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 THE NATIONAL ASSEMBLY REPORT	
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
- 4 JUN 2020
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -BOBASI
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

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

**Reports and Financial Statements
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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.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Ronald Ingala Khaggayi
2.	Sub-County Accountant	Ambrose Maina
3.	Chairman NGCDFC	Samwel Karuru
4.	Member NGCDFC	Naftal Mbaka

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF BOBASI Constituency Headquarters

Bobasi Constituency Development Fund.
P.O BoX 98-40204
Opposite DCC's Offices,
Hospital Road,
Nyamache, Kenya

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

(f) NGCDF BOBASI Constituency Contacts

Telephone: (254) 722577340
E-mail:Bobasi@cdf.go.ke

(g) NGCDF BOBASI Constituency Bankers

1. Kenya Commercial Bank
Account Name : Bobasi NG-CDF Account
Kisii west branch
1237909678

(h) Independent Auditors

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

(i) Principal Legal Adviser

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


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements
For the year ended June 30, 2019**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NGCDFs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Bobasi,

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NGCDFs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign 
CHAIRMAN NGCDF COMMITTEE

23 APR 2020

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

**Reports and Financial Statements
For the year ended June 30, 2019**

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

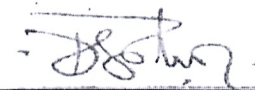
The Accounting Officer in charge of the NGCDF-BOBASI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. 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-BOBASI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BOBASI Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

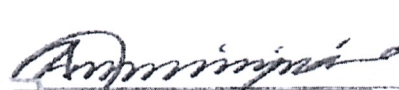
The Accounting Officer in charge of the NGCDF-BOBASI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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

Approval of the financial statements

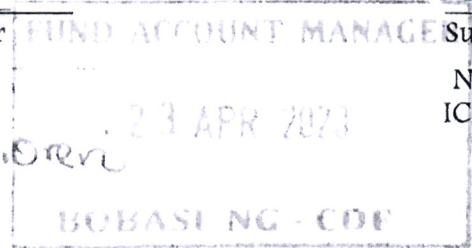
The NGCDF-BOBASI Constituency financial statements were approved and signed by the Accounting Officer on 30.09 2019.


Fund Account Manager

Name: Daniel O. Oren

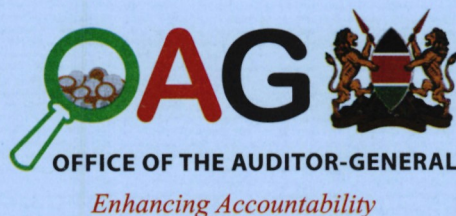

Sub-County Accountant

Name: Ambrose K. Mwanja
ICPAK Member Number: 18003



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BOBASI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bobasi Constituency set out on pages 6 to 27, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Bobasi Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Lack of Ownership Documents for School Buses

The statement of receipts and payments reflects transfers to other Government units expenditure of Kshs.30,679,998. As disclosed at Note 6 to the financial statements, the expenditure includes transfers of Kshs.27,040,000 to secondary schools, out of which an amount of Kshs.19,458,620 was used to purchase three (3) school buses as shown below:

School	Bus Registration No.	Amount (Kshs.)
Emenwa Secondary School	KCP 633K	6,429,310
Naikuru Secondary School	KCT 023Y	6,514,655
Rogongo Secondary School	KCT201Y	6,514,655
Total		19,458,620

However, the log books for the buses were not provided for audit. Further, the buses were purchased through the direct procurement method from a supplier even though the conditions for use of the method, as provided under Section 103 (2) of Public Procurement and Asset Disposal Act, 2015, had not been met.

Consequently, the validity of the expenditure and ownership of the buses, could not be confirmed.

2. Unsupported Budget Adjustments and Unutilized Funds

The summary statement of appropriation - recurrent and development combined reflects budget adjustments of Kshs.88,823,570 and a budget utilization difference of Kshs.96,740,376. However, the details of the projects approved in the prior year for implementation during the financial year 2018/2019 were not provided in support of the adjustments. Further, the budget utilization difference of Kshs.96,740,376 differed with the unutilized fund balance of Kshs.17,229,597 reflected under Note 15.3 to the financial statements by Kshs.79,510,779. The variance was not reconciled neither were the details of the unutilized funds provided under Annex 3 as required. In addition, the comparative balances for the unutilized funds have not been shown.

In the circumstances, the accuracy of the budget adjustments and the unutilized funds as at 30 June, 2019 could not be confirmed.

3. Unexplained Difference in the Total Final Expenditure Budget

The summary statement of appropriation - recurrent and development combined reflects a total final expenditure budget of Kshs.197,864,446 which differs with the amount of Kshs.150,790,259 reflected in the statement of budget execution by programmes and sub-programmes. The resultant difference of Kshs.47,074,187 was not reconciled or explained.

4. Misstatements in the Financial Statements

- i. The statement of assets and liabilities reflects a total financial assets balance of Kshs.17,841,120 which is represented by a net fund balance of Kshs.10,711,100 resulting into a variance of Kshs.7,130,020.
- ii. The statement of cashflows shows a cash and cash equivalents balance of Kshs.10,711,100 (2018: Kshs.16,043,687) at the end of the year while the statement of assets and liabilities shows a total cash and cash equivalents balance of Kshs.17,841,120 (2018: Kshs.24,032,087). The resultant difference of Kshs.7,130,020 (2018: Kshs.7,988,400) has not been explained.
- iii. Note 10A to the financial statements reflects a comparative cash and cash equivalents balance of Kshs.4,902,983 which differs with the audited balance of Kshs.24,032,087 by Kshs.19,129,104.
- iv. Although Note 6 to the financial statements reflects transfers amounting to Kshs.3,139,998, Kshs.27,040,000 and Kshs.500,000 to primary schools, secondary schools and tertiary institutions respectively, the balances held in the bank accounts of various Project Management Committees have not been disclosed under Note 15.4 to the financial statements and Annex 5 as required.

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

Key Audit Matters

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

Other Matter

Budget Performance and Control

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.197,864,446 and Kshs.119,823,570 respectively, resulting into an under-funding of Kshs.78,040,876 or 39% of the budget. Similarly, the Fund spent Kshs.101,124,070 against an approved budget of Kshs.197,864,446 resulting to an under-expenditure of Kshs.96,740,376 or 49% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

In the circumstances, the under collection of receipts and under-expenditure on the approved budget impacted negatively on the efficiency and effectiveness of the service delivery to the constituents.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Construction of a Dormitory at Emenwa Secondary School

As disclosed at Note 6 to the financial statements, the transfers of Kshs.30,679,998 to other government units included an amount of Kshs.27,040,000 transferred to secondary schools of which an amount of Kshs.2,000,000 was disbursed for construction of a dormitory at Emenwa Secondary School. However, the bill of quantities and drawings for the dormitory were not provided for audit. Further, examination of available documents revealed that the construction materials were procured in cash although they had

exceeded the threshold of Kshs.5,000 per procurement item as provided under the First Schedule of the Public Procurement and Disposal (Amendment), Regulations, 2013.

In addition, the School Administration reallocated Kshs.720,000 to drilling and casing of borehole, Kshs.360,500 to construction of pit latrine and Kshs.60,200 to fencing. No evidence was provided of approval of the reallocation as required under Section 6 (2) of the National Government Constituencies Development Fund Act, 2015, which provides that once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Board.

Audit inspection of the Project on 10 March, 2020 also established that the dormitory construction works at Emenwa Secondary School stalled at foundation level and the work done was not certified.

In the circumstances, the regularity and value for money of the expenditure of Kshs.2,000,000 could not be confirmed.

2. Completion of Nyamagwa Chief's Office

The statement of receipts and payments reflects other grants and transfers of Kshs.52,501,588. As disclosed at Note 7 to the financial statements, the expenditure included security projects amounting to Kshs.800,000. An amount of Kshs.500,000 was disbursed to Nyamagwa Chief's Office of which Kshs.300,000 was paid for roofing, plastering and installation of steel doors while the remaining Kshs.200,000 was meant for construction of three (3) door pit latrines.

However, audit inspection of the project on 10 March, 2020 revealed that plastering had not been done yet it was paid for while the construction of the pit latrines had not commenced.

In the circumstances, the value for money and regularity of the expenditure of Kshs.500,000 could not be confirmed.

3. Delay in Implementation of Innovation Hubs Project

During the financial year 2017/2018, an amount of Kshs.3,507,770 was allocated for establishment of Innovation Hubs in three (3) secondary schools namely; St. Paul's Nyacheki Secondary School, Nyakegogi Secondary School and Rusinga Secondary School. Each secondary school was allocated Kshs.1,169,257.

The scope of the works included installation of satellite antennas, router, digital access kit and digital ruggedized tablets, Wi-Fi with outdoor wireless connectivity device complete with 12u cabinet and information accessories.

However, audit inspection on 10 March, 2020 revealed that the Project had not been implemented. Although Management explained that the delay was due to lack of rooms for installation of the Hubs in the schools and that the Committee was considering construction of specific rooms to host the Hubs or seek re-allocation of the funds, no documentary evidence was provided of the action taken and the funds remained idle.

4. Stalled Construction of a Library at Rogongo Secondary School

An amount of Kshs.1,000,000 was disbursed to Rogongo Secondary School during the financial year 2017/2018 for construction of a library through labour - based contracting. The amount disbursed was used for the construction of sub structure, super structure and roofing. However, no funds were allocated for the Project in the financial year 2018/2019 and finishing works including plastering, painting, fixing of doors and windows, tiling and ceiling were not done.

The failure to finance the Project to completion during the year under review violates the provisions of Section 46(2) of the National Government Constituencies Development Fund Act, 2015 which requires ongoing projects to take precedence over all other projects in funding.

In the circumstances, Management was in breach of the Law and timely completion of the Project could not be confirmed.

5. Irregular Variation of Contract for Construction of Bobasi Constituency Office

The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.6,081,105. The expenditure includes an amount of Kshs.5,068,105 which was allocated for the construction of the National Government Constituencies Development Fund - Bobasi Constituency Office. However, the tender was awarded to a contractor on 3 May, 2019 for a contract period of forty-eight (48) weeks at a contract sum of Kshs.17,387,410 which exceeded the budgeted amount of Kshs.5,918,105 by Kshs.11,469,305. The contract sum was later revised by Kshs.8,142,695 or 47% to Kshs.25,530,105 and the revised works commenced on 14 May, 2019.

The variation was approved on 11 March, 2020, which is a period of 10 months from the date of commencement of the contract and therefore contrary to Section 139 (3) of the Public Procurement and Asset Disposal Act, 2015 which provides that no contract price shall be varied upwards within twelve (12) months from the date of signing the contract. The variation was also in contravention of Section 139 (6) of the Public Procurement and Asset Disposal Act, 2015 which provides that where variations result in an increment of the contract price by more than twenty-five percent (25%), such variations shall be tendered for separately.

In the circumstances, the regularity and value for money of the revised contract sum of Kshs.25,530,105 could not be confirmed.

6. Reallocation of Funds Without Authority

Note 6 to the financial statements reflects expenditure of Kshs.30,679,998 under transfers to other government units which includes Kshs.3,139,998 transferred to primary schools of which Kshs.1,000,000 was disbursed to the Project Management Committee of Nyachogochogo Primary School for the renovation of six (6) classrooms.

However, audit inspection of the Project on 10 March, 2020 revealed that, the funds were reallocated to the construction of two (2) classrooms without the authority of the Board as stipulated in Section 6 (2) of the National Government Constituencies Development Fund Act, 2015.

Consequently, 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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of National Government Constituencies Development Fund - Bobasi Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the Management is aware of the intention to 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 financial reporting process, reviewing the effectiveness of how the Fund 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 an opinion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of National Government Constituencies Development Fund - Bobasi Constituency to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Bobasi Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

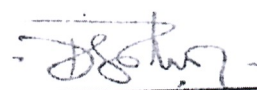
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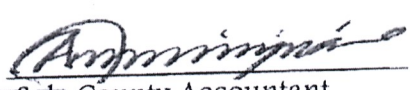
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	95,784,483	84,353,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	7,000	-
TOTAL RECEIPTS		95,791,483	84,353,447
PAYMENTS			
Compensation of employees	4	1,887,920	281,160
Use of goods and services	5	9,373,459	10,394,148
Transfers to Other Government Units	6	30,679,998	34,318,697
Other grants and transfers	7	52,501,588	30,335,100
Acquisition of Assets	8	6,081,105	-
Other Payments	9	600,000	215,009
TOTAL PAYMENTS		101,124,070	75,544,114
SURPLUS/(DEFICIT)		<u>(5,332,587)</u>	<u>8,809,333</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BOBASI Constituency financial statements were approved on 30.09.2019 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name: Ambrose K. Mwangi
ICPAK Member Number: 18003

Daniel O.O. Oren
23 APR 2020
BOBASI NG - CDF

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BOBASI CONSTITUENCY
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	17,841,120	24,032,087
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		17,841,120	24,032,087
Current Receivables			
Outstanding Imprests	11	-	-
		17,841,120	24,032,087
TOTAL FINANCIAL ASSETS			
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		17,841,120	24,032,087
NET FINANCIAL ASSETS REPRESENTED BY			
Fund balance b/fwd	13	16,043,687	7,234,354
Surplus/Defict for the year		(5,332,587)	8,809,333
Prior year adjustments	14	-	7,988,400
NET FINANCIAL POSITION		<u>10,711,100</u>	<u>24,032,087</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BOBASI Constituency financial statements were approved on 30.09.2019 and signed by:

Fund Account Manager
 Name: Daniel J.O. Oren

FUND ACCOUNT MANAGER
 23 APR 2020
BOBASI NG - CDF

Sub-County Accountant

Name: ANGROIS K MANK
 ICPAK Member Number: 18003

DISTRICT ACCOUNTANT
 NYAMACHE DISTRICT
 P. O. Box 132
 NYAMACHE - 40203

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BOBASI CONSTITUENCY


Reports and Financial Statements

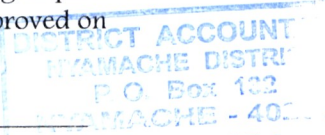
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	95,784,483	84,353,447
Other Receipts	3	7,000	-
Total receipts		95,791,483	84,353,447
Payments			
Compensation of Employees	4	1,887,920	281,160
Use of goods and services	5	9,373,459	10,394,148
Transfers to Other Government Units	6	30,679,998	34,318,697
Other grants and transfers	7	52,501,588	30,335,100
Other Payments	9	600,000	215,009
Total payments		95,042,965	75,544,114
Total Receipts Less Total Payments		748,518	8,809,333
Adjusted for:			
Outstanding imprest	11	0	0
Retention Payable	12A	0	0
Gratuity Payable	12B	0	0
Prior year adjustments	14	0	0
Net Adjustments		0	0
Net cash flow from operating activities		748,518	8,809,333
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	6,081,105	0
Net cash flows from Investing Activities		(6,081,105)	0
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,332,587)	8,809,333
Cash and cash equivalent at BEGINNING of the year	13	16,043,687	7,234,354
Cash and cash equivalent at END of the year		<u>10,711,100</u>	<u>16,043,687</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BOBASI Constituency financial statements were approved on 30.09.2019 and signed by:

[Signature]
 Fund Account Manager
 Name: Daniel F. O. Osei


[Signature]
 Sub-County Accountant
 Name: Ambarose K. Ntinda
 ICPAK Member Number: 18003


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOBASI CONSTITUENCY
Reports and Financial Statements
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	88,816,570	197,857,446	119,816,570	78,040,876	61%
Proceeds from Sale of Assets						
Other Receipts		7,000	7,000	7,000		100%
TOTAL RECEIPTS	109,040,876	88,823,570	197,864,446	119,823,570	78,040,876	61%
PAYMENTS						
Compensation of Employees	5,039,453	-	5,039,453	1,887,920	3,151,533	37%
Use of goods and services	11,501,423	4,305,465	15,806,888	9,373,459	6,433,429	59%
Transfers to Other Government Units	50,000,000	45,000,000	95,000,000	30,679,998	64,320,002	32%
Other grants and transfers	42,500,000	33,000,000	75,500,000	52,501,588	22,998,412	70%
Acquisition of Assets	0	5,918,105	5,918,105	6,081,105	(163,000)	103%
Other Payments	0	600,000	600,000	600,000	0	100%
TOTALS	109,040,876	88,823,570	197,864,446	101,124,070	96,740,376	51%

Acquisition of assets – was allocated Ksh. 700,000 but utilized Kshs. 863,000 leaving us with a budget utilization difference of Kshs.(163,000) which was paid from the use of goods and services.

The NGCDF-BOBASI Constituency financial statements were approved on 30.09.2019 and signed by:

[Signature]
FUND ACCOUNT MANAGER
 Name: *David T.O. Oron* **23 APR 2020**
BOBASI NG - CDF

[Signature]
DISTRICT ACCOUNTANT
 NYAMACHIE DISTRICT,
 P.O. Box 132
 NYAMACHIE - 40200
 Sub-County Accountant
 Name: *Amaree H. Mbatia*
 ICPAK Member Number: *182003*

Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent	6,542,453	0	6,542,451.00	6,143,894.00	398,558.00
1.1 Compensation of employees	2,500,000.00			0	
1.2 Committee allowances	2,200,000.00			0	
1.3 Use of goods and services	1,825,653.00			0	
1.4 Acquisition of assets	0			0	
1.5 NSSF	16,800.00			0	
2.0 Monitoring and evaluation	3,271,226	0	3,271,226.00	1,999,194.00	1,272,032.00
2.1 Capacity building	1,600,000.00			0	
2.2 Committee allowances	871,226.00			0	
2.3 Use of goods and services	800,000.00			0	
3.0 Emergency	5,738,993.00	0	5,738,993.00	2,957,988.00	2,781,005.00
Emergency				0	
3.1 Primary Schools	0			0	
3.2 Secondary schools	0			0	
3.3 Tertiary institutions	0			0	
3.4 Security projects	0			0	
4.0 Bursary and Social Security	0			0	
4.1 Primary Schools	10,000,000.00	8,468,980.00	18,468,980.00	18,468,980.00	0
4.2 Secondary Schools	26,064,306.00	5,504,193.00	31,568,500.00	31,568,500.00	0
4.3 Tertiary Institutions	0			0	
4.4 Universities	0			0	
4.5 Social Security	0			0	
5.0 Sports	2,180,818.00	0	2,180,817.00	1,654,411.00	526,407.00
5.1 ABSOLUTE SPORTS ENTERPRISE					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOBASI CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
6.0 Environment					
RIANCHORE PRIMARY SCHOOL	200,000	0	200,000	0	200,000
GETENGA SECONDARY SCHOOL	200,000	0	200,000	0	200,000
RIOBARA PRIMARY SCHOOL	200,000	0	200,000	0	200,000
EBIGOGO PRIMARY SCHOOL	200,000	0	200,000	0	200,000
GETUNU DOK PRIMARY SCHOOL	200,000	0	200,000	0	200,000
NYACHEKI MISSION PRIMARY SCHOOL	200,000	0	200,000	0	200,000
EKEONGA PRIMARY SCHOOL	200,000	0	200,000	0	200,000
KEGOGHI SECONDARY SCHOOL	200,000	0	200,000	0	200,000
KIOBEGI PRIMARY SCHOOL	200,000	0	200,000	0	200,000
NYANUGUTI PRIMARY SCHOOL	200,000	0	200,000	0	200,000
MOKONGE PRIMARY SCHOOL	180,817.51	0	180,817.51	0	180,817.51
7.0 PRIMARY SCHOOLS PROJECTS					
NYACHOGOCHOGO PRI. SCHOOL	0	1,000,000.00	1,000,000.00	1,000,000.00	0
RUSINGA PRI. SCHOOL	4,000,000.00	0	4,000,000.00	1,939,998.00	2,060,002.00
NYABISASE PRIMARY SCHOOL	0	500,000.00	500,000.00	500,000.00	0
NYARWATI PRIMARY SCHOOL	0	200,000.00	200,000.00	200,000.00	0
NYOERA PRIMARY SCHOOL	400,000.00	0	400,000.00	0	400,000.00
BOSANSA PRIMARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
ST. PETER AND PAUL PR. SCHOOL	600,000.00	0	600,000.00	0	600,000.00
OGANDA PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
NYAGESA PRIMARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
ST. MARY'S NYAMAGWA PRIMARY SCHOOL	6,780,000.00	0	6,780,000.00	0	6,780,000.00
SINDAGOGI PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
RIAKERONGO PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
NYABONGE PRIMARY SCHOOL	600,000.00	0	600,000.00	0	600,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOBASI CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
BORANGI SDA BOARDING PR. SCHOOL	500,000.00	0	500,000.00	0	500,000.00
TUKIAMWANA PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
RIONSOTI PRIMARY SCHOOL	400,000.00	0	400,000.00	0	400,000.00
BORANGI PAG PRIMARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
RIAMARUBE PRIMARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
GETARE PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
MOKARATE PRIMARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
OMOBONDO PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
NYAGWENGI PRIMARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
NYACHENGE PRIMARY SCHOOL	400,000.00	0	400,000.00	0	400,000.00
MASISI PRIMARY SCHOOL	800,000.00	0	800,000.00	0	800,000.00
EBIGOGO PRIMARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
8.0 Secondary Schools Projects				0	
ASSOCIATED MOTORS (EMENWA SECONDARY SCHOOL)	0	6,800,000.00	6,800,000.00	6,800,000.00	0
NYABISASE SEC. SCHOOL	500,000.00	0	500,000.00	500,000.00	0
NYABISASE SEC. SCHOOL	500,000.00	0	500,000.00	500,000.00	0
ST. MARY'S NYAMAGWA GIRLS HIGH SCHOOL	500,000.00	0	500,000.00	500,000.00	0
ST. MARY'S NYAMAGWA GIRLS HIGH SCHOOL	500,000.00	0	500,000.00	500,000.00	0
MANAGER KCB – KISII (ASS. MOTORS - NAIKURU SECONDARY SCHOOL)	6,514,655.00	0	6,514,655.00	6,514,655.00	0
COMM VAT	265,345.00	0	265,345.00	265,345.00	0
MANAGER KCB – KISII (ASS. MOTORS- ROGONGO SECONDARY SCHOOL)	0	6,514,655.00	6,514,655.00	6,514,655.00	0
NYACHOGCHOGO SEC. SCHOOL	0	500,000.00	500,000.00	500,000.00	0
COMM VAT	0	265,345.00	265,345.00	265,345.00	0
BISHOP MUGENDI SECONDARY SCHOOL	800,000.00	0	800,000.00	800,000.00	0
BISHOP MUGENDI SECONDARY SCHOOL	700,000.00	0	700,000.00	700,000.00	0
BISHOP MUGENDI SECONDARY SCHOOL	500,000.00	0	500,000.00	500,000.00	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
EMENWA SECONDARY SCHOOL	800,000.00	0	800,000.00	800,000.00	0
EMENWA SECONDARY SCHOOL	700,000.00	0	700,000.00	700,000.00	0
EMENWA SECONDARY SCHOOL	500,000.00	0	500,000.00	500,000.00	0
ST. CHARLES KABEO SEC. SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
GIASAIGA SECONDARY SCHOOL	600,000.00	0	600,000.00	0	600,000.00
ENCHORO PEFA SECONDARY SCHOOL	600,000.00	0	600,000.00	0	600,000.00
ST. MATHEWS CHITAGO SEC. SCHOOL	1,500,000.00	0	1,500,000.00	0	1,500,000.00
GEKONGO SECONDARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
GIONSARIA SECONDARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
RIANCHORE SECONDARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
NYABISIA SECONDARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
RIANYACHUBA SECONDARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
SAMETA MIXED SECONDARY SCHOOL	500,000.00	0	500,000.00	0	500,000.00
ISENA MIXED SECONDARY SCHOOL	1,000,000.00	0	1,000,000.00	0	1,000,000.00
9.0 Tertiary institutions Projects				0	
9.1 KMTC - NYAMACHE	1,000,000.00	0	1,000,000.00	500,000.00	500,000.00
10.0 Security Projects				0	
10.1 NYAMAGWA CHIEF'S OFFICE	0	500,000.00	500,000.00	500,000.00	0
10.2 NYABITE CHIEF'S OFFICE	0	300,000.00	300,000.00	300,000.00	0
10.3 KIONDUSO ACCS OFFICE	1,000,000.00	0	1,000,000.00	0	1,000,000.00
11.0 Acquisition of assets				0	
11.1 Motor Vehicles	0	0	0	0	0
11.2 Construction of CDF office	5,102,262.00	5,000,000.00	10,102,262.00	5,068,105.00	5,034,157.00
11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0	700,000.00	700,000.00	863,000.00	(163,000.00)
12.0 Others	0			0	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOBASI CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
12.1 Strategic Plan	0	3,000,000.00	3,000,000.00	600,000.00	2,400,000.00
12.2 Innovation Hub	0	4,677,027.00	4,677,027.00	0	4,677,027.00
12.2 TIVET	0			0	
TOTAL	109,040,876	43,930,201.00	150,790,259.00	101,124,070	44,335,601.00

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO. 2017/2018/867	1	40,784,487.15	
AIE NO. 2016/2017/319	2	13,999,996.00	
AIE NO. 2017/2018/867	3	10,000,000.00	
AIE NO. 2018/2019/096	4	10,000,000.00	
AIE NO. 2018/2019/556	5	6,000,000.00	
AIE NO. 2018/2019/278	6	15,000,000.00	
A855764	1		5,500,000
A892810	2		40,948,275
A892982	3		37,905,172
TOTAL		95,784,483	84,353,447

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	7,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	7,000	-

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	1,783,530	196,366
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Employer contribution to NSSF	104,390	-
Other personnel payments	-	-
Total	1,887,920	196,366

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

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	6,220,000	8,410,583
Utilities, supplies and services	-	279,835
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	306,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	484,836	-
Other operating expenses	0	-
Other committee expenses	1,940,000	-
Bank service commission and charges	42,315	-
Fuel , oil & lubricants	593,280	-
Routine maintenance – vehicles and other transport equipment	93,028	397,730
Routine maintenance – other assets	-	-
Total	9,373,459	9,394,148

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	3,139,998	14,857,759
Transfers to secondary schools (see attached list)	27,040,000	19,460,938
Transfers to tertiary institutions (see attached list)	500,000	-
Transfers to health institutions (see attached list)	-	-
TOTAL	30,679,998	34,318,697

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,468,980	-
Bursary – tertiary institutions (see attached list)	31,496,138	25,135,100
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	800,000	800,000
Sports projects (see attached list)	1,736,470	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	-	4,400,000
Total	52,501,588	30,335,100

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	5,218,105	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	863,000	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	6,081,105	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank transfer	0	-
Retention (Sezi construction Co. ltd)	0	215,009
Strategic plan	600,000	-
ICT Hub	0	-
TIVET	0	-
	600,000	215,009

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Kenya commercial bank – Kisii west branch, Account Name: Bobasi NG-CDF Account, Account No. 1237909678</i>	17,841,120	-
<i>Nco-operative bank – kisii, Account No. 01120018210900</i>		4,902,983
Total	17,841,120	4,902,983
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total		

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total		

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	32,445,926	24,032,087
Cash in hand	-	-
Imprest	-	-
Total	32,445,926	24,032,087

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI CONSTITUENCY**

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	0	-
Amounts due to other Government entities (see attached list)	0	-
Amounts due to other grants and other transfers (see attached list)	5,337,027	-
Acquisition of assets	0	-
Office Administration	398,558	-
bursary	377.57	-
emergency	2,781,006.03	-
M&E	975,601.30	-
Innovation Hubs	4,677,027.20	-
education secondary	460,000	-
Environment	200,000	-
Strategic plan	2,400,000	-
	17,229,597.10	-

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

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	-	-
	-	-

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To- Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (specify)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures	3,559,044	5,068,105	0	8,627,149
Transport equipment	5,400,000	0	0	5,400,000
Office equipment, furniture and fittings	614,749	550,000	0	1,164,749
ICT Equipment, Software and Other ICT Assets	599,200	863,000	0	1,462,200
Other Machinery and Equipment	-	0	0	-
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
Total	10,172,993	6,481,105	0	16,104,098

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

Reports and Financial Statements

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KSI/BO BASI201 7/2018/(8	Summary Statements of Appropriation	The NG-CDF Bobasi management has since noted the anomaly as observed by the Audit team and has addressed the issue accordingly.	Ronald Ingala Khaggayi	Resolved	
KSI/BO BASI201 7/2018/(8	Other Grants and Transfers - Security Projects	The NG-CDF Bobasi management has since noted the anomaly as observed by the Audit team and has addressed the issue accordingly.	Ronald Ingala Khaggayi	Resolved	
KSI/BO BASI201 7/2018/(8	Other Grants and Transfers - Assets Register	The NG-CDF Bobasi management has since noted the anomaly as observed by the Audit team and has addressed the issue accordingly.	Ronald Ingala Khaggayi	Resolved	
KSI/BO BASI201 7/2018/(8	Reallocation of Funds				
1.	Project Name - Rusinga Primary School Issue – Construction of two 4 door toilet.	The management has since addressed the issue.	Ronald Ingala Khaggayi	Resolved	
2.	Project Name - Bosansa Primary School Issue – Construction of one classroom.	The management has since addressed the issue	Ronald Ingala Khaggayi	Resolved	
3.	Project Name - Gorofa ELCK primary school	The management has since	Ronald Ingala Khaggayi	Resolved	

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

Reports and Financial Statements

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Issue – Re roofing of 10 No classrooms	addressed the issue			
4.	Project Name - Rogongo Secondary School Issue – Purchase of school bus	The management has since addressed the issue	Ronald Ingala Khaggayi	<i>Resolved</i>	
KSI/BO BASI201 7/2018/ 8	<u>Stalled Projects</u>				
1.	Construction of Classrooms at Nyamache Primary School	The management has since addressed the issue	Ronald Ingala Khaggayi	<i>Resolved</i>	
2.	Construction of Pit Latrine at Itumbe DOK Primary School	The management has since addressed the issue	Ronald Ingala Khaggayi	<i>Resolved</i>	



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