

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

ON
DATE: 02 AUG 2023

DAY:
WED

TABLED
BY:

Hon Naomi Wago, MP
Deputy majority whip

CLERK-AT
THE-TABLE:

Finlay Mundi

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – BOMET EAST
CONSTITUENCY**

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





**BOMET EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

***Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022***

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Bomet East Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

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(c) Fiduciary Management

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

1.	A.I.E holder	Mr. Robinson Kamakei
2.	Sub-County Accountant	CPA Andrew Sang
3.	Chairman NGCDFC	Mr. David Waitage

(d) Fiduciary Oversight Arrangements

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

(e) Bomet East Constituency NGCDF Headquarters

P.O. Box 130-20500
NG-CDF Complex
Narok-Bomet Highway
Longisa, KENYA

(f) Bomet East Constituency NGCDF Contacts

Telephone: (+254) 726 318 857
E-mail: cdfbometeastconstituency@ngcdf.go.ke
Website: www.cdfbometeastconstituency.go.ke

(g) Bomet East Constituency NGCDF Bankers

Equity Bank (K) Limited
Bomet Branch
A/C No: 1220261114718
P O Box 130-20500
Bomet, KENYA

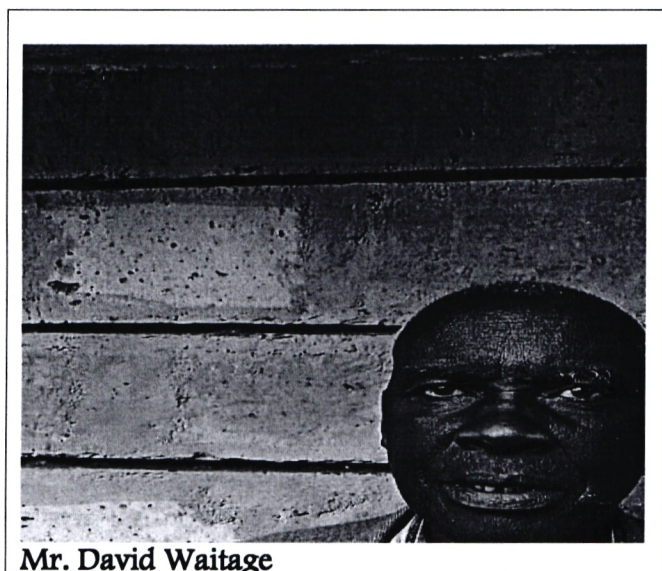
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDF Chairman's Report



On behalf of Bomet East NG-CDF Committee and staff, I am profoundly glad in presenting the FY 2021/2022 annual report and financial statements for the fund.

Bomet East NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of Bomet East constituency and ensure that all approved projects meet the requirements of Sec 24 of the NG-CDF Act, 2015, Capacity building of the

project management committees (PMCs), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act, 2015 (as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (PMCs), projects monitoring and regular NGCDF committee meetings.

Bomet East NG-CDF committee registered exemplary performance in the year under review as demonstrated by implementation of projects, programmes and activities in the sectors of Education, security, sports and environment which fall within the mandate of the Fund established by the NGCDF Act, 2015 (as amended in 2016).

The Fund augmented the national government's infrastructure development in education sector through construction, renovation and equipping of schools.

In detail, NG-CDF Bomet East has been able to achieve the following during the financial year;

A total of 46 classrooms, 1 dormitory, 1 library, 2 administration blocks, 4-acre pieces of land and 18 toilet blocks were constructed and or renovated through the allocation to the fund.

The fund's contribution towards education infrastructure across the constituency supported the 100% government transition policy. Bomet East NG-CDF committee also funded the construction of 4 security facilities amounting to Kshs. 8,500,000 in the year which have enhanced security in the constituency.

In addition, the fund supported retention of students in secondary and tertiary institutions through allocation of bursary. A total of Kshs.40,739,561 was allocated as bursary to needy students in the constituency. NG-CDF Bomet East committee has developed bursary award criteria to ensure only the needy students are awarded bursary.

A). Budget Performance

In the financial year 2021/2022 NG-CDF Bomet East budget performance against actual amounts for current year based on economic classification and programmes, was very impressive due to timely disbursement of funds to the constituency by the NG-CDF Board.

In the financial year ended June 30th, 2022, NG-CDF Bomet East had a cumulative approved budget of **Kshs.193,200,304** and the entire budget was fully disbursed to the constituency by the NGCDF Board within the financial year.

NG-CDF Bomet East disbursed the received funds as follows;

- **Kshs.84,550,000** was disbursed to various schools and other government agencies for implementation of the approved projects,
- **Kshs.40,707,406** was issued as bursaries to needy students in the constituency,
- **Kshs.12,449,639** was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses,
- **Kshs.2,831,089** was used in payment of NG-CDFC staff salaries and gratuity,
- **Kshs.5,100,000** was used to fund security projects in the constituency during the financial year,
- **Kshs.6,500,000** was used to fund emergency occurrences in the constituency,
- **Kshs.2,702,500** was used to fund Environmental activities in the constituency,

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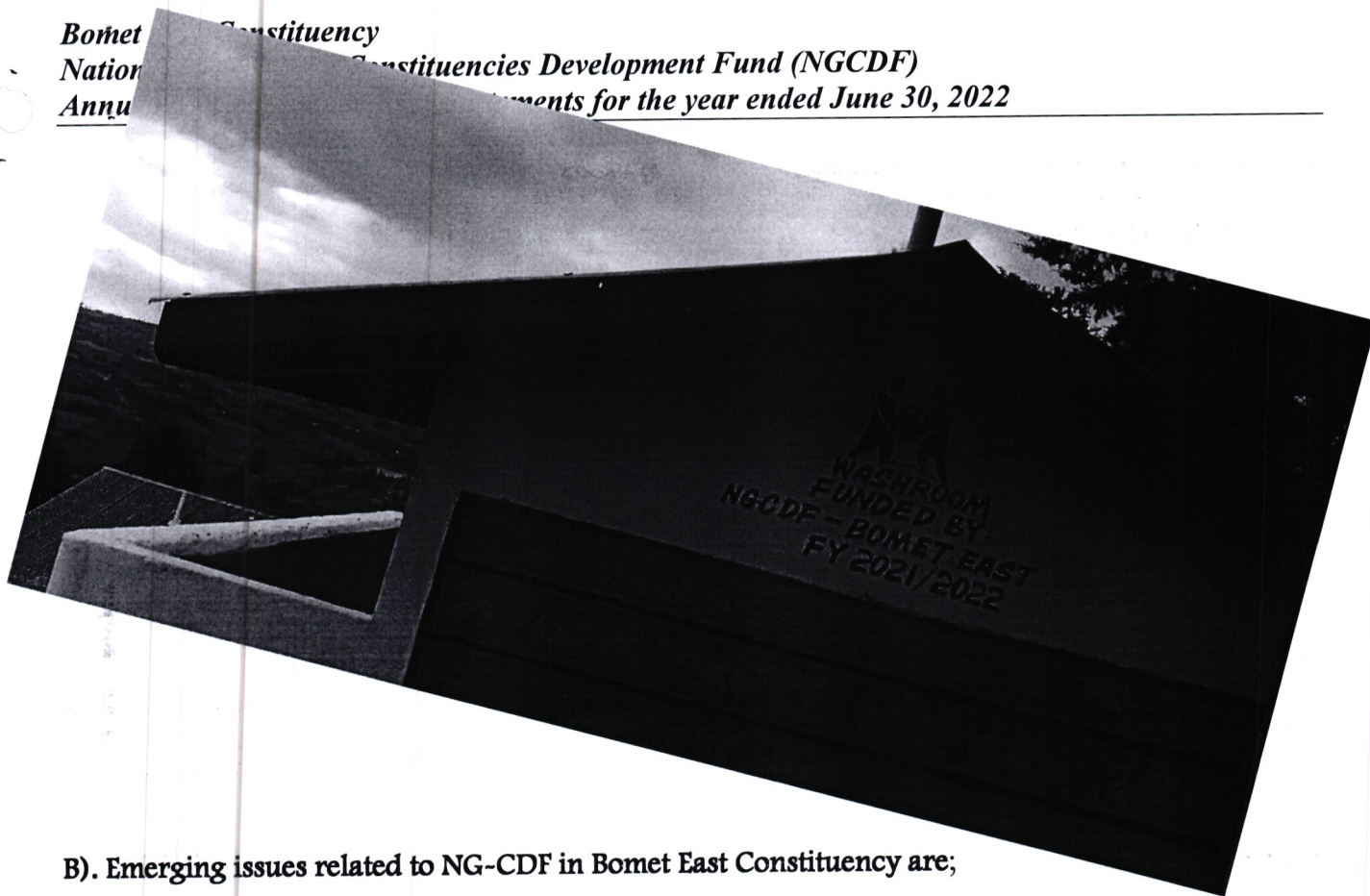
The performance during the year is summarised as follows;

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	3,745,800	2,831,089	914,711	76%
Use of goods and services	11,122,156	12,449,639	-1,327,483	112%
Transfers to Other Government Units	97,100,000	84,550,000	12,550,000	87%
Other grants and transfers	65,345,746	55,042,061	10,303,684	84%
Acquisition of assets	642,162	-	642,162	0%
Other Payments (Strategic Plan)	-	-	-	0%
Funds Pending Approval	15,331,440		15,331,440	0%
TOTAL	193,287,304	154,872,789	38,414,515	80%

Herein attached are pictorials to depict successful projects undertaken during the year;



Mangoita Mixed day Secondary School



B). Emerging issues related to NG-CDF in Bomet East Constituency are;

- Education, Security, Sports, Environment, Water and Roads sectors almost entirely depend on NG-CDF on infrastructure development.
- Prioritization of projects to fund is becoming more difficult due to the numerous high impacts and deserving projects being proposed by the residents.
- Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructures to cater for the residents.
- There's a growing Need to compete with the county government in infrastructure development to justify the long existence of NG-CDF.

C). NG-CDF Implementation challenges in Bomet East Constituency are;

- Overdependence on the fund by the public and National government functions on all development related needs.

(To overcome this, NG-CDF Bomet East Committee employs public participation at the ward level in identification of priority projects for funding and bursary beneficiaries within the constituency).

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- Funds disbursement from the board is untimely and unpredictable leading to delays in execution of budgets occasioning unnecessary budgetary adjustments and delays in the implementation of approved projects.

(NG-CDF Bomet East committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC`s) as soon as it receives).

- Many projects are allocated funds (thinly spread projects)- leading to projects receiving insufficient funds

(To overcome this challenge, NG-CDF Bomet East is focusing on allocating enough funds to complete the project within at most 2 years).

Moving forward NG-CDF Bomet East Committee remains steadfast in delivering on our mandate of transforming lives (maendeleo kwa wote) thus creating a better society for all.

.....

Mr. David Waitage

CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Bomet East Constituency 2018-2022* plan are to:

- a) Improve Education Standards.
- b) Improve Security.
- c) Conserve the environment.
- d) Nurture talent through sporting activities and art
- e) Increase youth, women and persons with disability participation in development objectives.

Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the Constitution.

Progress on attainment of Strategic development objectives

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

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Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-Number of usable physical infrastructure build in primary, secondary, and tertiary institutions -Number of bursary's beneficiaries at all levels	In FY 21/22 we increased number of Education infrastructure by 25 classrooms, in Primary schools and 21 in Secondary Schools 1 dormitories, 1 laboratories, 2 admin blocks, 4 acres' piece of land and 18 pit latrine blocks in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for their lives and property	-Decrease in the number of insecurity related incidents. -Improved security and a more secure business environment	-Numbers of usable physical infrastructure build in Police stations. Chief's offices, DCI and county Commissioners security facilities.	In FY 21/22 We built offices, staff houses and toilets Five (5) Security facilities in various locations in the constituency.

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Environment	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.	In FY 21/22 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools approximately 4,000 in number
Sports	To Nurture sporting talent, this pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youths, women and persons living with disabilities taking up sporting activities. -Number of usable physical infrastructure build.	In FY 21/22 -We organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Emergency	To be able to urgently address Unforeseen occurrences in the constituency.	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed.	In FY 21/22 we constructed Pit latrine blocks and re-roofing of classrooms in various schools When the schools were facing immediate closure by the county department of health.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels

FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

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

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

4. Market place practices-

Bomet East NGCDF Constituency is committed to fair and ethical market practises.

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The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

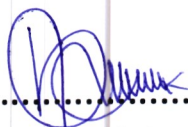
Public Participation in Project Identification and Implementation and Monitoring; The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic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

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

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

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

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



.....
Robinson Kamakei
Fund Account Manager

V. Statement of Management Responsibilities

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

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

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

The Accounting Officer in charge of the NGCDF Bomet East Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under

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audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

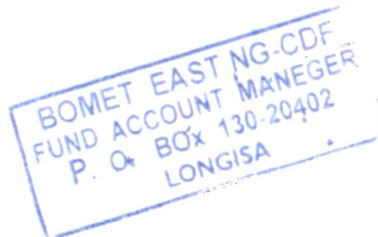
The NGCDF Bomet East Constituency financial statements were approved and signed by the Accounting Officer on 24/06/2023 2023.

.....
Mr. David Waitage

Chairman – NGCDF Committee

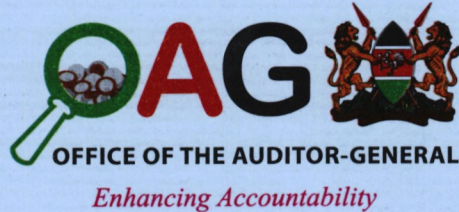
.....
Mr. Robinson Kamakei

Fund Account Manager



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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bomet East Constituency set out on pages 1 to 43, which comprise the statement of assets and liabilities as at 30 June, 2022 and the

Report of the Auditor-General on National Government Constituencies Development Fund- Bomet East Constituency for the year ended 30 June, 2022

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

In my opinion, because of significance of the matters discussed in the basis for adverse opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund – Bomet East Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unsupported Expenditure on Use of Goods and Services

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services expenditure amounting to Kshs.12,449,639. The following anomalies were noted;

- i. The balance includes committee expenses of Kshs.7,476,000 and other committee expenses of Kshs.1,008,000 whose supporting schedules did not disclose the payment voucher number, the payee and purpose of the activity funded and the expenditure was not approved by the Board.
- ii. Review of records revealed that other committee expenses of Kshs.1,008,000 relates to sitting allowance which was not supported with invitation letters, attendance list and committee meeting minutes.
- iii. The expenditure includes utilities, supplies and services expenses amounting to Kshs.1,012,676 which further include Kshs.996,000 paid to the Fund Account Manager. However, the amount was directly expensed instead of being issued in the form of imprest and the purpose of the payments was not disclosed.
- iv. The expenditure includes training expenses amounting to Kshs.815,000 which was not supported with training needs assessment, invitation letters or nomination letters and signed attendance list.

In the circumstances, the accuracy, completeness and propriety of expenditure on use of goods and services could not be confirmed.

2. Unsupported Expenditure on Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfer to other government entities amounting to Kshs.84,550,000. The amount includes transfers to primary schools and secondary schools totaling to

Kshs.60,450,000 and Kshs.24,100,000 respectively for construction works. However, the supporting schedules did not indicate the payment voucher numbers and the activity being funded. Further, the Project Management Committee (PMC) expenditure returns, cash books, bank balance confirmations certificates and evidence that the projects were implemented in consultation with relevant Government Departments were not provided for audit.

In addition, construction expenditure amounting to Kshs.8,431,130 was not supported with procurement records such as bills of quantities, list of prequalified suppliers, tender evaluation minutes, signed contract, inspection and acceptance committee reports, interim/completion certificates.

In the circumstances, the accuracy and propriety of transfers to other government units amounting to Kshs.84,550,000 could not be confirmed.

3. Unsupported Expenditure on Security Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.55,042,061. The amount includes expenditure on security projects of Kshs.5,100,000 incurred on construction works. However, the expenditure was not supported with procurement records such as bills of quantity, list of prequalified suppliers, tender evaluation minutes, signed contract, inspection and acceptance committee reports, interim/completion certificates, Project Management Committee (PMC) expenditure returns and evidence that the projects were implemented in consultation with relevant Government Departments. Further, physical verification of the Construction of Chemaner Assistant County Commissioners Office constructed at a cost of Kshs.1,200,000 revealed that electrical and plumbing works including Septic tank and external drainage works of Kshs.380,000 had not been completed. The PMC bank statements were not provided to confirm if the money was still held in the bank account.

In the circumstances, the accuracy and propriety of expenditure on security projects could not be confirmed.

4. Unsupported Project Management Committee (PMC) Bank Balances

Note 17.4 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.17,245,137. However, cashbooks, bank statements and bank balance confirmation certificates were not provided for audit. Further, Project Management Committee (PMC) bank account balances since inception of the Fund have not been disclosed and confirmation on whether the bank balances for completed projects were surrendered to the main Constituency Fund bank account was not provided for audit. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

In the circumstances, the accuracy and completeness of the PMC account balance of Kshs.17,245,137 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of NGCDF - Bomet East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.193,287,304 and Kshs.167,542,864 respectively resulting to an under-funding of Kshs.25,744,439 or 13% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.193,287,304 and Kshs.154,872,789 respectively resulting to an under-funding of Kshs.38,414,515 or 20% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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, because of the significance of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Management of Bursary to Secondary Schools and Tertiary Institutions

The statement of receipts and payments reflects other grants and transfer balance of Kshs.55,042,061 which includes bursary to secondary schools and tertiary institutions amounting to Kshs.8,787,776 and Kshs.31,951,785 respectively. However, vetting criteria and minutes of the Bursary Sub Committee vetting of applicants were not provided for audit. Further, no documents were provided to confirm that the award of bursaries was carried out in consultation with relevant Government departments. This is contrary

to Regulation 21 of the National Government Constituencies Development Fund Regulation, 2016 which states that a Constituency Committee may support social security programmes. The programmes shall support constituents living within a Constituency but the support shall not include personal cash awards. A Constituency Committee shall vet all persons proposed to receive support in accordance with guidelines issued by the Board. A Constituency Committee shall, in supporting social security programmes under this Regulation, consult with the relevant National Government Agencies.

In addition, recipient educational institutions did not remit financial return acknowledging receipt of the funds and confirming that the amount have been credited to the fees accounts of the targeted beneficiaries. This is contrary to Guidelines on effective and efficient management of bursaries of the Board Circular referenced NG-CDFB/CEO/BOARD CIRCULARS VOL II of 18 June, 2020.

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

2. Expenditure on Emergency Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers totaling to Kshs.55,042,061 which includes emergency projects expenditure of Kshs.6,500,000. However, the expenditure was not of emergency in nature and it was not reported to the National Government Constituencies Development Fund Board. This is contrary to Regulation 20(2) of the National Government Constituencies Development Regulations, 2016 stipulates that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency. Further, the Fund had an emergency expenditure amounting to Kshs.1,900,000 for construction of pit latrines in three secondary schools. However during the audit the latrines had not been completed.

In the circumstances, the value for money from the expenditure on emergency projects could not be confirmed and the Management was in breach of the law.

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, because of the significance of the matter discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of an Updated Fixed Assets Register

Annex 4 to the financial statements on summary of fixed assets reflects a balance of Kshs.25,519,256 as total value of assets. However, the assets register of the Fund was not updated to reflect details relating to: date of purchase, supplier, cost, location, serial number, unique identification number, accumulated depreciation and net book value.

In the circumstances, the accuracy and completeness of Kshs.25,519,256 for the total assets balance could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2023

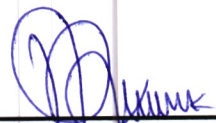
Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022

VII. Statement of Receipts and Payments for the year ended 30th June 2022

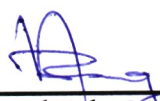
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	156,933,319	162,867,724
Proceeds From Sale of Assets	2		
Other Receipts	3	87,000	
Total Receipts		157,020,319	162,867,724
Payments			
Compensation Of Employees	4	2,831,089	3,255,251
Use Of Goods and Services	5	12,449,639	9,505,352
Transfers To Other Government Units	6	84,550,000	63,100,000
Other Grants and Transfers	7	55,042,061	75,851,844
Acquisition Of Assets	8		4,827,456
Other Payments	9		
Total Payments		154,872,789	156,539,903
Surplus/(Deficit)		2,147,530	6,327,821

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

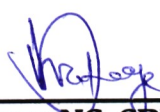
The Constituency financial statements were approved on 22/07/2023 and signed by:



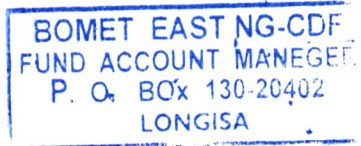
Fund Account Manager
 Name: Mr. Robinson Kamakei



National Sub-County Accountant
 Name: CPA Andrew Sang
 ICPAK M/No: 20892



Chairman NG-CDF Committee
 Name: Mr. David Waitage



Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022

VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	12,670,075	10,522,546
Cash Balances (Cash at Hand)	10B		
Total Cash and Cash Equivalents		12,670,075	10,522,546
Accounts Receivable			
Outstanding Imprests	11		
Total Financial Assets		12,670,075	10,522,546
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A		
Gratuity	12B		
Total Financial Liabilities			
Net Financial Assets		12,670,075	10,522,546
Represented By			
Fund Balance B/Fwd	13	10,522,546	4,194,724
Prior Year Adjustments	14		
Surplus/Deficit for The Year		2,147,530	6,327,821
Net Financial Position		12,670,075	10,522,545

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

The Constituency financial statements were approved on 21/06/23 2023 and signed by:


 Fund Account Manager

Name: Mr. Robinson Kamakei


 National Sub-County Accountant

Name: CPA Andrew Sang
 ICPAK M/No:20892


 Chairman NG-CDF Committee

Name: Mr. David Waitage




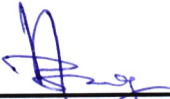
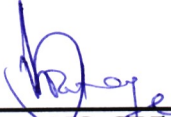
Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022

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

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	156,933,319	162,867,724
Other Receipts	3	87,000	-
Total Receipts		157,020,319	162,867,724
Payments			
Compensation Of Employees	4	2,831,089	3,255,251
Use Of Goods and Services	5	12,449,639	9,505,352
Transfers To Other Government Units	6	84,550,000	63,100,000
Other Grants and Transfers	7	55,042,061	75,851,844
Other Payments	9		
Total Payments		154,872,789	151,712,447
Total Receipts Less Total Payments		2,147,530	11,155,277
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15		
Increase/(Decrease) In Accounts Payable	16		
Prior Year Adjustments	14		
Net Cash Flow from Operating Activities		2,147,530	11,155,277
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2		
Acquisition Of Assets	8		(4,827,456)
Net Cash Flows from Investing Activities			(4,827,456)
Net Increase In Cash And Cash Equivalent		2,147,530	6,327,821
Cash & Cash Equivalent At Start Of The Year	10	10,522,545	4,194,724
Cash & Cash Equivalent At End Of The Year	10	12,670,075	10,522,545

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

The Constituency financial statements were approved on 04/07 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Mr. Robinson Kamakei	Name: CPA Andrew Sang ICPAK M/No:20892	Name: Mr. David Waitage



**Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022**

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

	Original Budget A		Adjustments B		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/e %
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022	Kshs	
Receipts								
Transfers From NGCDF Board	137,088,879		10,522,546	45,588,879	193,200,304	167,455,864	25,744,439	87%
Proceeds From Sale of Assets								0%
Other Receipts			87,000		87,000	87,000		100%
Totals	137,088,879		10,609,546	45,588,879	193,287,304	167,542,864	25,744,439	87%
Payments								
Compensation Of Employees	3,745,800				3,745,800	2,831,089	914,711	76%
Use Of Goods and Services	8,592,198		30,519	2,499,439	11,122,156	12,449,639	-1,327,483	112%
Transfers To Other Government Units	63,800,000		4,100,000	29,200,000	97,100,000	84,550,000	12,550,000	87%
Other Grants and Transfers	56,950,881		5,749,865	2,645,000	65,345,746	55042,061	10,303,684	84%
Acquisition Of Assets			642,162		642,162		642,162	0%
Other Payments								0%
Funds Pending Approval	4,000,000		87,000	11,244,440	15,331,440		15,331,440	0%
Totals	137,088,879		10,609,546	45,588,879	193,287,304	154,872,789	38,414,515	80%

Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	38
Less undisbursed funds receivable from the Board as at 30 th June 2022	(25,
	12
Add Accounts payable	
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	12

The Constituency financial statements were approved on _____ 2023 and signed by:



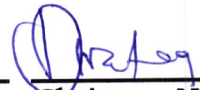
Fund Account Manager

Name: Mr. Robinson Kamakei



National Sub-County Accountant

Name: CPA Andrew Sang
ICPAK M/No:20892



Chairman NG-C

Name: Mr. David

BOMET EAST NGCDF
 FUND ACCOUNT MANAGER
 P. O. BOX 130-20402
 LONGISA

Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual basis 30/0
	2021/2022	Opening Balance (C/BQ) and AIA	Previous Years' Outstanding Disbursements	2021/2022	
	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,745,800			3,745,800	
1.2 Committee allowances	3,779,532	7,314	1,020,154	4,807,000	
1.3 Use of goods and services	700,000		1,479,285	2,179,285	
Sub total	8,225,332	7,314	2,499,439	10,732,085	
2.0 Monitoring and evaluation					
2.1 Capacity building	2,000,000			2,000,000	
2.2 Committee allowances	1,500,000			1,500,000	
2.3 Use of goods and services	612,666	23,205		635,871	
Sub total	4,112,666	23,205	0	4,135,871	
3.0 Emergency					
3.1 Primary Schools					
Chelemei Pry (Bomet Highway)	666,931			666,931	
Comm Of Vat	12,069			12,069	
Comm Of Income Tax	21,000			21,000	
Kinyose Pry (Sang Kiparo Limited)	666,931			666,931	
Comm Of Vat	12,069			12,069	
Comm Of Income Tax	21,000			21,000	
Makenji Pry(Sang Kiparo Limited)	666,931			666,931	
Comm Of Vat	12,069			12,069	
Comm Of Income Tax	21,000			21,000	
3.2 Secondary schools					
Kiplabotwa Sec School	58,840	441,160		500,000	
Tumoiyot Sec School	-	500,000		500,000	

**Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
Tumoiyot Sec School	500,000			500,000	500,000	
Ndubai Sec School	500,000			500,000	500,000	
Ndubai Sec School	500,000			500,000	500,000	
Sigowet Sec School	500,000			500,000	500,000	
Irwaga Sec School	400,000			400,000	400,000	
Kipkurion Sec School	500,000			500,000	500,000	
3.3 Tertiary institutions						
3.4 Security projects						
DCC OFFICE BOMET EAST	500,000			500,000	500,000	
3.5 unutilised	1,633,367			1,633,367		1,633,367
sub total	7,192,207	941,160	0	8,133,367	6,500,000	1,633,367
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	17,500,000	14,487,566		31,987,566	8,787,776	23,199,790
4.3 Tertiary Institutions	18,302,896	(11,062,139)		7,240,757	31,951,785	(24,711,028)
4.4 Universities	-	(51,500)		(51,500)		(51,500)
4.5 Social Security	-			-		-
sub total	35,802,896	3,373,927	-	39,176,823	40,739,561	(1,562,738)
5.0 Sports						
5.1	2,741,778	34,778		2,776,556		2,776,556
sub total	2,741,778	34,778	0	2,776,556	0	2,776,556
6.0 Environment						
Prior years allocation			2,645,000	2,645,000		2,645,000
Lelkatet primary school	118,000			118,000	118,000	
Kibiwot Primary School	118,000			118,000	118,000	
Chambori Primary School	118,000			118,000	118,000	
Chepisian Primary School	118,000			118,000	118,000	

**Bomet East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for the year ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
Rayaa Primary School	118,000			118,000	118,000	
Simotwet Primary School	118,000			118,000	118,000	
Siwot Primary School	118,000			118,000	118,000	
Kiplabotwo Primary School	118,000			118,000	118,000	
Cheboin Primary School	118,000			118,000	118,000	
Korara Special Primary School	118,000			118,000	118,000	
Saparet Primary School	118,000			118,000	118,000	
Chepkitwal Primary School	118,000			118,000	118,000	
Wasega Primary School	118,000			118,000	118,000	
Kapkimolwa Primary School	118,000			118,000	118,000	
Norerah Primary School	118,000			118,000	118,000	
Kinyose Primary School	118,000			118,000	118,000	
Lalakin Primary School	118,000			118,000	118,000	
Kimuchui Secondary School	118,000			118,000	118,000	
Kiplabotua Secondary School	118,000			118,000	118,000	
Kiptobit Secondary School	118,000			118,000	118,000	
Kipyosit Secondary School	118,000			118,000	118,000	
Kapsumbiri Secondary School	118,000			118,000	118,000	
Chepkolon Primary School	118,000			118,000	106,500	11,500
sub total	2,714,000	0	2,645,000	5,359,000	2,702,500	2,656,500
7.0 Primary Schools Projects						
Kapkesiego Primary School	1,500,000			1,500,000	1,500,000	
Chemorut Primary School	800,000			800,000		800,000
Saparet Primary School	1,000,000			1,000,000	1,000,000	
Kiptogoch Primary School	1,000,000			1,000,000	1,000,000	
Togomnda Primary School	1,000,000			1,000,000	1,000,000	
Bilelga Primary School	1,000,000			1,000,000	1,000,000	

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
Kaplelach Primary School	1,000,000			1,000,000	1,000,000	
Mononwet Primary School	1,000,000			1,000,000	1,000,000	
Irwaga Primary School	1,000,000			1,000,000		1,000,000
Kapsimbiri Primary School	500,000			500,000		500,000
Chepkolon Primary School	1,000,000			1,000,000		1,000,000
Bonyoriot Primary School	1,000,000			1,000,000	1,000,000	
Matarnat Primary School	1,000,000			1,000,000	1,000,000	
Kamoyo Primary School	1,000,000			1,000,000	1,000,000	
Legimbo Primary School	1,000,000			1,000,000	1,000,000	
Chepkirib Primary School	1,000,000			1,000,000	1,000,000	
Longisa Primary School	1,000,000			1,000,000	1,000,000	
Korara Primary School	400,000			400,000	400,000	
Olingoswet Primary School	1,000,000			1,000,000	1,000,000	
Kapcheluch Primary School	1,000,000			1,000,000	1,000,000	
Torogonik Primary School	2,000,000			2,000,000	2,000,000	
Nderiat Primary School	900,000			900,000		900,000
Mulot Primary School	400,000			400,000	400,000	
Simotwet Primary School	1,000,000			1,000,000	1,000,000	
Olpopo Primary School	900,000			900,000		900,000
Nyahururu Primary School	1,000,000			1,000,000	1,000,000	
Mengit Primary School	1,000,000			1,000,000	1,000,000	
Toronik Primary School	1,000,000			1,000,000	1,000,000	
Kapitmtui Primary School	1,400,000			1,400,000	1,400,000	
Kiprerer Primary School	900,000			900,000	900,000	
Ndabibi Primary School	500,000			500,000		500,000
Chelemei Primary School	1,000,000			1,000,000	1,000,000	
Cheboror Primary School	1,000,000			1,000,000	1,000,000	

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bt) and AIA	Previous Years' Outstanding Disbursements			
Lalakin Primary School	1,000,000			1,000,000	1,000,000	
Tegat Primary School	1,000,000			1,000,000	1,000,000	
Taachasis Primary School	1,000,000			1,000,000	1,000,000	
Tangut Primary School	1,500,000			1,500,000	1,500,000	
Poreiwek Primary School	1,000,000			1,000,000	1,000,000	
Kembu Primary School	1,000,000			1,000,000	1,000,000	
Kaporuso Primary School	1,200,000			1,200,000	1,200,000	
Lebekwet Primary School	1,000,000			1,000,000	1,000,000	
Mangoita Primary School	1,000,000			1,000,000	1,000,000	
Kerenga Primary School	1,400,000			1,400,000	1,400,000	
Mugei Primary School	2,000,000			2,000,000	2,000,000	
Kipkoligo Primary School	1,000,000			1,000,000	1,000,000	
Kimuchul Primary School	1,000,000			1,000,000	1,000,000	
Changecheho Primary School	500,000			500,000	500,000	
Tabaita Primary School	2,000,000			2,000,000	2,000,000	
Chambori Primary School	1,000,000			1,000,000	1,000,000	
Cheboin Primary School	-		1,000,000	1,000,000	1,000,000	
Kesebek Primary School	-		850,000	850,000	850,000	
Kibiwot Primary School	-		850,000	850,000	850,000	
Kiptogoch Primary School	-		850,000	850,000	850,000	
Kiptulwa Primary School	-		850,000	850,000	850,000	
Koisomoi Primary School	-		500,000	500,000	500,000	
Lalakin Primary School			1,850,000	1,850,000	1,850,000	
Matecha Primary School			850,000	850,000	850,000	
Murany Primary School			4,600,000	4,600,000	4,600,000	
Nokirwet Primary School			1,350,000	1,350,000	1,350,000	
Simotwet Primary School			2,700,000	2,700,000	2,700,000	

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Programme / Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable Basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
Tabaita Primary School			1,000,000	1,000,000	1,000,000	
Tebeswet Primary School			750,000	750,000	750,000	
Torogonik Primary School			1,400,000	1,400,000	1,400,000	
Kerenga Pry School			600,000	600,000		600,000
Saoset Primary School					850,000	(850,000)
Simotwet Pry School			1,300,000	1,300,000		1,300,000
Lalakin Pry School			600,000	600,000		600,000
Mulot Primary School			400,000	400,000		400,000
sub total	50,800,000	-	22,300,000	73,100,000	60,450,000	12,650,000
8.0 Secondary Schools Projects the Projects						
Lekimbo Secondary School	1,700,000			1,700,000	1,700,000	
Kiplabotwa Secondary Shool	1,000,000			1,000,000	1,000,000	
Chelemei Girls Secondary	2,700,000			2,700,000	2,700,000	
Kaporuso secondary School	1,000,000			1,000,000	1,000,000	
Kipkurion Secondary School	2,000,000			2,000,000	2,000,000	
Saoset Secondary School	1,000,000			1,000,000	1,000,000	
Kembu Day Secondary School	1,000,000			1,000,000	1,000,000	
Mangoita Day Secondary School	2,600,000			2,600,000	2,600,000	
Cheboin Secondary School			500,000	500,000	500,000	
Masare Secondary School		4,100,000	-	4,100,000	4,100,000	
Kiromwok Secondary School			3,800,000	3,800,000	3,800,000	
Bukacha Secondary School			850,000	850,000	850,000	
Chepkolon Secondary School			500,000	500,000	500,000	
Menet Secondary school			850,000	850,000	850,000	
Kiptobit Secondary school			500,000	500,000	500,000	
Chepkolon Sec School			100,000	100,000		100,000

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		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
Merigi Secondary School			800,000	800,000		800,000
Kembu Day Secondary school			(1,000,000)	(1,000,000)		(1,000,000)
sub total	13,000,000	4,100,000	6,900,000	24,000,000	24,100,000	(100,000)
9.0 Tertiary institutions Projects the Projects)	(List all					
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
Bomet East sub-county Police Headquarters Longisa	5,000,000			5,000,000		5,000,000
Kembu chiefs office	1,000,000			1,000,000	1,000,000	
Chemamer Chiefs Office	1,000,000			1,000,000	1,000,000	
Kimuchul Location Chiefs Office	1,000,000			1,000,000	1,000,000	
Kapkimolwa chiefs office	500,000			500,000	500,000	
Kiromwok Chiefs Office		400,000		400,000	400,000	
CHEMANER ASSISTANT CHIEF'S OFFICE					1,200,000	(1,200,000)
Mulot Police Post		1,000,000		1,000,000	1,000,000	
sub total	8,500,000	1,400,000	-	9,900,000	5,100,000	4,800,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office		642,162		642,162		642,162
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
sub total	-	642,162	-	642,162	-	642,162

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**	4,000,000	87,000	11,244,440	15,331,440	15,331,440	
sub total	4,000,000	87,000	11,244,440	15,331,440	15,331,440	
Total	137,088,879	10,609,546	45,588,879	193,287,304	154,872,789	38,414,515

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Bomet East 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.

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for

use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO.B140844	33,844,440	
AIE NO.B105416	44,000,000	
AIE NO.B105734	22,000,000	
AIE NO.B132454	5,000,000	
AIE NO.B128768	12,000,000	
AIE NO.B154370	12,000,000	
AIE NO.B154265	18,000,000	
AIE NO.B140786	10,088,879	
AIE NO.B104546		20,000,000
AIE NO.B104792		33,000,000
AIE NO.B104534		12,367,724
AIE NO.B104993		9,000,000
AIE NO.B124899		8,500,000
AIE NO.B128335		1,500,000
AIE NO.B138767		12,000,000
AIE NO.B119744		6,900,000
AIE NO.B128354		7,000,000
AIE NO.B132099		6,000,000
AIE NO.B126063		7,000,000
AIE NO.B105134		4,000,000
AIE NO.B126352		11,600,000
AIE NO.B119754		12,000,000
AIE NO.B105197		12,000,000
TOTAL	156,933,319	162,867,724

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2. Proceeds from Sale of Assets

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

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	87,000	
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere		
Total	87,000	-

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDF Basic staff salaries	1,691,744	1,845,800
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	1,108,727	1,077,870
Employer Contributions Compulsory national social security schemes	30,618	331,581
Total	2,831,089	3,255,251

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5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	7,476,000	1,498,500
Utilities, supplies and services	1,6,676	
Communication, supplies and services	73,900	
Domestic travel and subsistence	250,000	
Printing, advertising and information supplies & services	170,000	
Rentals of produced assets		
Training expenses	815,000	
Hospitality supplies and services	178,750	
Other committee expenses	1,008,000	6,952,400
Committee allowance		
Insurance costs		
Specialized materials and services		
Office and general supplies and services	1,512,820	
Fuel Oil & Lubricants		500,000
Other operating expenses	625,000	45,199
Routine maintenance – vehicles and other transport equipment	323,493	509,253
Routine maintenance – other assets		
Total	12,449,639	9,505,352

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	60,450,000	19,750,000
Transfers To Secondary Schools (See Attached List)	24,100,000	43,350,000
Transfers To Tertiary Institutions (See Attached List)		
Total	84,550,000	63,100,000

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7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,787,776	3,942,759
Bursary – tertiary institutions (see attached list)	31,951,785	56,120,585
Bursary – special schools (see attached list)		51,500
Mock & CAT (see attached list)		
Social Security programs (NHIF)		
Security projects (see attached list)	5,100,000	6,700,000
Sports projects (see attached list)		2,707,000
Environment projects (see attached list)	2,702,500	
Emergency projects (see attached list)	6,500,000	6,330,000
Total	55,042,061	75,851,844

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		4,827,456
Refurbishment of Buildings		
Purchase 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 Specialized Plant, Equipment and Machinery		
Acquisition of Land		
Total	-	4,827,456

9. Other Payments

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

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10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	12,670,075	10,522,546
<i>Equity Bank Bomet branch Account number</i>		
Total	12,670,075	10,522,546
10 B: Cash on Hand		
Location 1		
Location 2		
Total	-	-

11: Outstanding Imprests

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

12A. Retention

	2021-2022	2020-2021
	Kshs	Kshs
Retention as at 1 st July (A)		
Retention held during the year (B)		
Retention paid during the Year (C)		
Closing Retention as at 30 th June D= A+B-C	-	-

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12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	10,522,546	4,194,724
Cash in hand		
Imprest		
Total	10,522,546	4,194,724

14. Prior Year Adjustments

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

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15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C		
Changes in Accounts Payable E= D-E	-	-

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

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17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff		
Others		
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	914,711	2,522,644
Use of goods and services	(1,327,483)	7,314
Amounts due to other Government entities (see attached list)	12,550,000	33,300,000
Amounts due to other grants and other transfers (see attached list)	10,303,684	8,394,865
Acquisition of assets	642,162	642,162
Others		
Funds pending approval**	15,331,440	11,244,440
Total	38,414,515	56,111,425

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	17,245,137.10	16,080,953
Total	17,245,137.10	16,080,953

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of staff salaries	914,711	2,522,644	Ongoing
Use of goods & services	Purchase of fuel, Vehicle repairs and maintenance, printing, stationery, telephone, Electricity, travel and subsistence, office tea.	(1,327,483)	7,314	Ongoing
Sub total				
Amounts due to other Government entities				
Primary Schools Projects				
Chemorut Primary School	Construction of classroom to completion	800,000		
Irwaga Primary School	Construction of classroom to completion	1,000,000		
Kapsimbiri Primary School	Construction of classroom to completion	500,000		
Chepkolon Primary School	Construction of classroom to completion	1,000,000		
Nderiat Primary School	Construction of classroom to completion	900,000		
Olpopo Primary School	Construction of classroom to completion	900,000		
Ndabibi Primary School	Construction of classroom to completion	500,000		
Cheboror Primary School	Construction of classroom to completion	1,000,000		
Mangoita Primary School	Construction of classroom to completion	1,000,000		
Mugei Primary School	Construction of classroom to completion	2,000,000		
Kimuchul Primary School	Construction of classroom to completion	1,000,000		
Kerenga Pry School	Construction of classroom to completion	600,000		
Saoset Primary School	Construction of classroom to completion	(850,000)		
Simotwet Pry School	Construction of 2 no. 6 door pit latrines with one door of each catering for the needs of Persons with disability each to completion	1,300,000		
Lalakin Primary School	Construction of classroom to completion	600,000		
Mulot Primary School	Construction of classroom to completion	400,000		

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
8.0 Secondary Schools Projects				
Chepkolon Sec School	Construction of classroom to completion	100,000		
Merigi Secondary School	Construction of classroom to completion	800,000		
Kembu Day Secondary school	Construction of classroom to completion	(1,000,000)		
Sub-Total		12,550,000	33,300,000	
Amounts due to other grants and other transfers				
3.0 Emergency				
3.5 unutilised	To cater for unforeseen occurrences within the constituency during the financial year.	1,633,367		Ongoing
4.0 Bursary and Social Security				
4.2 Secondary Schools	Payment of bursary to needy students in secondary schools.	(1,562,738)		Ongoing
5.0 Sports				
Constituency Sports	Organizing constituency sports tournaments, where the Winning teams will be awarded Trophies, Uniforms and Balls.	2,776,556		Ongoing
6.0 Environment				
	Purchase and delivery of 10,000 litre water tank	2,656,500		Ongoing
10.0 Security Projects				
Bomet East sub-county Police Headquarters Longisa	Completion of police headquarters, walling ,roof works and internal finishes for the 2nd floor	5,000,000		
Chemamer Assistant Chiefs' Office	Construction of 3 roomed chiefs office to completion	(1,200,000)		
Mulot Police Post	Construction of 3 roomed chiefs office to completion	1,000,000		
Sub-Total		10,303,684	8,394,865	
Acquisition of assets				
Construction of CDF office	Construction of CDF office	642,162	642,162	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Sub-Total		642,162	642,162	
Others (specify)				
Sub-Total		-	-	
Funds pending approval	Electricity connection and purchase of 4-acre piece of land	15,331,440	11,244,440	
Grand Total		38,414,515	56,111,425	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	4,000,000			4,000,000
Buildings and structures	15,862,456			15,862,456
Transport equipment	3,750,000			3,750,000
Office equipment, furniture and fittings	1,600,000			1,600,000
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment	306,800			306,800
Heritage and cultural assets				
Intangible assets				
Total	25,519,256			25,519,256

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Annex 5 –PMC Bank Balances as at 30th June 2022

PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
Boreiwek Primary School	Equity	1220297426872	19.10.2021	169,923.50	
Chambori Primary School	Equity	1220297827209	21.10.2021	72,788	
Chang Chego Primary School(Cdf Account)	Equity	1220298031168	26.10.2021	502,549	
Chelemei Primary School	Equity	1220297460851	26.10.2021	400,532.60	
Chemanager Chief	Equity	1220282758926	26.10.2021	1,000,000	
Kapcheluch Primary School	Equity	1220297971050	26.10.2021	1,001,940	
Kapkimolwa Chief	Equity	1220282787945	26.10.2021	500,000	
Kaporuso Primary School	Equity	1220271976451	22.03.2022	1,291,748	
Kembu Chief Office	Equity	1220282691322	22.03.2022	1,000,000	
Kembu Primary School	Equity	1220297511906	22.03.2022	303,197.50	
Kerenga Pre-School	Equity	1220299329301	22.03.2022	1,401,600	
Kiprerer Primary School(Cdf)	Equity	1220297585112	22.03.2022	905,281.50	
Lebekwet Primary School	Equity	220299444732	22.03.2022	1,000,062.50	
Longisa Primary School	Equity	1220282787647	19.10.2021	999,487.50	
Mangoita Secondary School Pmc Ac	Equity	1220281365242	21.10.2021	1,073,795	
Matarnat Primary School	Equity	1220297393772	19.10.2021	69,577	
Mulot Primary School	Equity	1220282787465	21.10.2021	400,000	
Simotwet Primary School	Equity	11220266713348	26.10.2021	1,142,932.50	
Tabaita Primary School	Equity	1220282712317	19.10.2021	2,999,487.50	
Tachasis Rimary School- Cdf Ac	Equity	1220279008354	25.10.2021	5,700	
Tegat Primary School	Equity	220298032215	26.10.2021	1,004,535	
Belgut Fry School	Equity	1220299758401			33,977.95
Bukacha Sec School	Equity	1220297177809			518,898
Bukucha Sec School	Equity	1220297177809			518,898
Central Fry School	Equity	1220299360530			3,582.50
Changchego Fry School	Equity	1220298031168			229

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
	Equity	1220266392539			2,573,154
Chelamai Girls School	Equity	1220263596441			1,945
Chemamul Pry School	Equity	1220299443554			1,978
Chemorut Pry School	Equity	1220299443554			1,978
Chemurut Pry School	Equity	1220299507524			385
Chepkitwal Pry School	Equity	1220297183324			121,961
Emitiot Day School	Equity	1220299746013			900,440
Irwaga Pry School	Equity	1220297614916			108,007.50
Kakimirai Pry School	Equity	12202799238f07			880
Kakimirai Sec School	Equity	1220263646250			512,345
Kalyet Sec School	Equity	1220277574708			150,035
Kembu Day Sec School	Equity	1220297497693			975.5
Kinyose Pry School	Equity	1220279111774			2,580
Kipkurion Day School	Equity	1220297574811			385
Kiplabotwa Pry School	Equity	1220263657388			4,205
Koita Day Sec School	Equity	1220263777486			785
Korara Special Day Sec School	Equity	1220298682496			451,860
Lekimbo Sec School	Equity	1220262653780			2,566
Lelkatet Sec School	Equity	1220280218181			1,502,000
Mengit Sec School	Equity	1220297484387			7,275
Merigi High School	Equity	1220297484387			7,275
Merigi Sec School	Equity	1220297484387			24,441.45
Mogitui Day School	Equity	1220263439133			24,441.45
Mogitui Sec School	Equity	1220263439133			8,375
Mugei Pry School	Equity	1220263390078			1,307.50
Murwongoi Sec School	Equity	1220299527680			197
Ndubai Pry School	Equity	1220299884396			2,422
Ndubai Sec School	Equity	1220262267416			900,460
Norera Sec School	Equity	1220279344196			

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
Norera Sec School	Equity	1220279344196			900,460
Nyaururu Pry School	Equity	1220261619773			160
Raiya Pry School	Equity	1220297508352			1,291,935
Raiya Pry School	Equity	1220297508352			1,291,935
Saonet Sec School	Equity	1220266407975			620
Siwot Sec School	Equity	1220297176658			92,999
Sonoiya Pry School	Equity	1220262633616			1,005,210
St. Catherine Sec School	Equity	1220297557369			3,098,249
Tiroto Pry School	Equity	1220264412839			9,140
Total				17,245,137.10	16,080,953.35

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Milestone (Put a date when you expect the issue to be resolved)
4.1	<p>Annex 4 on summary of fixed asset register reflects asset of Kshs. 24,391,800 comprising of land Kshs. 4,000,000, buildings and structures Kshs. 14,735,000, transport equipment (Motor Vehicles) Kshs. 3,750,000, office equipment, furniture and fittings Kshs. 1,600,000 and other machinery and equipment Kshs. 306,800. However, the fixed assets register was not provided for audit review. Further, the ownership documents for land where the buildings stand and motor vehicle log book were not availed for audit review.</p> <p>Risk In the circumstances, the existence, ownership and valuation of fixed assets could not be confirmed.</p>	<p>Management appreciates the audit findings and recommendations and responds as follows; The fixed assets register was misfiled at the time of audit and has since been availed for audit review, (see annex1) Management has initiated the process to acquire and avail all ownership documents for the land and buildings. Copy of the motor vehicle logbook has since been requested from the NGCDF board and will be availed for audit review and verification.</p>	Resolved	30.06.2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	<p>Recommendations The management of the Fund should ensure that the fixed asset register is updated with historical cost value and the ownership documents of the fixed assets are acquired for the safety of the assets.</p>			
4.2	<p>Summary statement of appropriation reflects transfers from NG-CDF Board original budget for the financial year 2020/2021 before adjustments for opening balance in cash book and appropriation in aid (AIA) and previous years' outstanding disbursements of Kshs.137, 088,879. However, a review of projects implementation status report in support of this funding showed that eleven (11) projects with a budget value of Kshs. 49,307,297 had been fully implemented and were complete, fifty-four (54) projects with budget value of Kshs. 85,247,354 were ongoing but the report did not indicate</p>	<p>Management appreciates the audit observation and responds that; a) An updated project implementation status report is hereby provided for audit review and verification (see annex 2). b) To address budget underutilization issues, management is working with the NGCDF board to ensure timely disbursement of</p>	Resolved	30.06.2022

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Reference No. on the external Audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeline (Put a date when you expect the issue to be resolved)
	<p>the percentage of work done. Consequently, it was not possible to confirm the authenticity and accuracy of Kshs. 134,554,651 already incurred in the projects.</p> <p>Risks Delayed completion of the projects has denied residents of Bomet East benefits that could have accrued from complete projects. Further, the management of the Fund did not comply with budget implementation principles in that the budget was not fully utilized.</p> <p>Recommendation The management of the Fund should ensure that the projects approved and funded are fully implemented within the financial year for the benefit of the stakeholders. The management should also avail certificates of work done in support of Kshs.134, 554,354 incurred.</p>	<p>funds to the constituency and prompt implementation of funded projects.</p>		

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	<p>Completion of a Dormitory at Siwot Day Secondary school</p> <p>Included in note 6 of the financial statements is Kshs. 63,100,000 in respect of transfers to other government entities. This amount includes Kshs. 1,000,000 meant for the completion of a dormitory, plastering, flooring and painting at Siwot Day Secondary school. This transfer was made vide RTGS on 24 September, 2020.</p> <p>During an audit inspection conducted on 21 April, 2022, it was noted the project was not complete in that the first-floor slab had been laid but screeding had not been done, the doors and windows had not been fixed, the walls had not been plastered and the project was already wearing out. Further, the contractor left the site 2 years ago and there was no signage for the project. In addition, the management did not avail the contract</p>	<p>Management appreciates the audit observation and responds that the public works department and other relevant government agencies are involved in the execution of projects and thus relies on their expertise when paying for work done. We shall however make it a precondition to thoroughly inspect projects to ensure completion before handing over to the community</p> <p>Resolved</p> <p>30.06.2022</p>
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Reference No. on the External Audit Report	Issue / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeline (In a date when you expect the issue to be resolved)
	<p>agreement.</p> <p>No satisfactory explanation was given as to why the contractor abandoned the site and why the project was not complete despite the fact that the project was well funded.</p>			
4.4	<p>Included in Use of goods and services balance of Kshs. 9,505,352 is fuel & Lubricants consumption of Kshs. 500,000. However, the expenditure was not supported by fuel ledger /Register and it was therefore difficult to reconcile suppliers' fuel statement and work ticket for payment.</p> <p>Further, it was noted that the constituency only vehicle (GK B363H) has been broken down since August 2020 according to the work tickets provided for audit. However, the schedules provided for fuel and vehicle repairs indicated the same vehicle incurred Kshs. 500,000 on fuel consumption and kshs.</p>	<p>Management appreciates the audit observation and responds that the fuel consumption records were misfiled at the time of audit and are hereby provided for audit review and verification.</p>	Resolved	30.06.2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>9,253 repair expenses paid to Njuguna Garage under unexplained circumstances.</p> <p>Risk The Fund may have lost Kshs. 509,253 through fraud for Fuel and repairs not done.</p> <p>Recommendation The management should investigate how the fuel and repair expenditure of Kshs. 509,253 was incurred for services not carried out with a view to taking necessary action. Further, the management should avail fuel register/ledger for audit review.</p>			
4.5	<p>Audit examination of relevant documents revealed that the constituency had no detailed budget, procurement plan and work plan for the various projects undertaken by the National Government Constituencies Development</p>	<p>Management appreciates the audit observation and responds that the detailed budget, procurement plan and work plan records were misfiled at the time of audit and are hereby provided for audit</p>	Resolved	30.06.2022

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Reference No. of the External Audit Report	Issue / Observations From Auditor	Management comments	Status (Resolved / Not Resolved)	Timeline (But a date when you expect the issue to be resolved)
4.6	<p>Fund Committee.</p> <p>Risk In the absence of detailed budget, procurement plan and a work plan key financial goals might not be set and achieved.</p> <p>Recommendation The management should prepare detailed budget, procurement plan and work plan as required by law.</p>	<p>review and verification.</p>	Resolved	30.06.2022
<p>Included in the compensation of employees' balance of Kshs. 3,255,251 as at 30 June 2021 is basic staff salaries of Kshs. 1,816,160 as detailed in Note 4 to the financial statements. The balance is however at variance with the salary payment vouchers and the month by month salary schedules which showed an amounted of Kshs. 1,777,800 resulting to unexplained variance of Kshs. 38,360</p>	<p>Management appreciates the audit observation and responds that, the two sets of figures have now been reconciled and amended financial statements and are hereby provided for audit review and verification.</p>	Resolved	30.06.2022	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Risks</p> <p>The accuracy of the financial statements is in doubt.</p> <p>Recommendation</p> <p>The management should reconcile the two set of figures and amend the financial statements to reflect the correct balance.</p>			
4.7	<p>The statement of Assets and Liabilities reflects Cash and cash equivalent balance of Kshs. 10,522,546 as detailed in Note 10 to the financial statements. A Review of the bank reconciliation statements supporting the balance revealed unrepresented cheques amounting to Kshs. 40,804,060. Included in the unrepresented cheques are cheques amounting Kshs. 638,220 which were stale as at the time of audit and were yet to be reversed to the cash book.</p> <p>In the circumstances, the</p>	<p>Management appreciates the audit observation and responds that, the NGCDF committee will frequently pass minuted resolutions to replace stale cheques as and when they arise</p>	Resolved	30.06.2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeline (In a date when you expect the issue to be resolved)
	<p>accuracy, validity and completeness of the reported cash and cash equivalent balance could not be confirmed.</p> <p>Risk</p> <p>Accuracy and completeness of the cash and bank balance as reflected in the financial statements could not be confirmed.</p> <p>Recommendation</p> <p>The management should ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.</p>			

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Robinson Kamakei
Fund Account Manager.