


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 APR 2019	DAY: Wednesday
TABLED BY: OF	Hon. Aden Duale MP KCM
CLERK-AT-THE-TABLE:	Halima Suleima

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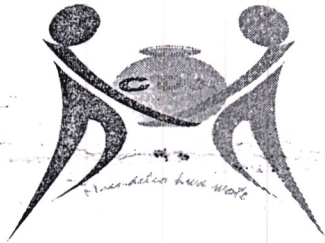
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



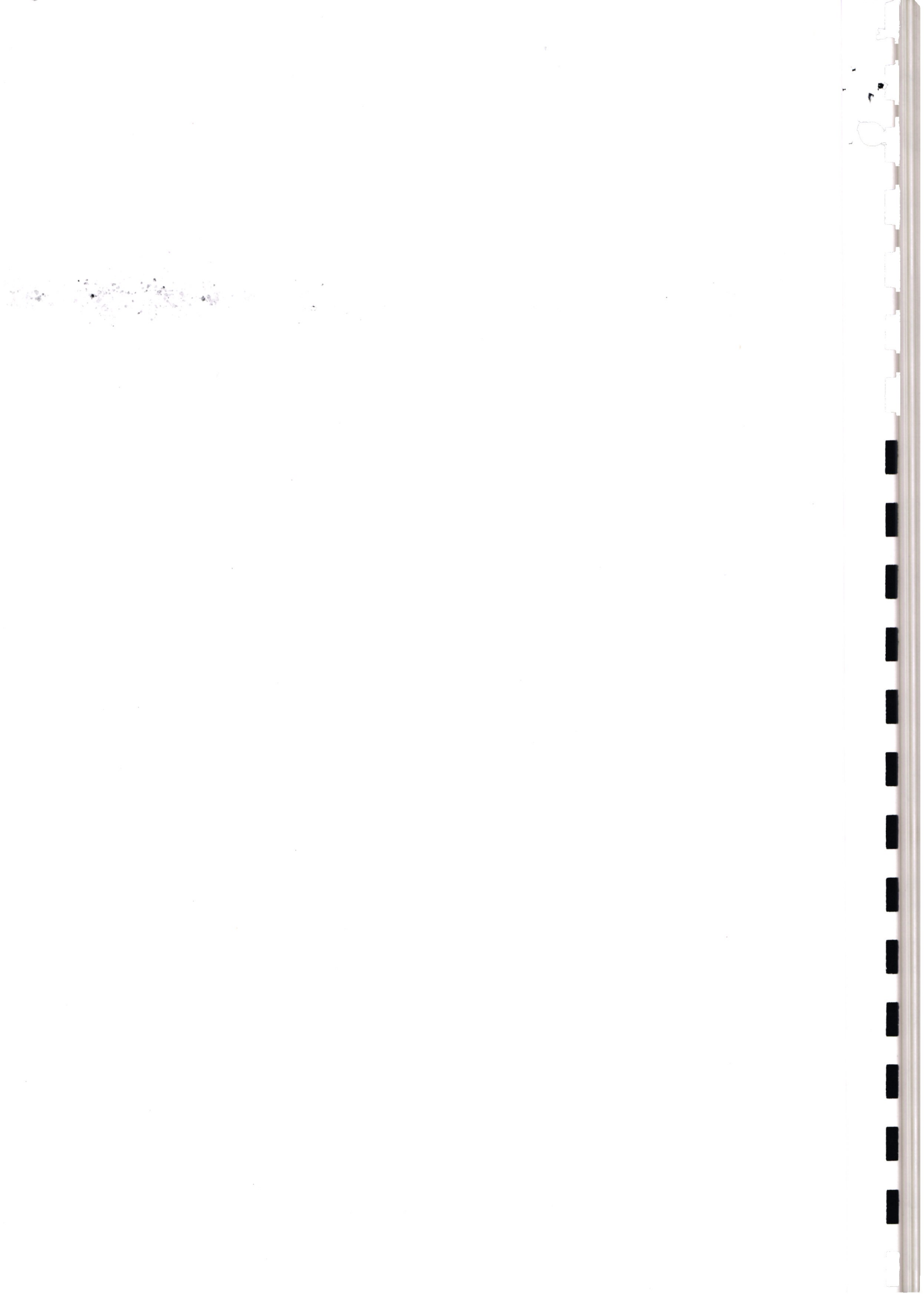


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
BOMACHOGE CACHE CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

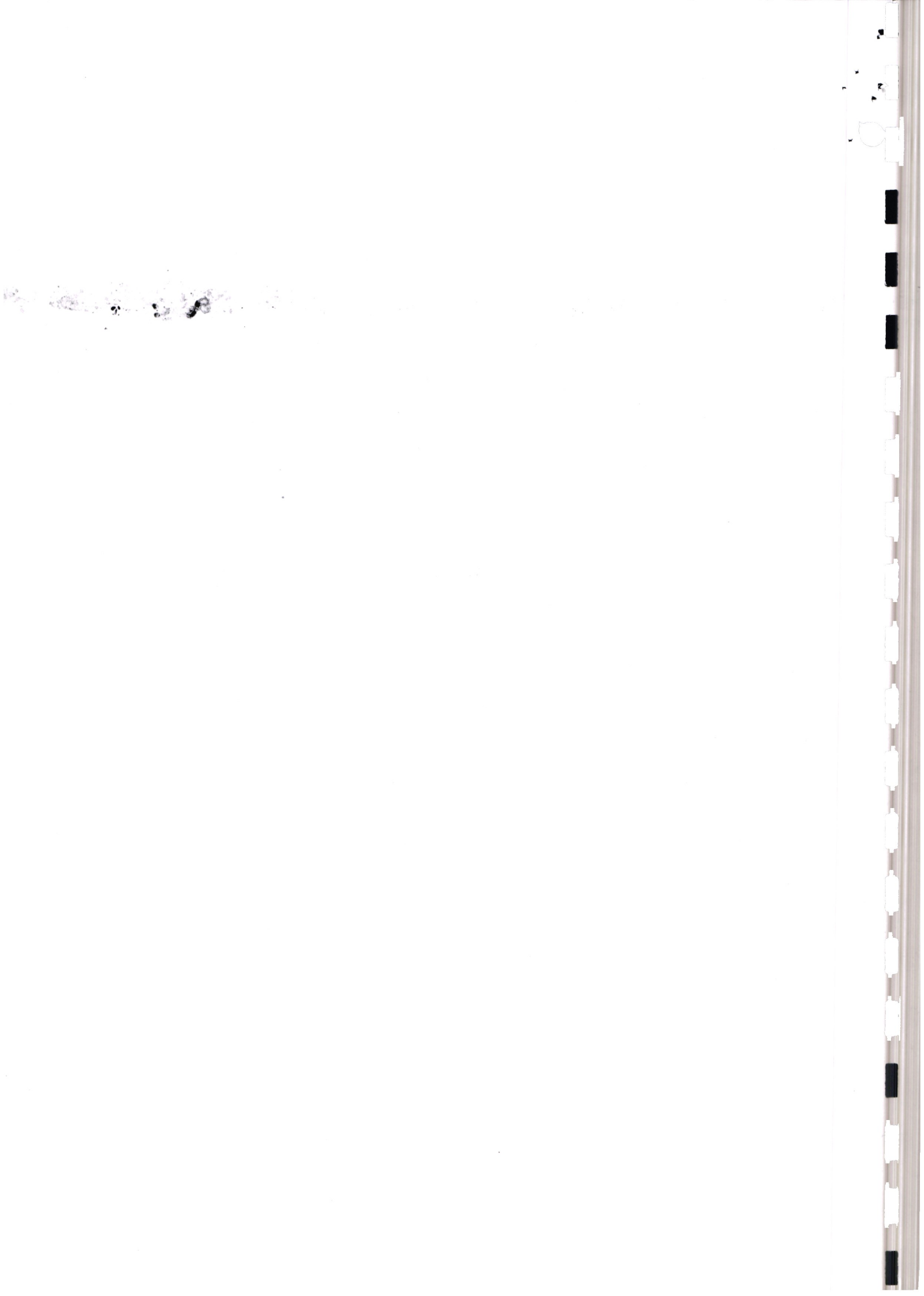
**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BOMACHOGE
CHACHE CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

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

**Reports and Financial Statements
For the year ended June 30, 2017**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG CDF Act, 2015. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *Bomachoge Chache Constituency's* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	John Ogeri
3.	Accountant	Joseph A. Wesonga

(d) Fiduciary Oversight Arrangements

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

(e) Bomachoge Chache NG-CDF Headquarters

P.O. Box 303-40204
NG-CDF Office Building
OGEMBO.



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

**Reports and Financial Statements
For the year ended June 30, 2017**

(f) Bomachoge Chache CDF Contacts

Telephone: (254) 723540344
E-mail: cdfbomachogechache@cdf.go.ke
Website: www.cdf.go.ke

(g) Bomachoge Chache CDF Bankers

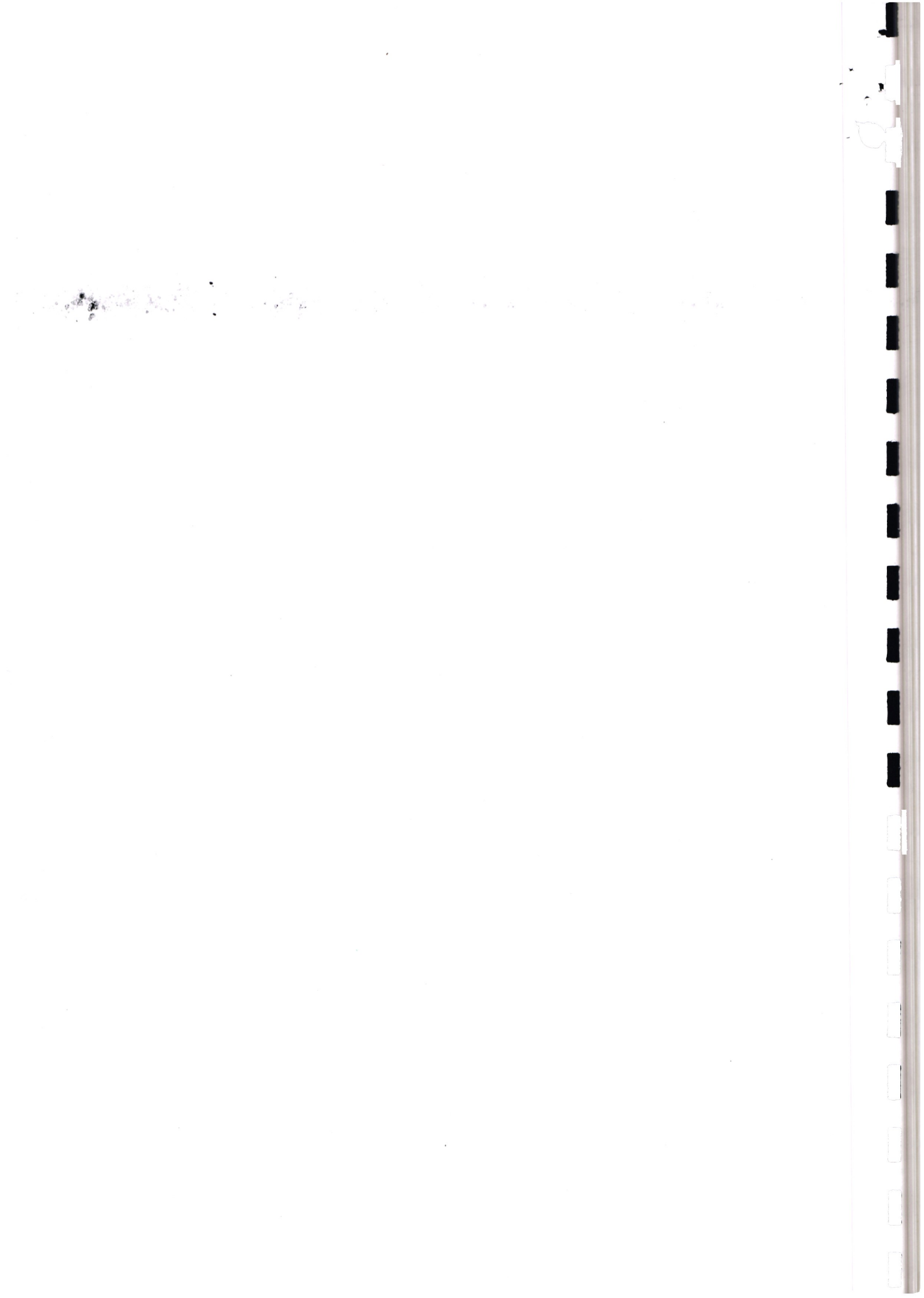
1. Equity Bank
Kisii Branch
P.O. Box 303- 40204
Ogembo-Kenya

(h) Independent Auditors

Auditor General
Office of 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 CONSTITUENCY DEVELOPMENT FUND- BOMACHOGE
CHACHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

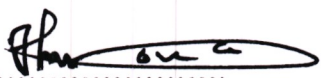
**II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND
COMMITTEE (CDFC)**

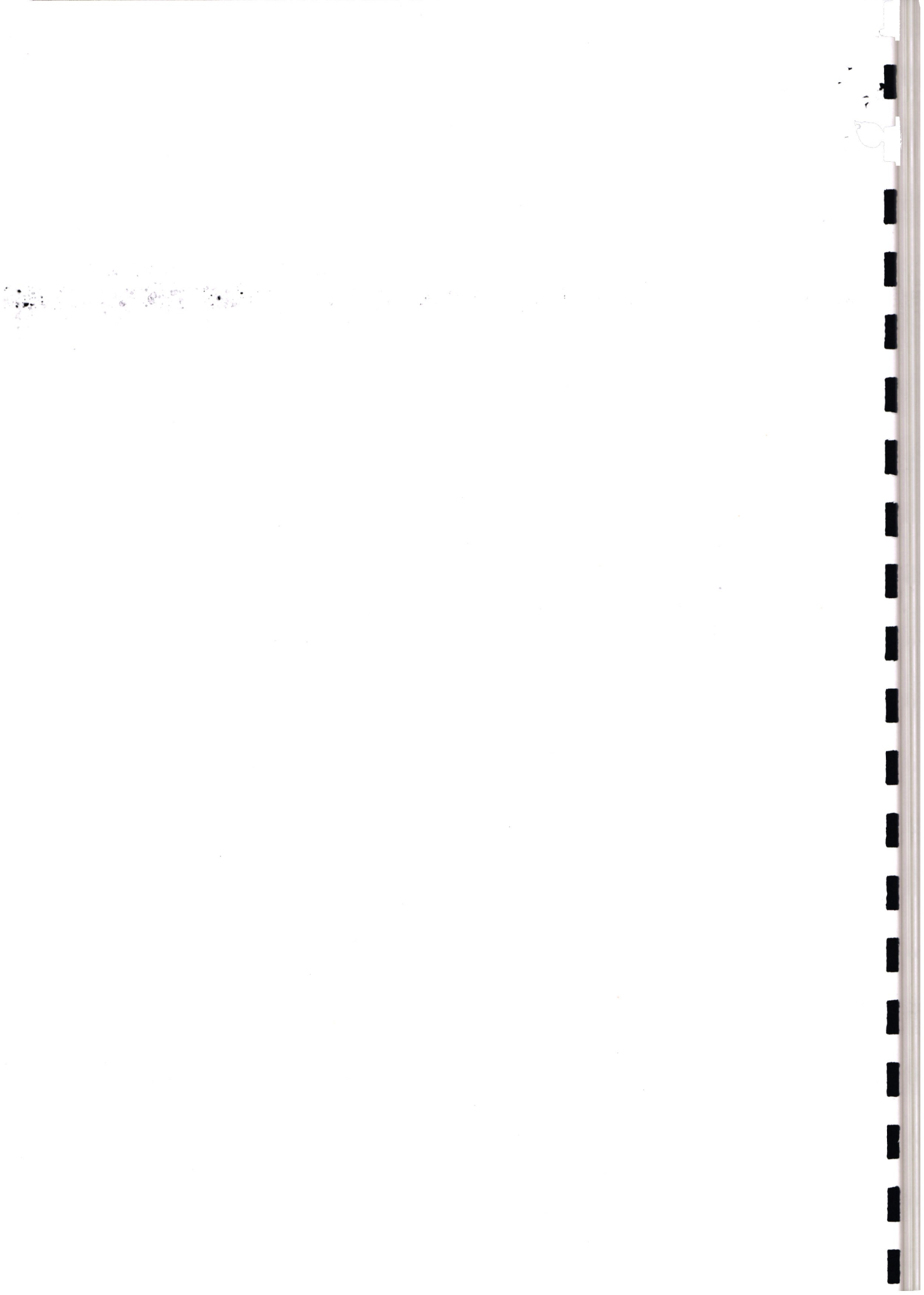
The NG-CDFC wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF have improved in their budget performance despite the challenges encountered with the high turnover of managers and delay in receipt of funds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

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 NG-CDFC



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

**Reports and Financial Statements
For the year ended June 30, 2017**

III. STATEMENT OF CDF 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.

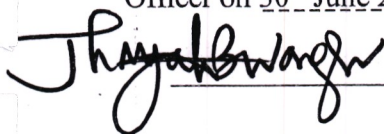
The Accounting Officer in charge of the Bomachoge Chache Constituency Development Fund is responsible for the preparation and presentation of the Bomachoge Chache NG-CDF financial statements, which give a true and fair view of the state of affairs of the Bomachoge Chache NG-CDF for and as at the end of the financial year (period) ended on June 30, 2016. 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 NG-CDF; (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 NG-CDF; (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 Bomachoge Chache NG-CDF accepts responsibility for the NG-CDF'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 NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the Bomachoge Chache NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

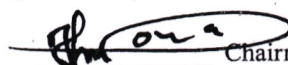
The Accounting Officer in charge of the Bomachoge Chache NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NG-CDF'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

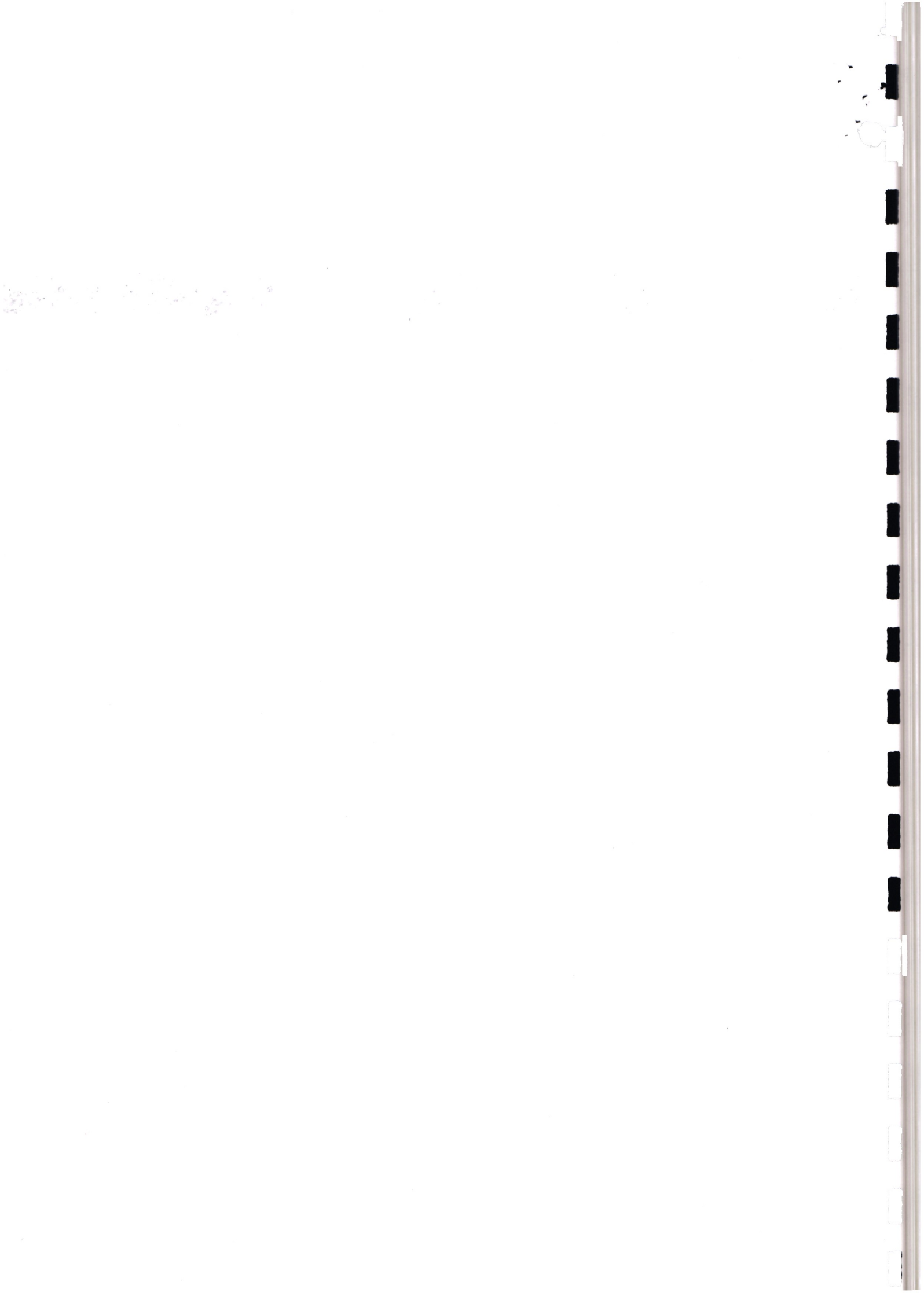
The Bomachoge Chache NG-CDF's financial statements were approved and signed by the Accounting Officer on 30th June 2017.



Fund Account Manager



Chairman CDFC



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bomachoge Chache Constituency set out on pages 20 to 40 which comprise the statement of assets as at 30 June 2017, and 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, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund-Bomachoge Chache Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015.

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

Basis of Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1 Unexplained Opening Balances

Examination of the statement of receipts and payments for the year ended 30 June 2017 revealed that opening balances for several items were not correctly brought forward from the previous year's financial statements:

Report of the Auditor-General on the Financial Statements of the National Government Constituencies Development Fund-Bomachoge Chache Constituency for the year ended 30 June 2017

Item	Opening Balance as per Statements Kshs	Audited Balance Kshs	Variance Kshs
Compensation of Employees	1,618,876	1,051,738	(567,138)
Use of Goods and Services	5,779,928	6,288,746	508,818
Fixed Asset Register	37,693,420	27,005,345	(10,680,075)
Fund balances Brought Forward	834,548	10,627,879	(9,793,331)

No plausible explanation has been provided by management for the discrepancies.

1.2 Failure to Prepare a Trial Balance

The management did not provide for audit the trial balance for the year ended 30 June 2017. As a result, it is not clear how the financial statements submitted for audit were prepared in the absence of a trial balance.

1.3 Summary Statement of Appropriation

The summary statement of appropriation indicates an original budget of Kshs.81,896,552 and an adjustment of Kshs.45,333,335 resulting in a final budget of Kshs.127,229,887. However, the management has not provided evidence to show how the adjustment of Kshs.45,33,335 was arrived at.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June 2017 cannot be confirmed.

2. Unconfirmed Use of Goods and Services Expenditure

The statement of receipts and payments reflects Kshs.4, 212,787 as expenditure on use of goods and services. However, a review of supporting documents as well as payment vouchers and schedules revealed total expenditure of Kshs.6,781,712. The resulting difference of Kshs.2,568,925 has neither been explained nor reconciled.

Consequently, the occurrence, accuracy and propriety of expenditure of Kshs.4,212,787 reported to have been incurred on goods and services for the year ended 30 June 2017 cannot be confirmed.

3. Acquisition of Assets

3.1 Construction of CDF Office

The statement of receipts and payments reflects expenditure totaling Kshs.7,705,000 incurred on acquisition of assets during the year under review. However, the following

anomalies were noted in regard to construction of the NGCDF - Bomachoge Chache office block:

- i. Construction works started in June 2015 and were due for completion in December 2015. However, as at 30 June 2018 several works on the 1st floor including, plastering, fixing of door frames and the doors, window panes, floor tiles and installation of the ceiling as well as painting had not been done.
- ii. As at 28 August 2016, the management had paid a total of Kshs.17,368,405 on certified works which sum was equivalent to 88% of contract sum amounting to Kshs.19,843,860.
- iii. Expenditure schedules availed for audit totaled Kshs.7,957,000 against payments totaling Kshs.7,705,000 reported in the financial statements leading to a variance of Kshs.252,000. No explanation has been provided by management for the anomaly.
- iv. Records relating to retention funds held for the project were not availed for audit review.
- v. It is clear that additional funds will be required to complete the project as substantial works remain undone relative to the sum of payments made on the project as shown below:

First Floor	Details	Estimated Works not Done (Kshs.)	% Not Done
Element No.2	Walling	130,080	30
Element No.3	Roof and Roofing	37,473	30
Element No.4	Doors	233,287	50
Element No.5	Windows	19,724	20
Element No.6	Finishers	1,172,675	50
Element No.8	Fixtures	104,000	100
Element No.9	Plumbing & Drainage	392,500	100
Element No.10	Electrical Installations	223,100	100
Element No.11	Painting & Decorations	632,750	100
Total		2,945,589	

In the circumstances, the accuracy and completeness of Kshs.7,705,000 expenditure reported to have been incurred on acquisition of assets for the year ended 30 June 2017 cannot be confirmed.

4. Unexplained Compensation of Employees Expenditure

Included in the compensation of employees balance of Kshs.2,993,287 is Kshs.435,624 paid as salaries for six employees for the months of October 2016 and February 2017. However, examination of the minutes that approved the payments revealed that the approval was for salary arrears for the month of March 2014. In addition, no documentary evidence was submitted to support the payment of the arrears as the previous certified financial statements disclosed nil balances on staff pending bills.

Consequently, the validity and correctness of compensation of employees' balance of Kshs.435,624 cannot be confirmed.

5. Unaccounted for Transfers to Health Sector

Included in transfers to other government entities balance of Kshs.42,926,000 is Kshs.2,800,000 disbursed to health institutions. However, the schedules availed for audit could only support expenditure totaling Kshs.1,500,000 resulting to overstatement of the item by Kshs.1,300,000 which expenditure was not supported by cashbook posting and schedules.

Consequently, the propriety of transfers to health institutions amounting to Kshs.1,300,000 cannot be confirmed.

6. Unexecuted School Projects

Included in transfers to other government entities balance of Kshs.42,926,000 is Kshs.18,900,000 disbursed to primary schools. Out of Kshs.18,900,000 disbursed, Egetuki Primary School and Machongo Primary School received Kshs.500,000 and Kshs.400,000 respectively for construction of class rooms. However, site inspections undertaken on 6 June 2018, revealed that no works had been done at the schools. Further, expenditure returns on the two projects were not availed for audit review.

Consequently, the propriety of expenditure totaling Kshs.900,000 disbursed to the two schools cannot be confirmed.

7. Absence of a Fixed Assets Register

The acquisition of assets opening fixed assets historical cost balance of Kshs.37,693,420 as at July 1 2016 shown in annex 4 has not been supported with

a detailed assets register showing how the balance was arrived at. Further, additional assets of Kshs.7,705,000 acquired during the year had not been incorporated in the assets schedule as at 30 June 2017. Consequently, it has not been possible to confirm the accuracy, valuation and ownership by NGCDF - Bomachoge Chache of the fixed assets valued at Kshs.37,693,420 as at 30 June 2017.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Bomachoge Chace 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 requirements applicable to performing audits of financial statements in Kenya. I believe that the 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 Adverse Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Budget Analysis

Comparison of budget and actual expenditure balances revealed the material variances below:

Items	Budget Kshs.	Actual Kshs.	Variance Kshs.	Performance (%)
Compensation of Employees	4,000,000	2,993,287	1,006,713	75
Use of Goods and Services	5,133,335	6,781,712	(1,648,377)	132
Transfer to Other Government Entities	62,391,552	42,926,000	19,465,552	69
Other Grants and Transfers	48,000,000	35,988,494	12,011,506	75
Acquisition of Assets	7,705,000	7,957,000	(252,000)	103
Total	127,229,887	96,646,493	30,583,394	76

Analysis of budgeted against actual expenditures revealed that the Fund underspent on three (3) items namely; compensation of employees, transfer to other government

entities and other grants and transfers; but overspent on two (2) items namely use of goods and services and acquisition of assets. Overall, the total amount budgeted was Kshs.127,229,887 and total amount spent was Kshs.96,646,493 leading to a variance of Kshs.30,583,394 equivalent to 76% of the budget. Because of the under-absorption of expenditure, the management did not achieve its goals for the year under review.

2. Change of Project without Approval by the Board

Included in transfers to other government entities balance of Kshs.42,926,000 reflected in the statement of receipts and payments is Kshs.20,200,000 being transfers to secondary schools. The expenditure in turn includes a disbursement of Kshs.1,000,000 made to Tendere Secondary School for purchase of a school bus. However, a site visit to the school on 5 June 2018 revealed that the school used Kshs.200,000 to purchase a photocopier and the remainder of the funds were transferred from National Bank account No.01285033696400 to Equity Bank account No.0510276335945. In the process, the management of the school re-allocated the funds without the authority of the Board contrary to Section 6(2) of the NG-CDF Act, 2015. Consequently, the management breached the law.

3. Funding of Devolved Government Functions

Included in other grants and other payments balance of Kshs.35,988,494 is Kshs.2,200,000 and Kshs.870,000 for Agriculture and Roads projects respectively. However, even after the enactment of the NG-CDF Act, 2015 on 16 February 2016, the management continued to fund functions and activities prescribed for funding by the County Government contrary to Section 24 of the Act which states that projects funded under the Act shall be in respect of works and services falling within the functions of the national government under the Constitution. Consequently, the management breached the NG-CDF Act, 2015.

4. Irregular Procurements of Goods

Included in the use of goods and services balance of Kshs.4,212,787 reflected in the Statement of receipts and payments is Kshs.400,000 incurred on procurement of office cabinets, chairs and desk-top computers. The goods were sourced directly from a supplier without inviting quotations contrary to Section 105 of the Public Procurement and Assets Disposal Act, 2015 which states that, for goods and services that are readily available in the market, a procuring entity may use request for quotations when the estimated value of purchase is less than or equal to the maximum value prescribed for procurement through quotations. Consequently, the management breached public procurement law.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

(Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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

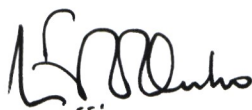
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue offering 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 offering 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

15 November 2018

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

Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	95,447,064	105,602,265
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		95,447,064	105,602,265
PAYMENTS			
Compensation of employees	4	2,993,287	1,618,876
Use of goods and services	5	4,212,787	5,779,928
Transfers to Other Government Units	6	42,926,000	15,500,000
Other grants and transfers	7	35,988,494	67,160,543
Acquisition of Assets	8	7,705,000	27,005,345
Other Payments	9	-	-
TOTAL PAYMENTS		93,825,568	117,064,692
SURPLUS/DEFICIT		1,621,496	(11,462,427)

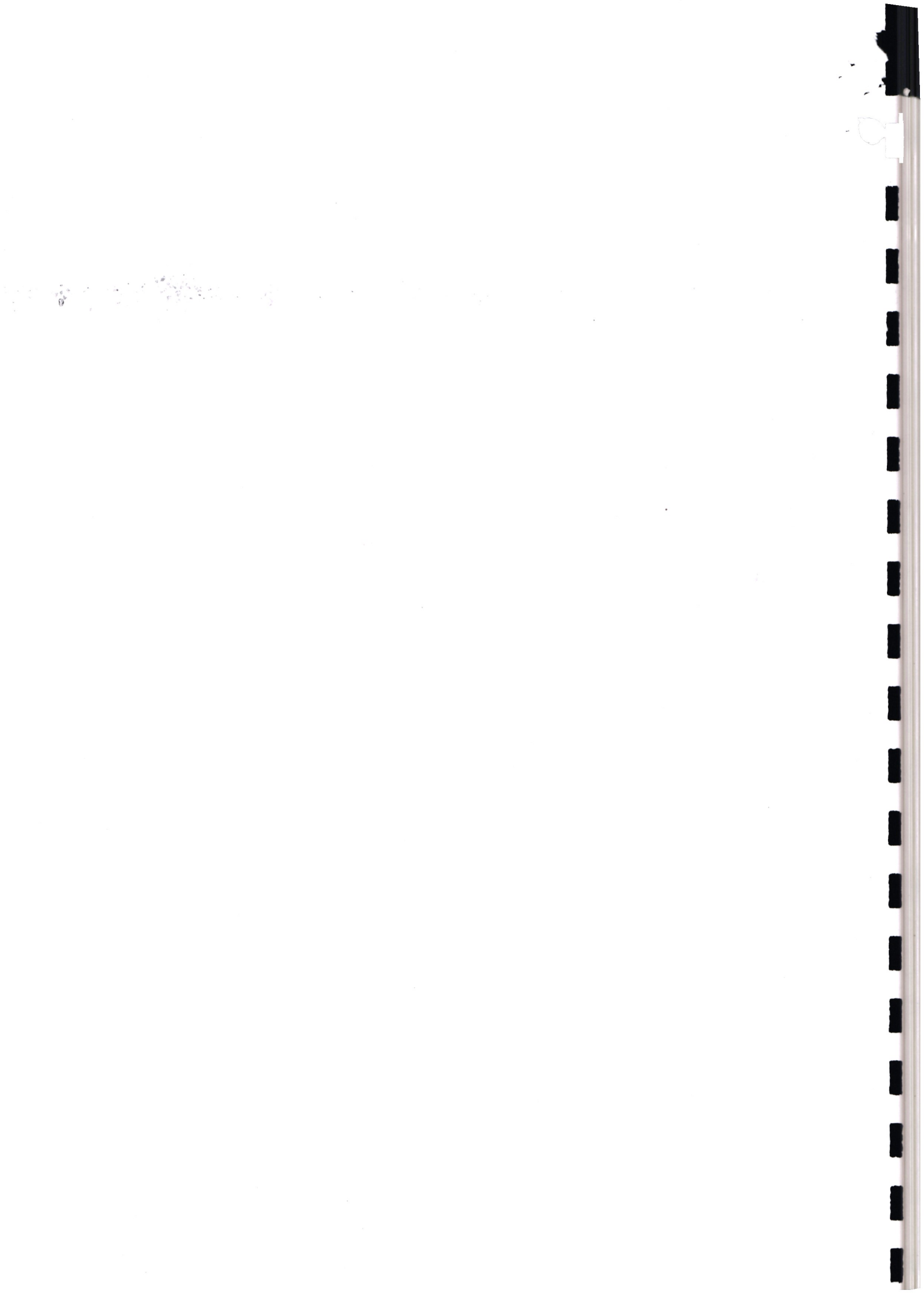
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bomachoge Chache NG-CDF financial statements were approved on 30th June, 2017 and signed by:



Chairman - CDFC



Fund Account Manager



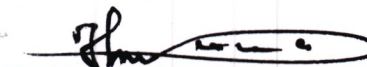
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CHACHE CONSTITUENCY**

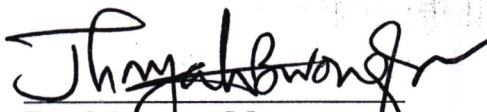
**Reports and Financial Statements
For the year ended June 30, 2017**

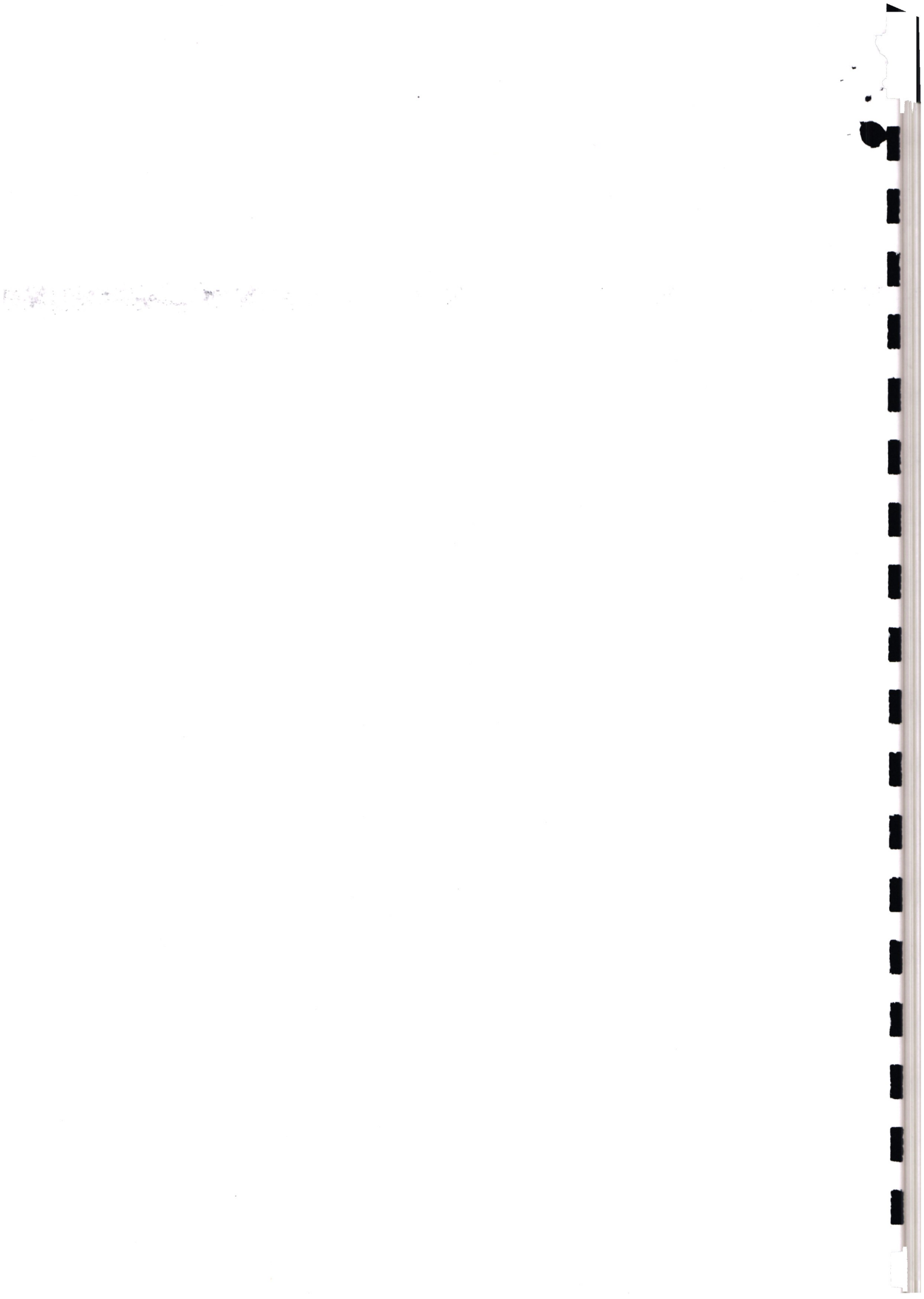
V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,456,044	834,548
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS			
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	834,548	10,627,879
Surplus/Defict for the year		1,621,496	(11,462,427)
Prior year adjustments	14		
NET LIABILITIES		2,456,044	834,548

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bomachoge Chache NG-CDF 's financial statements were approved on 30th June, 2017 and signed by:


Chairman - CDFC


Fund Account Manager



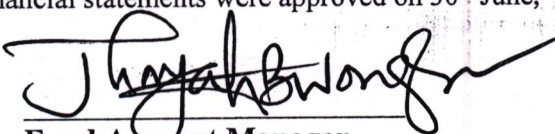
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BOMACHOGE
CHACHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

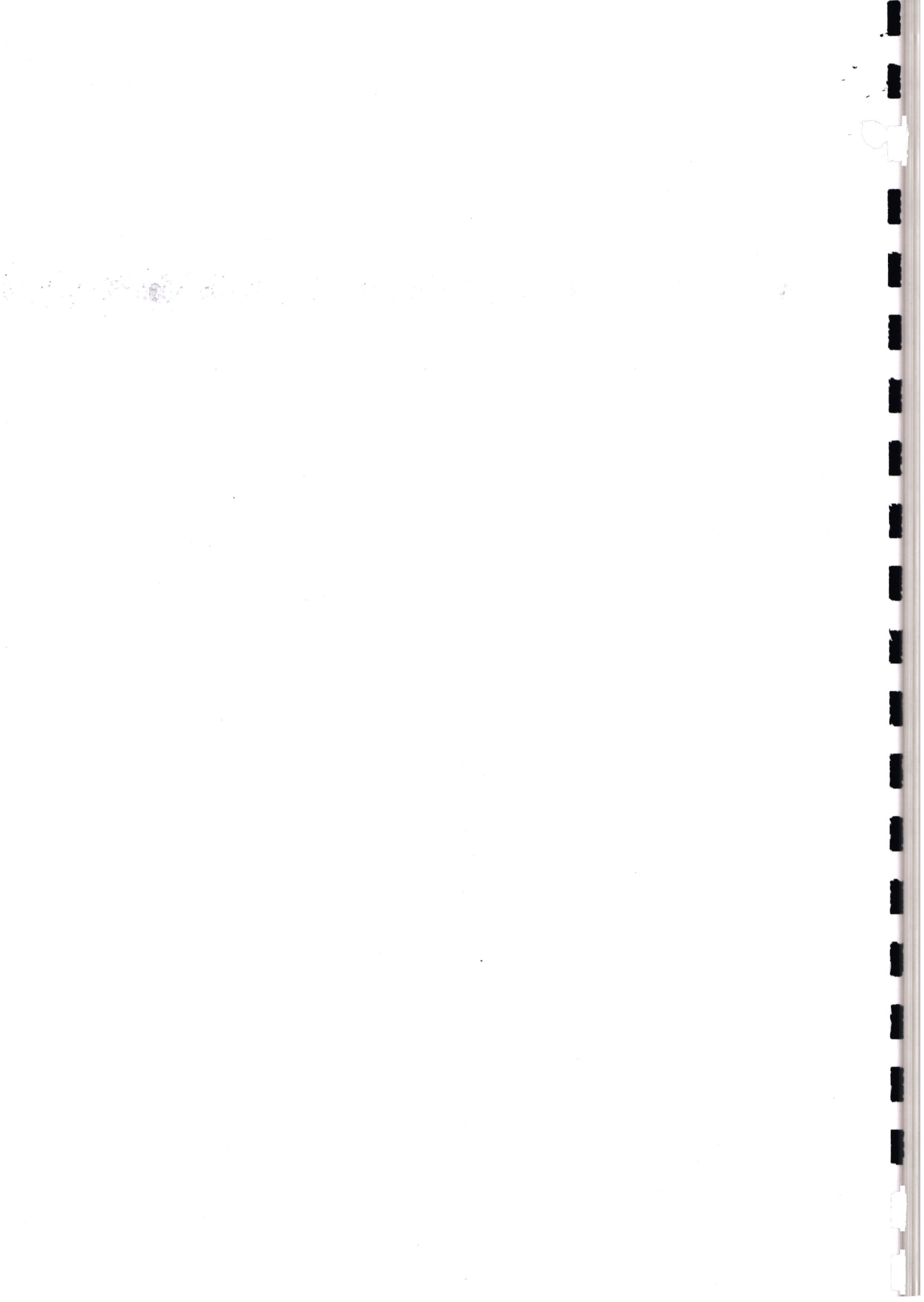
VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	95,447,064	105,602,265
Other Receipts	3		
Payments for operating expenses			
Compensation of Employees	4	2,993,287	1,618,876
Use of goods and services	5	4,212,787	5,779,928
Transfers to Other Government Units	6	42,926,000	15,500,000
Other grants and transfers	7	35,988,494	67,160,543
Other Payments	9		
Adjusted for:			
Adjustments during the year	14		
Net cash flow from operating activities		9,326,496	15,542,917
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets		(7,705,000)	(27,005,345)
Net cash flows from Investing Activities		(7,705,000)	(27,005,345)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,621,496	11,462,428
Cash and cash equivalent at BEGINNING of the year	13	834,548	10,627,879
Cash and cash equivalent at END of the year		2,456,044	834,548

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bomachoge Chache NG-CDF's financial statements were approved on 30th June, 2017 and signed by:


Chairman CDFC


Fund Account Manager




NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – Bomachoge Chache CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	45,333,335	127,229,887	96,281,612	30,948,275	75.7%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	2,800,000	1,200,000	4,000,000	2,993,287	6,713	99.8%
Use of goods and services	4,000,000	1,133,335	5,133,335	4,212,787	171,761	96.1%
Transfers to Other Government Units	37,391,552	25,000,000	62,391,552	42,926,000	465,552	98.9%
Other grants and transfers	30,000,000	18,000,000	48,000,000	35,988,494	2,461,506	93.6%
Acquisition of Assets	7,705,000	-	7,705,000	7,705,000	-	100%
Other Payments						
TOTALS	81,896,552	45,333,335	127,229,335	93,825,568	33,404,319	73.7%

The Bomachoge Chache NG-CDF's financial statements were approved on 30th June, 2017 and signed by:


 Chairman CDF


 Fund Account Manager



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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NG-CDF.

2. Recognition of revenue and expenses

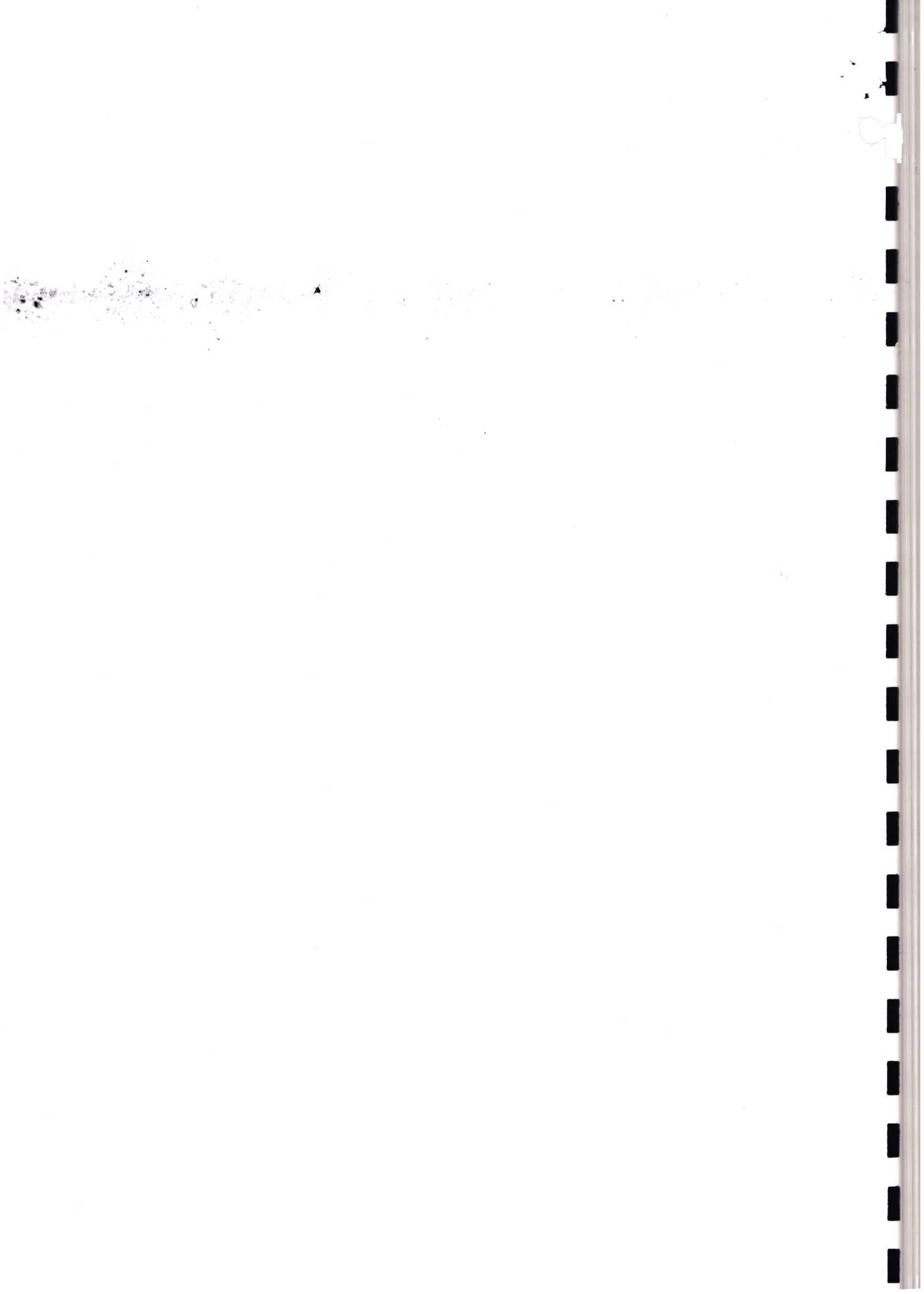
The CDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NG-CDF. In addition, the NG-CDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NG-CDF.

3. In-kind contributions

In-kind contributions are donations that are made to the NG-CDF 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 NG-CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BOMACHOGE CHACHE CONSTITUENCY**
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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 NG-CDF 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.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-CDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-CDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. 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 June 30, 2016.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BOMACHOGE CHACHE CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

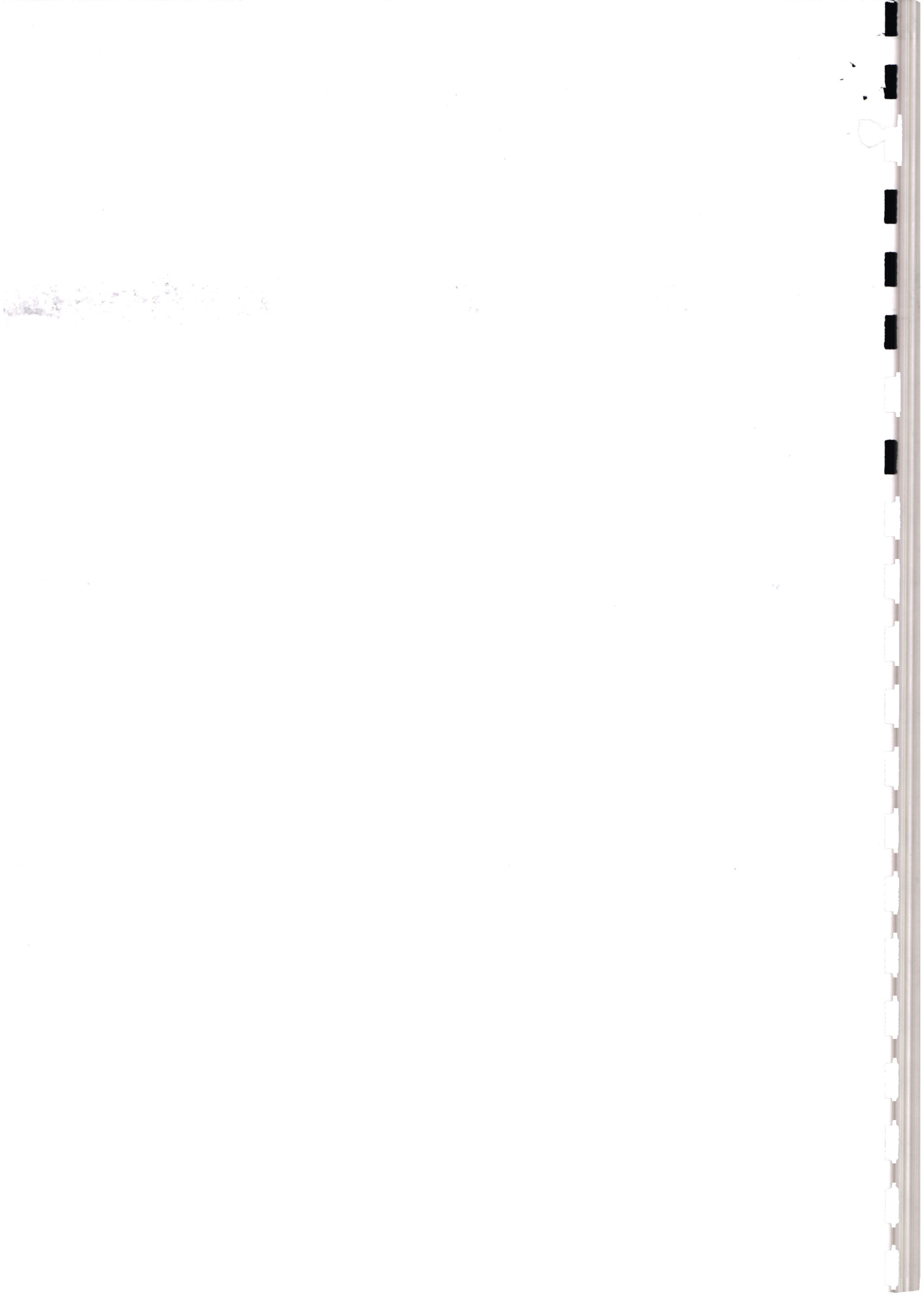
IX. NOTES TO THE FINANCIAL STATEMENTS

1.0 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
NG CDF Board		
AIE NO.A825782	44,498,787	
AIE NO. A855004	36,853,449	
AIE NO.A839664	10,000,000	
AIE NO.A829508	4,094,828	105,602,265
TOTAL	95,447,064	105,602,265

2.0 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	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		
Total		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BOMACHOGE CHACHE CONSTITUENCY**
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For the year ended June 30, 2017

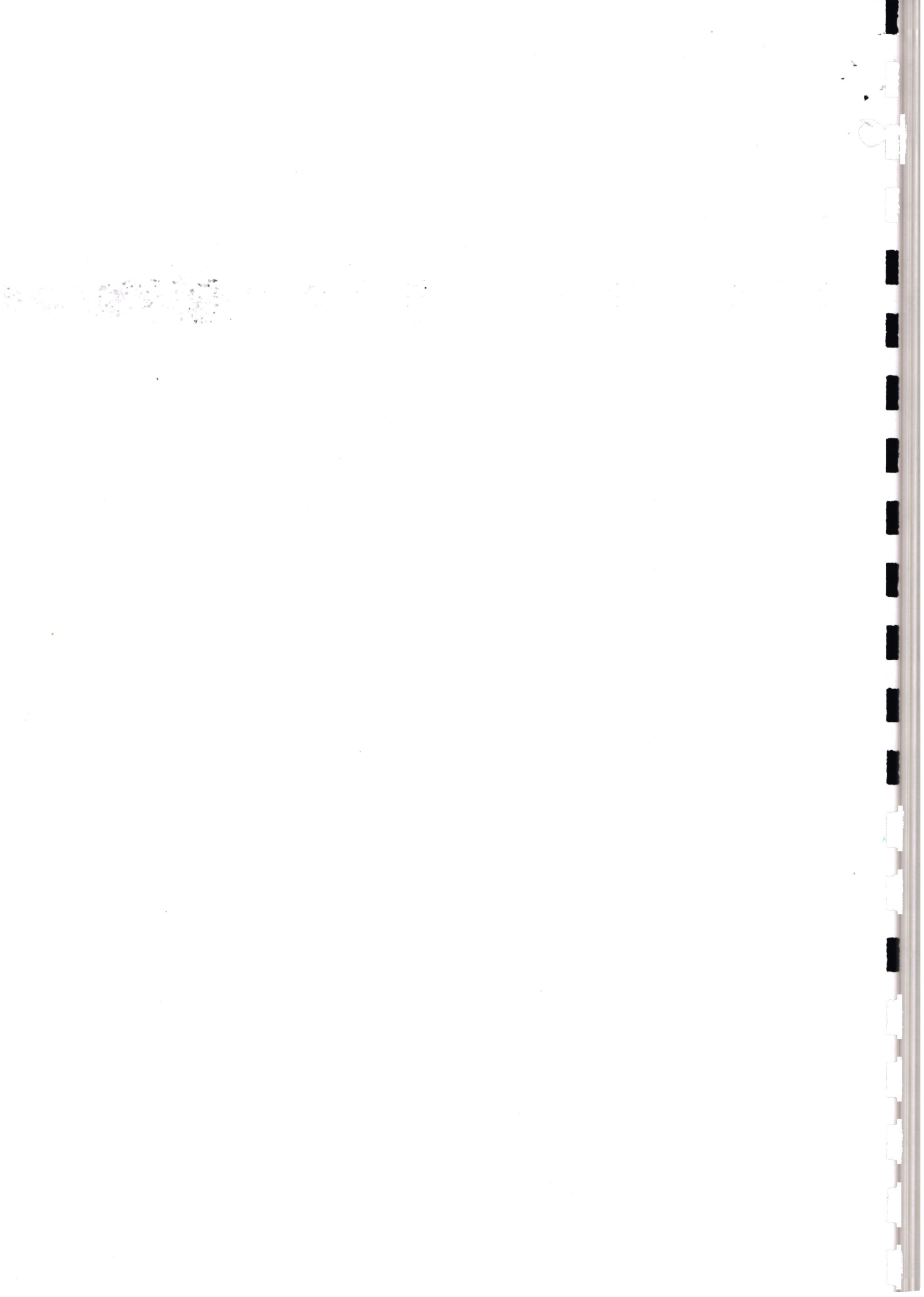
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3.0 OTHER RECEIPTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents		
Other Receipts Not Classified Elsewhere		
Total		

4.0 COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	2,437,413	1,521,600
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	350,242	-
Other personnel payments		
Employer Contribution to NSSF	205,632	97,276
Total	2,993,287	1,618,876



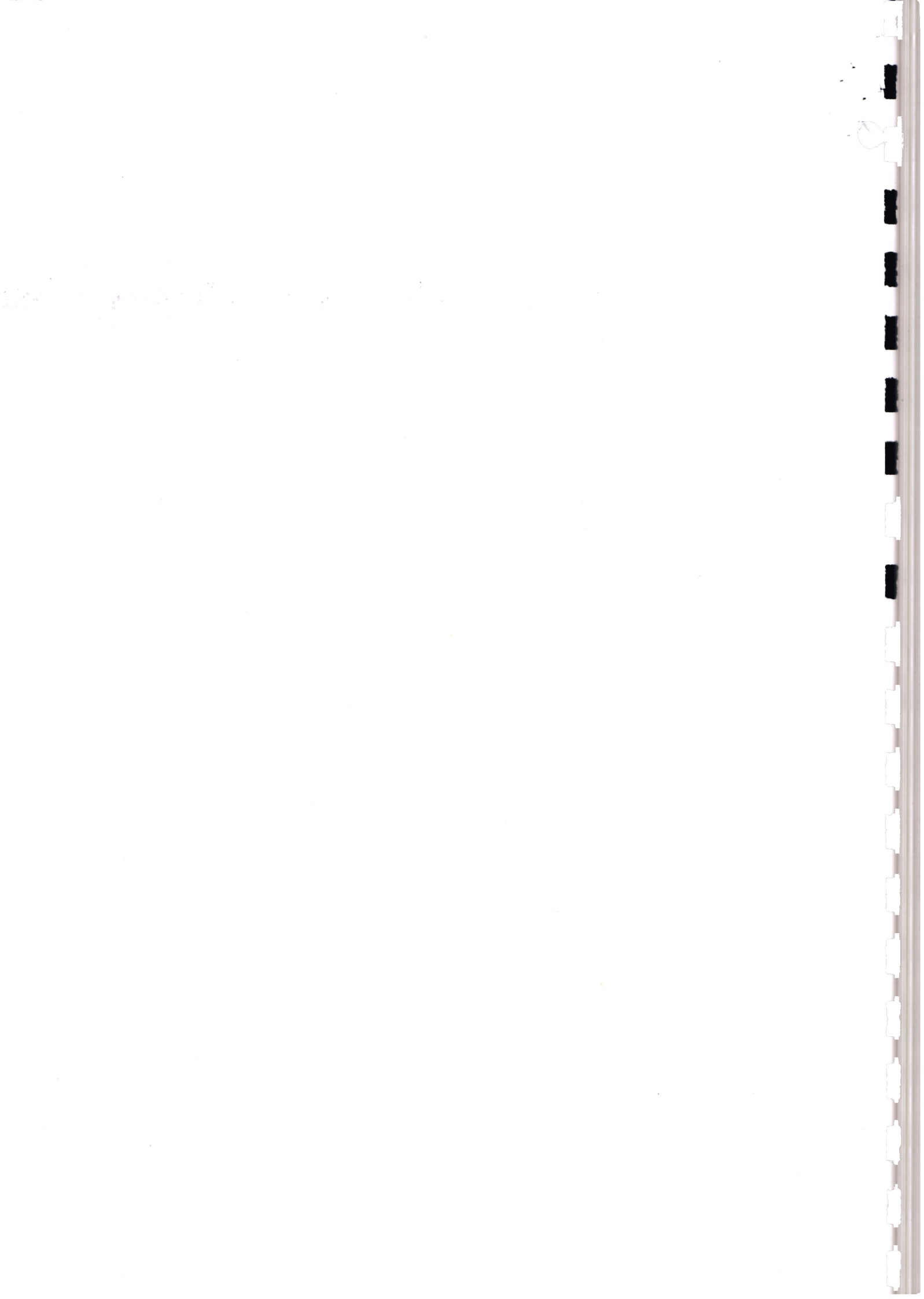
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BOMACHOGE CHACHE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5.0 USE OF GOODS AND SERVICES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	476,897	500,000
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rent	150,000	200,000
Training expenses	-	-
Hospitality supplies and services		
Committee allowances	1,800,000	2,378,998
Other committee Allowances	1,073,568	2,235,040
Specialized materials and services	-	-
Office and general supplies and services	-	-
Other operating expenses	20,000	-
Routine maintenance – vehicles and other transport equipment	258,227	55,890
Fuel	434,095	410,000
Total	4,212,787	5,779,928



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BOMACHOGE CHACHE CONSTITUENCY**
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6.0 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015- 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	18,900,00	-
Transfers to secondary schools	20,200,000	9,000,000
Transfers to tertiary institutions	1,026,000	1,500,000
Transfers to health institutions	2,800,000	5,000,000
TOTAL	42,926,000	15,500,000

7.0 OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015- 2016
	Kshs	Kshs
Bursary – secondary schools	3,217,800	1,445,500
Bursary – tertiary institutions	17,850,200	14,192,399
Bursary – special schools	-	-
Mock & CAT	577,200	663,200
Water projects (see attached list)	200,000	4,400,900
Agriculture projects (see attached list)	2,200,000	1,976,600
Electricity projects (see attached list)	-	-
Security projects (see attached list)	5,100,000	3,200,000
Roads projects (see attached list)	870,000	30,064,656
Sports projects (see attached list)	1,613,830	2,403,188
Environment projects (see attached list)	2,700,000	2,700,000
Emergency projects (see attached list)	1,659,464	4,015,000
Total	35,988,494	67,160,543



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

**Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.0 ACQUISITION OF ASSETS

Non Financial Assets

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	7,705,000	15,068,420
Refurbishment of Buildings	-	11,937,105
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	-	-
Total	7,705,000	27,005,525



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.0 OTHER PAYMENTS

2016 - 2017

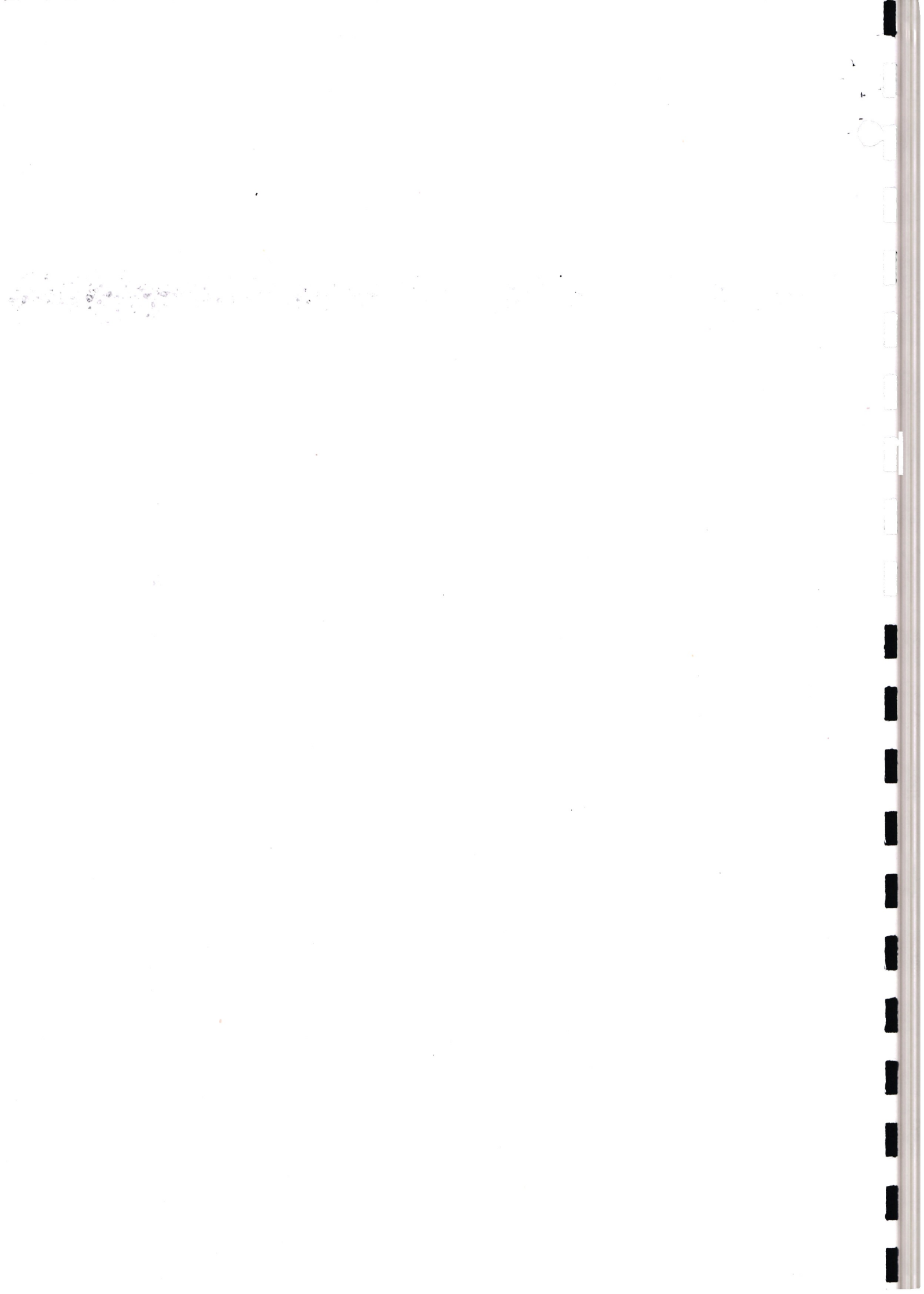
2015 - 2016

Kshs

Kshs

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
Equity Bank Kisii Branch a/c no. 0510261687855 Ksh.	2,456,044	834,548
	-	
	-	
Total	2,456,044	834,548



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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017 Kshs	2015 – 2016 Kshs
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		

[Provide cash count certificates for each]

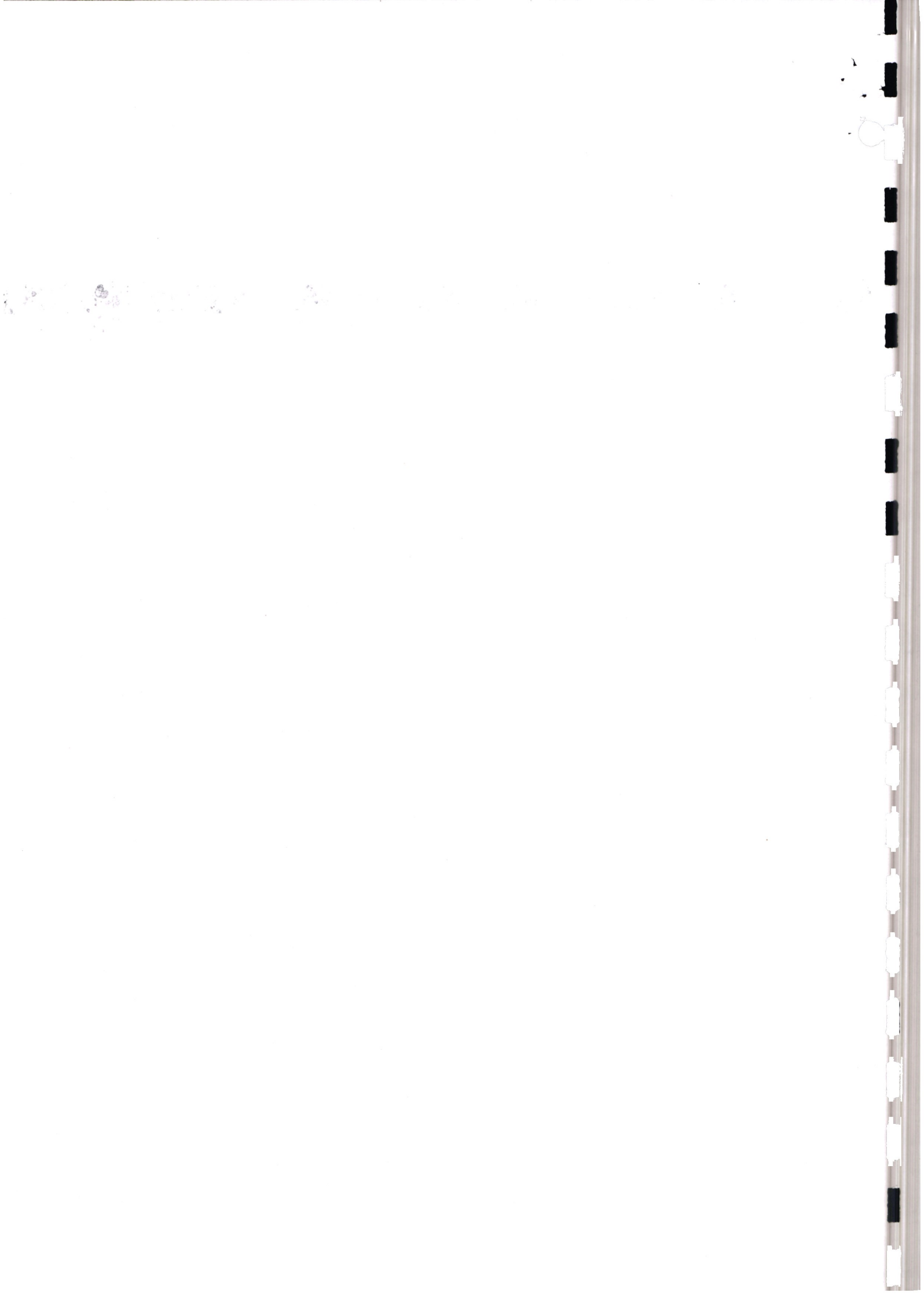
11: OUTSTANDING IMPRESTS

<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>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			

Total

[Include an annex of the list is longer than 1 page.]

12 RETENTION



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

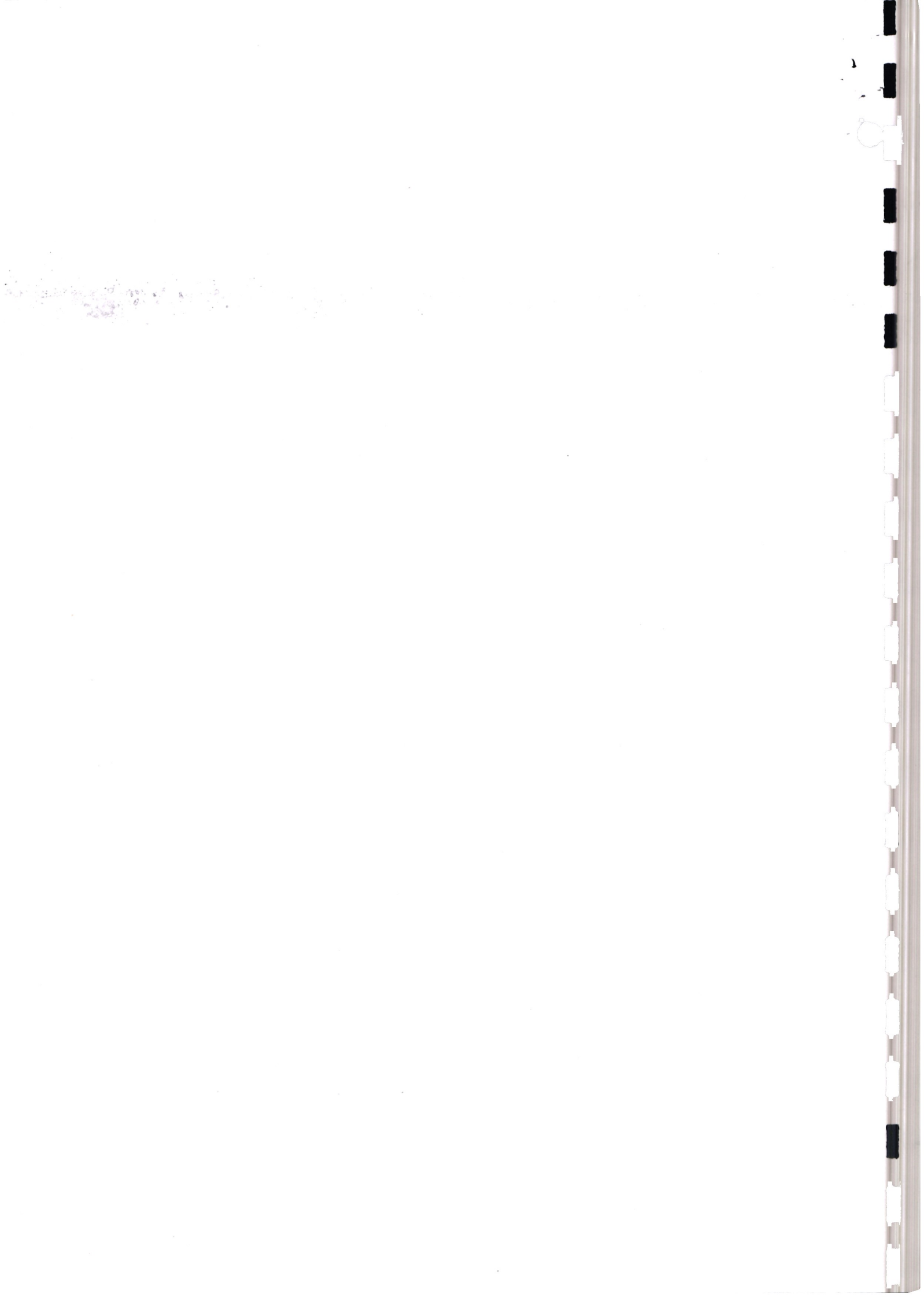
13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	2,456,044	834,548
Cash in hand		
Imprest		
Total	2,456,044	834,548

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts		-
Cash in hand		-
Imprest		-
Total		-



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

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 - 2016 Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management		
Middle management		
Unionisable employees		
Others (<i>specify</i>)		

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)		
Amounts due to other grants and other transfers (see attached list)		
Others (<i>specify</i>)		

15.4: PMC account balances (See Annex 5)

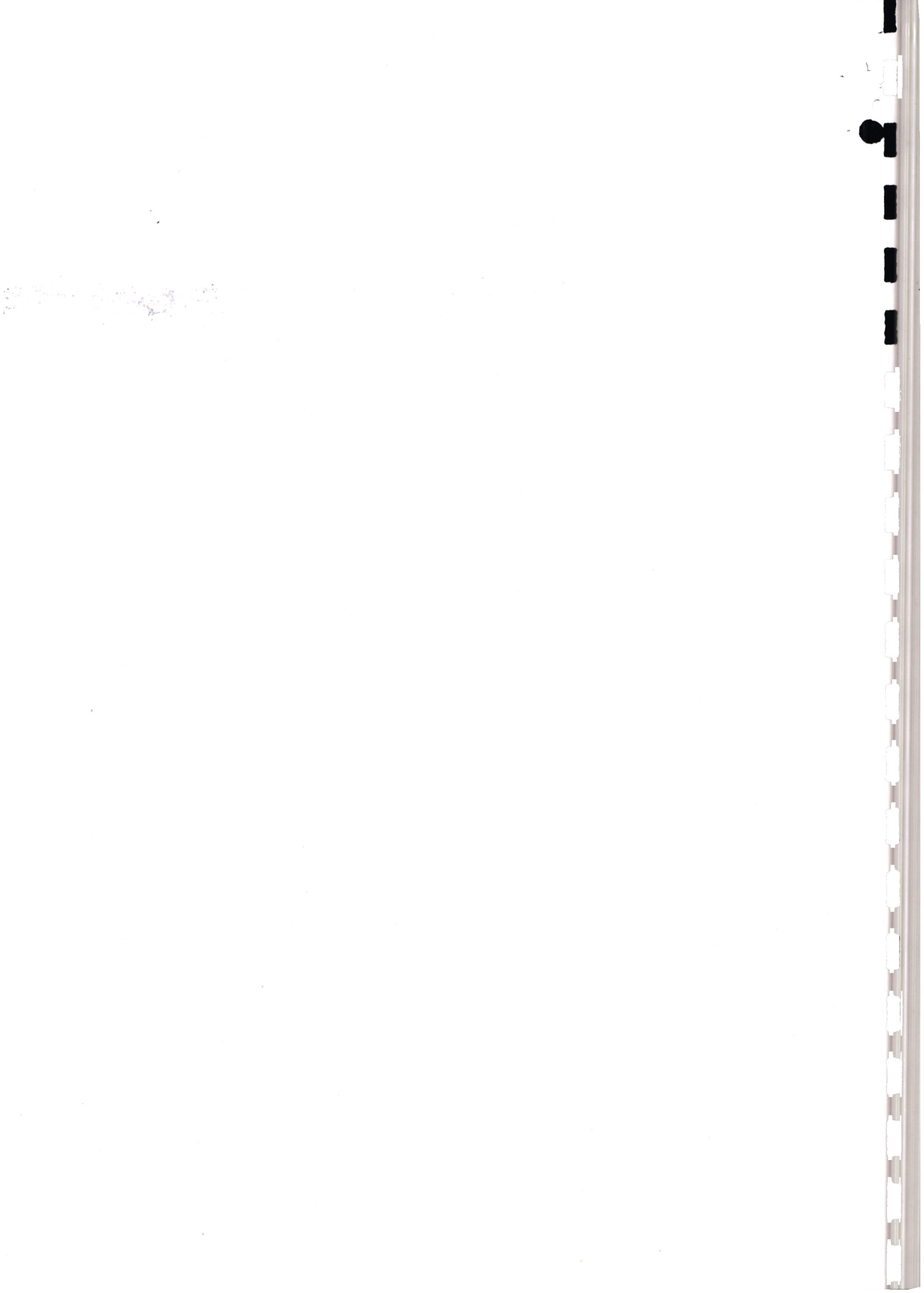
	Kshs	Kshs
PMC account Balances (see attached list)	4,518,096.50	

11
12
13
14

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BOMACHOGE CHACHE CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BOMACHOGE CHACHE CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

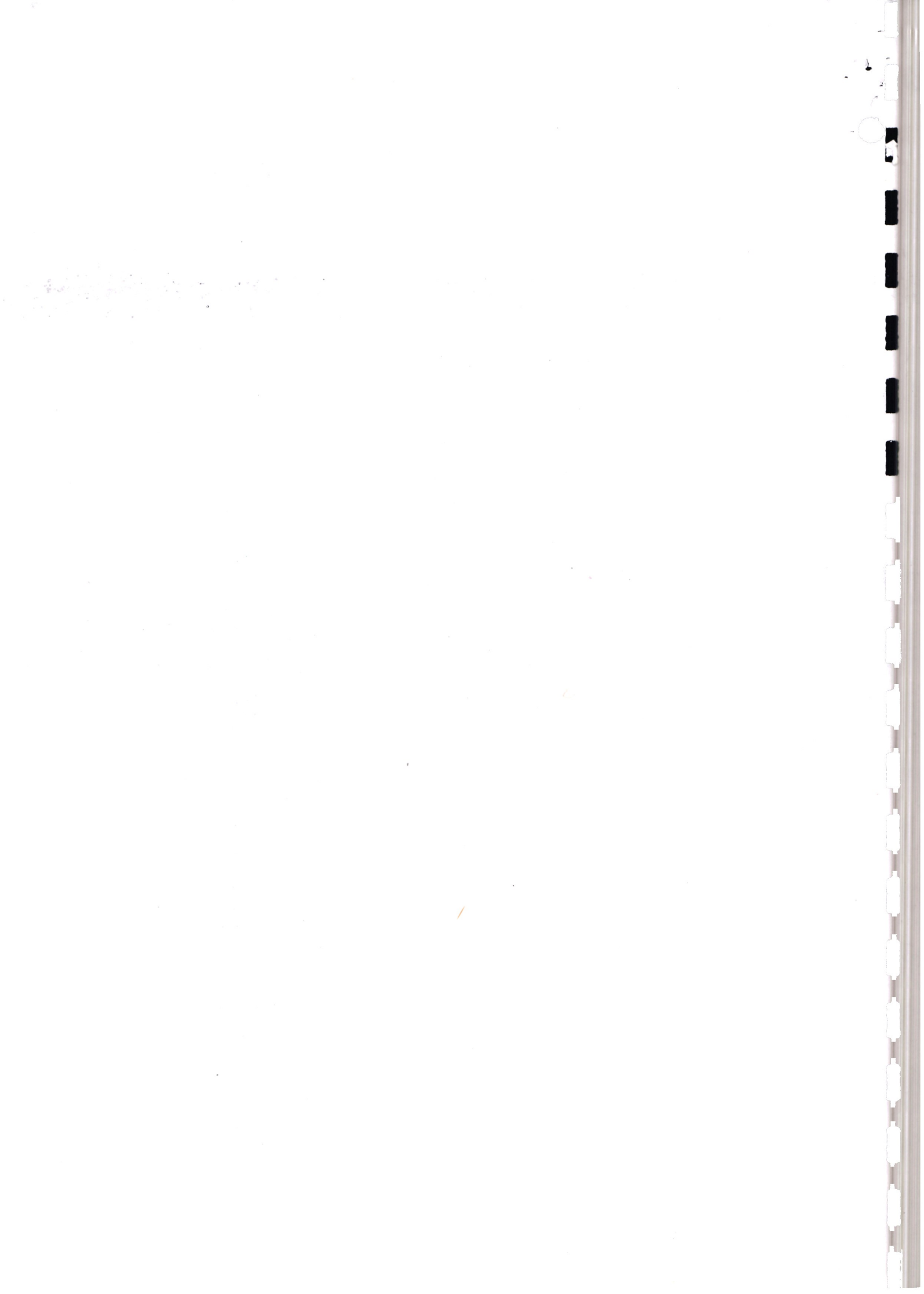
Name of Staff	Job Group	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

10
11
12
13

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BOMACHOGE CHACHE CONSTITUENCY
DEVELOPMENT FUND**
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

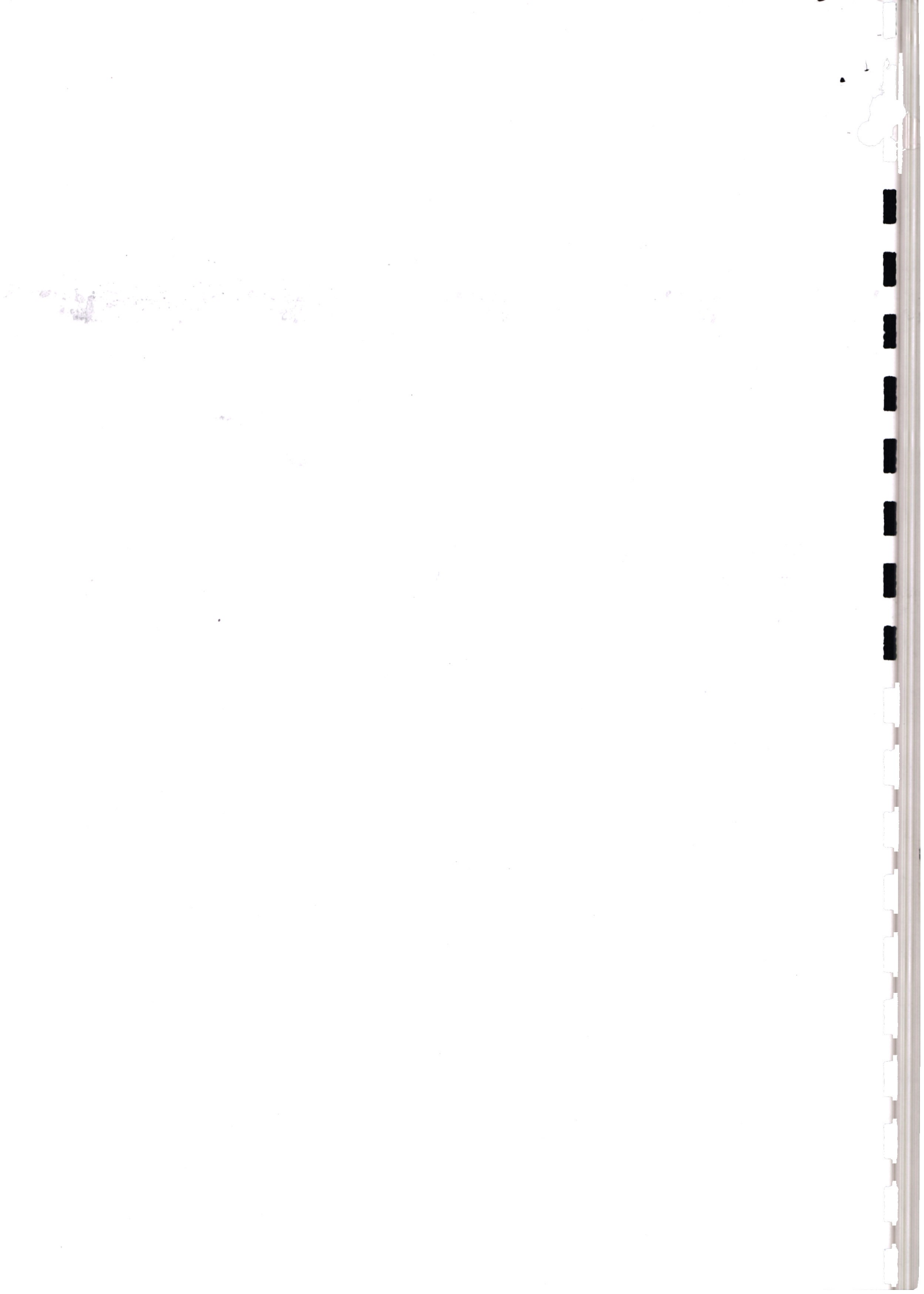
Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –BOMACHOGE CHACHE CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	0	0
Buildings and structures	30,837,235	30,837,235
Transport equipment	6,200	6,200
Office equipment, furniture and fittings	6,544,000	6,544,000
ICT Equipment, Software and Other ICT Assets	182,485	182,485
Other Machinery and Equipment	123,500	123,500
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	37,693,420	37,693,420



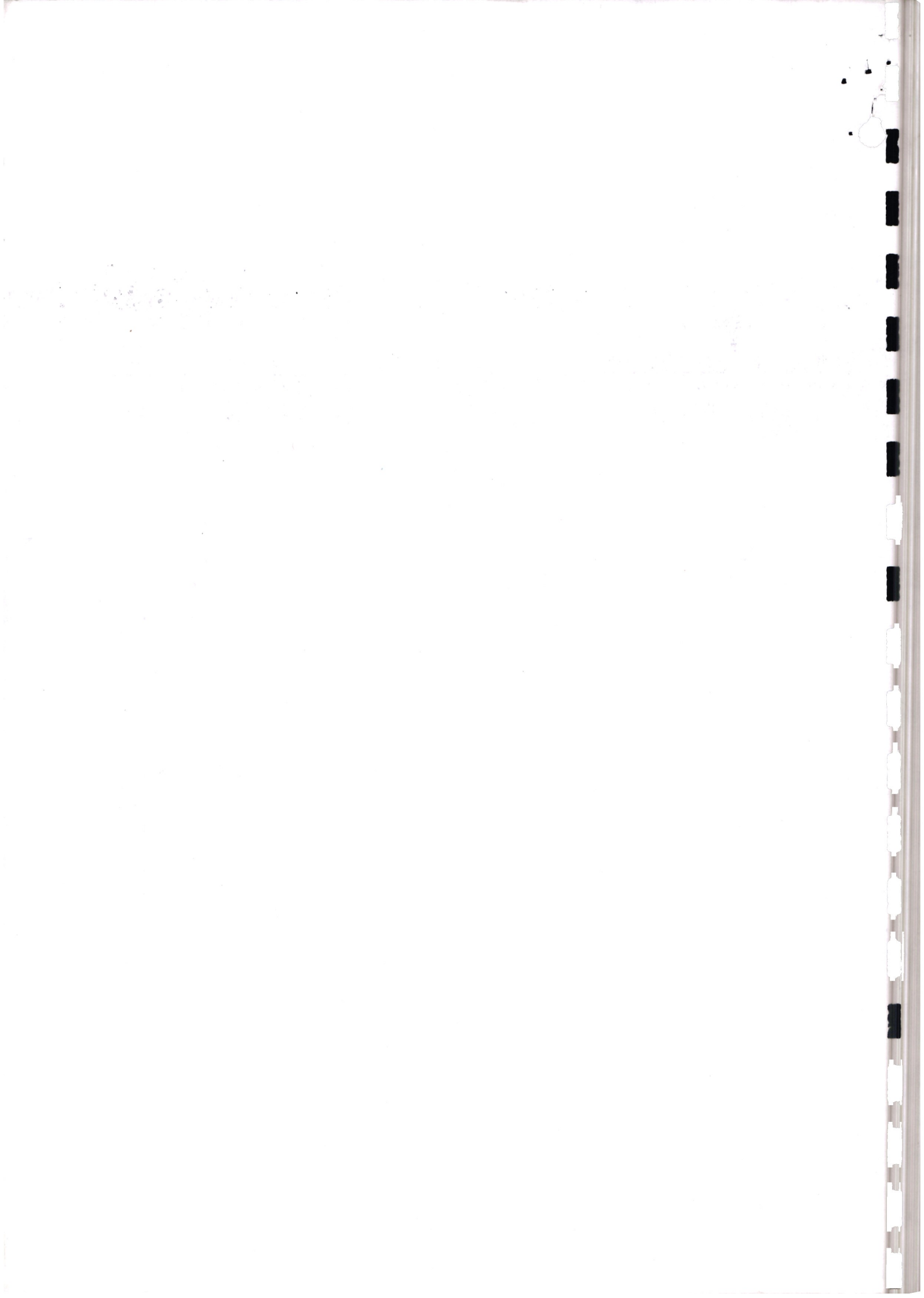
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BOMACHOGE
CHACHE CONSTITUENCY DEVELOPMENT FUND**

Reports and Financial Statements

For the year ended June 30, 2017

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Nyamiobo DEB mixed secondary school	KCB – Kisii	1118396774	2,065	168.05
Kebere chief's office	Equity – Kisii	0510273363612	500,000	0
Gakero ELCK High school	National – kisii	01025035825500	601,000	1,264.78
Nyataro mixed day sec. school	Equity - Kisii	0510273011906	0	0
mochorwa SDA sec. school	Equity - Kisii	0510268157950	500,080	1,133.04
Tendere Primary school	Equity - Kisii	0510262810266	800,000	721
St. Joseph's Nyansakia sec school	KCB – Kisii	1134279434	3,000	348
Bombaba sec. school	KCB – Kisii	1136635416	5,805	297.71
Getuki mixed sec. school	Equity - Kisii	0510295073409	600,475	543.40
Nyaburumbasi sec. school	Equity - Kisii	0510268938831	210	0
Mesabakwa sec. school	Natinal - Kisii	01285033857900	400,000	436.54
Itare sec. school	KCB – Kisii	1182185606	400,000	358.31
Nyamasege police post	Equity - Kisii	0510165088477	300,477.50	384.30
Sengera parish Girls sec. school	KCB –Kisii	1129403688	404,984	219.46
Total			4,518,096.50	5,874.59



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

Reports and Financial Statements

For the year ended June 30, 2017

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)
2015/2016	Compensation of Employees	The management has amended the affected financial statements	FAM	Resolved	N/A
2015/2016	Missing vouchers	Vouchers availed to Auditors	FAM	Resolved	N/A
2015/2016	Statement of Appropriation	Respective statements were amended	FAM	Resolved	N/A
2015/2016	Implementation of Projects	Issue sorted out	CDFC	Resolved	N/A
2015/2016	Non-filling of expenditure returns	Issue sorted out	PMC	Resolved	N/A
2015/2016	Fixed Asset Register	Register availed to auditors	FAM	Resolved	N/A

