00	-
Mumbetsa Pry Sch	COOP BANK	01141098419100	90,352.00	30,202.00
Musasa Primary Sch	COOP BANK	01139167305100	32,330.00	27,230.00
Mutaho Sec Sch	COOP BANK	01139631900300	77,330.00	347,382.00
Naliava Primary Sch	COOP BANK	01139166941600	60,235.00	70,685.00
Sabane Secondary Sch	COOP BANK	01139632679201	303,473.00	3,472.00
Shiamusinjiri Pry Sch	COOP BANK	01139167482702	0.00	5,340.00
Shiavihiga Pry Sch	COOP BANK	01139167582701	1,880.00	50,480.00
Shichinji Sec Sch	COOP BANK	01139166956700	43,327.00	63,877.00



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Shiduha Secondary	COOP BANK	01139166940000	2,266.00	492,166.00
Shihalia Primary Sch	COOP BANK	01139166941400	7,728.00	36,529.00
Shijiko Primary School	COOP BANK	01139166941500	21,798.00	21,797.00
Shikokho Primary Sch	COOP BANK	00113916696300	5,359.00	51,573.00
Shikokho Sec School	COOP BANK	01139632420100	4,281.00	535,381.00
Shikondi Primary Sch	COOP BANK	01141631247200	200,376.00	326.00
Shimanyiro Sec Sch	COOP BANK	01139631904100	38,245.00	28,695.00
Shinyikha Pry Sch	COOP BANK	01139165614301	1,067.00	1,232.00
Shiseno Pry School	COOP BANK	01139165864200	24,267.00	19,217.00
Shiveye Sec School	COOP BANK	01141632536800	1,000,000.00	1,000,000.00
St. Claire's Musoli G.	COOP BANK	01139166104400	158,784.00	1,046,346.00
Imulembo Pry Sch	KCB	1109452772	6,100.00	1,130.00
Imusali Sec Sch	KCB	1106964160	3,839.00	3,869.00
Lirhembe Primary Sch	KCB	1172709238	54,836.00	855,306.00
Madivini Primary Sch	KCB	1106960017	72,827.00	64,257.00
Matundu Primary Sch	KCB	1101835796	9,810.00	90,107.00
Munyanza Pry Sch	KCB	1101836555	21,886.00	66,916.00
Shikhombelo Pry Sch	KCB	1112052747	25,005.00	59,574.00
Shimanyiro Pry Sch	KCB	1183075197	18,135.00	8,390.00
Shivagala Sec School	KCB	1133467946	685,538.00	508,713.00
<b>Total</b>			<b>5,862,172.00</b>	<b>5,490,192.00</b>



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – IKOLOMANI CONSTITUENCY

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ANNEX 4-PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor for the audit carried out for the financial year ending 30 June, 2016 and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

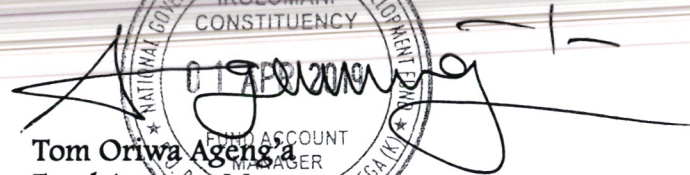
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>IKOLOMANI/CDF/2016/2017(3)</b>					
1.0	<b>Budget analysis for the Financial Year 2016/2017</b> -Planned activities were not implemented leading to inadequate service delivery to citizens.	Underfunding of projects was as a result of underfunding by the NGCDF Board	NGCDF Board	Partially resolved	Under One year
2.0	<b>Ineffective Implementation of Projects</b> -The residents of Ikolomani Constituency have not been able to access all development facilities and services planned and funded for their use.	The management has prioritised for the past two financial years 2017/18 and 2018/19 all ongoing projects whereby no new projects were initiated.	Ikolomani NGCDF Committee	Partially resolved	Under Three years
3.0	<b>Irregularities and Ineffective Use of Transfers to Other Government Entities</b> -Several anomalies were noted in various projects namely; Naliava Primary School, Shiavihiga Primary School, Shikombelo Primary School, Shimanyiro Primary School, Shikokho Secondary School.	Most of the anomalies identified are currently cured and the projects are at various stages from completion to ongoing	Tom Ageng'a-Fund Account Manager	Partially resolved	Under One year
4.0	<b>Other Grants and Transfers</b> -Various projects were executed irregularly namely; Imbale Secondary School, Eregi Police Post, Isulu Police Post, Shinyikha Primary School	Most of the anomalies identified are currently cured and the projects are at various stages from completion to ongoing	Tom Ageng'a-Fund Account Manager	Partially resolved	Under One year



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Prepared by:

  
**Tom Oriwa Ageng'a**  
**Fund Account Manager**  
**IKOLOMANI CONSTITUENCY**

