



OFFICE OF THE AUDITOR-GENERAL

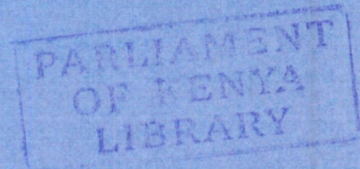


THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 20/8/19 DAY: WED

TABLED BY: The Hon' Aden Duale M.P.

CLERK AT THE TABLE: Miriam Njoro



REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
BONDO CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017





OFFICE OF THE AUDITOR GENERAL  
Box 30084 - 00100 NAIROBI

29 SEP 2017

**RECEIVED**

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**CONSTITUENCY DEVELOPMENT FUND- BONDO CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

**CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2015 after the repeal of the earlier CDF Act 2003 as a result of compliance with the Law with effect from 19<sup>th</sup> February 2016. The Constituencies Development Fund is represented by the Cabinet Secretary of Devolution and Planning, who is responsible for general policy and strategic direction of the Constituency Development Fund. The objective of the fund is to ensure that specific portion of the National Government annual budget is devoted to the constituency for the purpose of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

**(b) Key Management**

The Bondo Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NG-CDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Hawkins Samba</b>
3.	Accountant	<b>Jared O. Okumu</b>

**(d) Fiduciary Oversight Arrangements**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

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**(e) BONDO NGCDF Headquarters**

NGCDF Office Building.  
P.O. Box 21-40601  
Bondo

**(f) BONDO NGCDF Contacts**

Telephone: (254) 721438301  
E-mail: [bondoconstituency@gmail.com](mailto:bondoconstituency@gmail.com)  
Website: [www.bondoconstituency.or.ke](http://www.bondoconstituency.or.ke)

**(g) BONDO NGCDF Bankers**

1. Co-operative Bank Bondo  
P.O. Box  
Bondo

**(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 CONSTITUENCY DEVELOPMENT FUND- BONDO  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

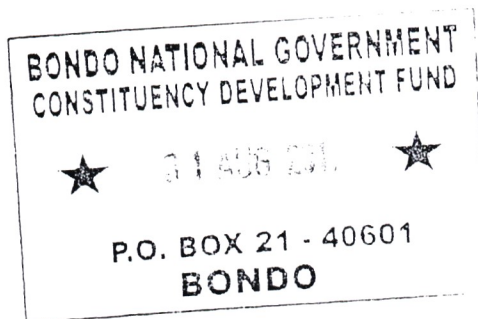
**II. FORWARD BY THE CHAIRMAN BONDO NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)**

Once again, I wish to reiterate our commitment to participate effectively in domesticating the objectives of Vision 2030 in our development planning. Utilization of NGCDF and other funds allocated for the constituency has been carried out with transparency, openness and accountability. Bondo NGCDFC is determined to drive the constituency development agenda and will endeavor to implement the Constituency programs and projects that are geared towards equitable distribution of resources and development initiatives. In this regard, we have continued to play critical role in mobilizing the constituents in identifying, prioritizing, and monitoring implementation of high impact projects that will change the lives of our people. The year has seen milestones in commissioning our new programmes such as the social protection (NHIF cases).

It is indeed a great pleasure that I present to you the Financial Statements 2016-2017. By working together over the last four & half years, we have made considerable progress but a lot need to be done to transform Bondo, development-wise and improve the quality of life of the residents.

In conclusion I would like to appreciate the work done by Bondo NGCDFC for their support, critical analysis and determination in formulation and preparation of the Budget Proposal. Special thanks to the Area MP, the entire staff, the People of Bondo, Members of County Assembly, Religious leaders, National and County Government Departmental Heads, Bondo Professionals as well as other persons involved in the implementation process for their unwavering support and input. God bless Bondo.

Sign.....  
CHAIRMAN NGCDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government NGCDF shall prepare financial statements in respect of that NGCDF. 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 Bondo NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the Bondo NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2017, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Bondo NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

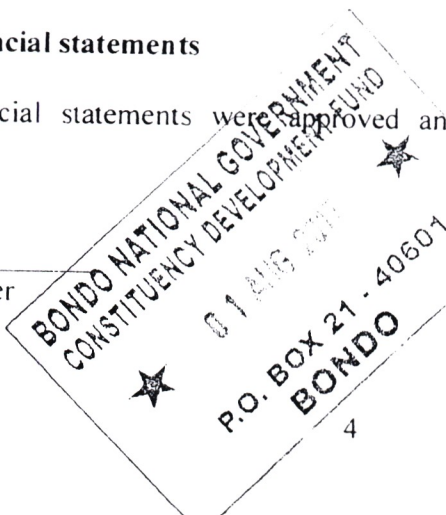
The Accounting Officer in charge of the Bondo NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes for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

**Approval of the financial statements**

The NGCDF's financial statements were approved and signed by the Accounting Officer on 11/08/2017 2017.

  
Fund Account Manager

  
Chairman



# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bondo Constituency set out on pages 5 to 25, which comprise the statement of financial assets as at 30 June 2017, 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, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, the financial position of National Government Constituencies Development Fund - Bondo Constituency as at 30 June 2017 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Reporting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Further, as required by Article 229 (6) of the Constitution, based on the procedures performed, except for the matters raised in the Other Matter section of my report, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

#### Basis for Qualified Opinion

##### 1. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial assets includes a cash and cash equivalents balance of Kshs.1,295,514. However, the bank reconciliation statement as at 30 June 2018 includes unrepresented cheques balance of Kshs.3,797,508 which in turn includes stale cheques amounting to Kshs.215,303 not reversed in the cash book. In addition, the bank balance and cash survey certificates as at 30 June 2017 were not presented for audit verification while the financial statements disclosed. Further bank statements for the Project Management Committee (PMC) bank balance of Kshs.2,247 as at 30 June 2017 were not availed for audit verification.

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



Consequently, the accuracy and completeness of the cash and cash equivalents balance as at 30 June 2018 cannot be confirmed.

## **2. Unconfirmed National Hospital Insurance Fund Expenditure**

Included in other grants and other payments balance of Kshs.50,501, 258 under Note 5 to the financial statements are transfers totaling Kshs.4,000,000 made under the National Hospital Insurance Fund (NHIF) project for needy and deserving constituents. However, the criterion used to identify the 600 beneficiaries was not presented for audit.

In the circumstance, it is not possible to confirm that expenditure totaling Kshs.4,000,000 transferred to the National Hospital Insurance Fund was utilized on offsetting medical costs for needy and deserving constituents.

## **3. Unconfirmed Project Grants**

The statement of receipts and payments reflects transfers to other government entities totaling Kshs.26,738,650 which in turn include Kshs.12,824,229 transferred to five (5) secondary schools during the year under review. However, the following anomalies were noted in relation to the transfers:

- i. Bank statements from secondary schools that benefited from transfers worth Kshs.8,265,000 were not made available for audit examination to confirm that the monies were received by the respective schools.
- ii. Management did not make Project returns available for audit examination to confirm how the transfers were spent.
- iii. Management did not present evidence to confirm that the projects were implemented in consultation with the line Ministries.
- iv. No evidence was availed to confirm that the projects were supervised at each stage of implementation.
- v. Physical verification of St Mary's Maranyona Secondary school on 22 May 2018 revealed that a transfer of Kshs.1,140,000 to the school meant for construction of a twin teacher's house was re-allocated to fund construction of an administration block without authority from the Board.

Construction of the administration block reached lintel level after which the contractor abandoned the construction site. In the circumstances, it was not possible to confirm that the transfers totaling Kshs.9,405,000 were received by the secondary schools and whether they were utilized for the intended purposes.

## **4. Unconfirmed Water Project Expenditure at Bondo Teachers Training College**

The statement of receipts and payments reflects transfers to other Government entities totaling Kshs.26,738,650 out of which Bondo Teachers Training College was budgeted

to receive Kshs.3,800,000 for water projects approved by the Constituencies Development Fund Board. However, a total of Kshs.3,610,000 was transferred to the College for connection of water pipes and excavation of a water tank.

Physical verification of the project and examination of the payment vouchers revealed the following anomalies:

- i. A project management committee to oversee implementation of the project was not put in place as required by the NGCDF Act,2015.
- ii. The respective Bank statements were not made available for our audit examination to confirm that the transfer of Kshs.3,610,000 was received by the institution.
- iii. Architectural drawings, designs, work plans and bills of quantities for the project were not made available for audit examination.
- iv. There were no project files at both the Fund's office and the Institution.
- v. No evidence was availed to confirm that the project was supervised by the line Ministry as required under the NGCDF Act.

In the circumstances, it is not possible to confirm that the grant totaling Kshs.3,610,000 was disbursed to the College and spent on the water project in whole.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budget Implementation –Under-expenditure**

During the financial year under review, the Fund budgeted Kshs.1,870,689, Kshs.700,000, Kshs.1,137,931 and Kshs.11,600,000 for security projects, constituency sports tournament, use of Goods and services and CDFC/PMC capacity building, respectively. However, examination the financial statements revealed that the Fund overspent on sports projects and use of goods and services as detailed below:

Item	Expenditure as per the Financial statements Kshs.	Approved Budget Kshs.	Variance Kshs.	Percentage Utilization (%)
Sports Projects	1,637,931	1,137,931	500,000	70%
Use of Goods and Services	6,475,555	5,311,693	1,163,862	82%
CDFC/PMC Capacity Building	980,000.00	700,000	280,000	71%

Underutilization of these vote heads denied the residents of Bondo Constituency access to services budgeted and funded for their use.

## 2. Unauthorized Reallocation of Bursary Funds

Included in the other grants and other payments component balance of Kshs.50,501,258 reflected in the Statement of receipts and payments are bursaries to secondary schools totaling Kshs.20,000,000 which include Kshs.4,925,000 bursaries re-allocated by the Project Management Committee to three (3) secondary schools namely Got Matar, Orengo and St. Paul's Mitiro for the construction of an administration block in Got Mater Secondary school and a classroom in Orengo Secondary School respectively and additional Kshs.1,491,000 for the renovation of classrooms. However, the re-allocations were made without the approval of the Board as required under the NGCDF Act, 2015. The management of the Constituency thus breach the law on re-allocation of public expenditure.

## 3. Patrol Boats Project

Also included in other grants and other payments expenditure of Kshs.50,501,258 reflected in the statement of receipts and payments is the sum of Kshs.11,600,000 being transfers to security projects which in turn include Kshs.1,045,000 transferred to Bondo Constituency Patrol Boats Project. However, the following anomalies were noted in relation to the project:

- i. No quotations were availed for audit examination to confirm how the project's suppliers were sourced.
- ii. The local purchase order (LPO) or local service order (LSO) issued by the project management committee and invoice and delivery note received from the supplier were not availed for audit review.
- iii. Bank statements were not availed for audit review.
- iv. Physical verification carried out on 17 May 2018 on the boat purchased for Uwaria Beach Community revealed that although Kshs.150,000 was reported to have

been spent on branding the boat during the year under review, the branding was not evident. Therefore, propriety of the Kshs.150,000 expenditure was doubtful.

- v. Physical verification conducted on 22 May 2018 of a Yamaha boat engine supplied to Liunda Beach for Kshs.400,000 revealed that the engine serial No.6B4K-L-1233821 reflected in the log book differed with the one (No.6B3 -1018201) verified physically, which cast doubt on the expenditure.
- vi. The log book of the boat at Honge Beach purchased at Kshs.400,000 had the same serial number as that supplied to Liunda Beach which suggested that fraud was committed in the transaction.

Consequently, the regularity of the expenditure of Kshs.950,000 incurred on purchase and branding of community patrol boats cannot be confirmed.

#### **4. Security Projects**

Further included in other grants and other payments balance of Kshs.50,501,258 is Kshs.11,600,000 incurred on security projects which in turn includes Kshs.8,550,000 transferred to Bondo Constituency High Mast Security Flood Lights Project.

The security flood lights were to be installed in Usenge, Ndira, Nyamonye, Wichlum and Nango centers at a cost of Kshs.1,800,000 each. However, the following anomalies were noted in relation to the Projects:

- i. The list of prequalified suppliers was not made available for audit examination.
- ii. The project's acceptance letter was an un-dated and unreferenced, suggesting that the contractor did not sign the letter to acknowledge award of the contract and commit to execute the works worth Kshs.1,710,000. Therefore no binding contract was established.
- iii. The minutes of the tender evaluation meeting were not availed for audit examination.
- iv. The criterion used to evaluate the bidders was not availed for audit examination.
- v. No service order was availed for audit examination
- vi. Value Added Tax (VAT) totaling Kshs.272,000 was not deducted from the payment of Kshs.1,700,000.

In view of these anomalies, the regularity of expenditure totaling Kshs.8,550,000 cannot be confirmed.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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 of the entity or business activities 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**02 October 2018**

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO  
CONSTITUENCY

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

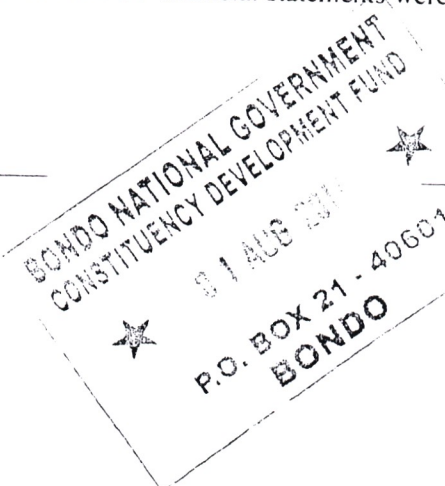
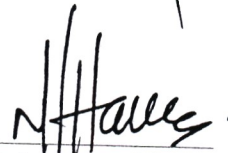
IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup>  
JUNE 2017

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	81,896,551.70	115,678,608.00
Proceeds from Sale of Assets	2		
Other Receipts	3		
<b>TOTAL RECEIPTS</b>		<b>81,896,551.70</b>	<b>115,678,608.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,658,704.00	2,959,941
Use of goods and services	5	5,557,292.62	5,044,271
Transfers to Other Government Units	6	25,914,421.19	61,972,759
Other grants and transfers	7	51,928,894.73	65,990,479
Acquisition of Assets	8		526,182
Other Payments	9		
<b>TOTAL PAYMENTS</b>		<b>86,059,312.54</b>	<b>136,493,632</b>
<b>SURPLUS/DEFICIT</b>		<b>(4,162,760.85)</b>	<b>(20,815,024)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bondo NGCDF financial statements were approved on 11/08/17 2017 and signed by:



Chairman - NGCDFC

Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO  
CONSTITUENCY**


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

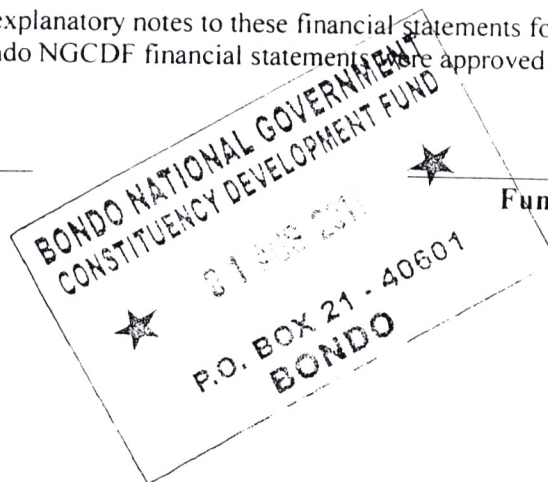
**V. STATEMENT OF ASSETS AS AT 30<sup>TH</sup> JUNE 2017**

	Notes	2016 - 2017 Kshs	2015 - 2016 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	1,295,514.16	5,242,275.
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		216,000.00
<b>TOTAL FINANCIAL ASSETS</b>		<u>1,295,514.16</u>	<u>5, 458,275</u>
<b>REPRESENTED BY</b>			
Retention	12	5,458,275	29,257,299
Fund balance b/fwd 1st July 2016	13	(4,162,760.85)	(20,815,024)
Surplus/Deficit for the year			
Prior year adjustments	14		(2,984,000)
<b>NET LIABILITIES</b>		<u>1,295,514.15</u>	<u>5,458,275</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bondo NGCDF financial statements were approved on 11/08/17 2017 and signed by:

  
Chairman - NGCDFC

  
Fund Account Manager





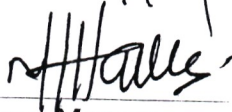
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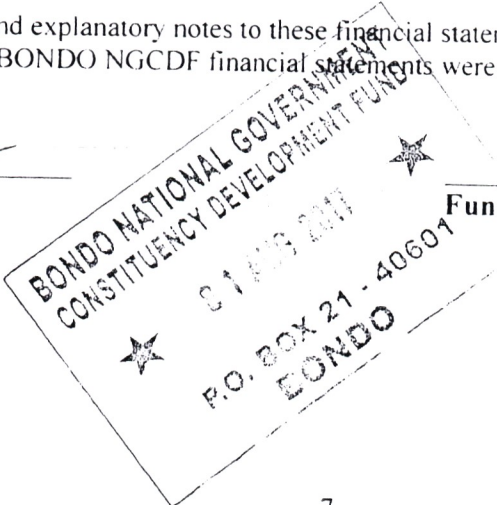
**VI. STATEMENT OF CASH FLOW**

Receipts for operating income		2016 – 2017	2015 - 2016
Transfers from CDF Board	1	81,896,551.70	115,678,608
Other Receipts	3		-
		<b>81,896,551.70</b>	<b>115,678,608</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,658,704.00	2,959,941
Use of goods and services	5	5,557,292.62	5,044,271
Transfers to Other Government Units	6	25,914,421.19	61,972,759
Other grants and transfers	7	51,928,894.73	65,990,479
Other Payments	9		-
		<b>86,059,312.54</b>	<b>135,967,450</b>
<b>Adjusted for:</b>			
Adjustments during the year	14		2,984,000
<b>Net cash flow from operating activities</b>		<b>(4,162,760.84)</b>	<b>(23,272,842)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		(526,182)
<b>Net cash flows from Investing Activities</b>			<b>(526,182)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(4,162,760.85)</b>	<b>(23,799,024)</b>
Cash and cash equivalent at BEGINNING of the year	13	5,458,275.00)	29,257,299
Cash and cash equivalent at END of the year		1,295,514.15	5,458,275

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BONDO NGCDF financial statements were approved on 11/08/17 2017 and signed by:

  
 Chairman NGCDF

  
 Fund Account Manager



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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,551.70	5,458,275.00	87,354,826.70	87,354,826.70	0	100%
Proceeds from Sale of Assets						
Other Receipts						
<b>PAYMENTS</b>						
Compensation of Employees	2,800,000.00	77,260.00	2,877,260.00	2,658,704.00	218,556.00	92.4%
Use of goods and services	4,570,689.65	1,086,603.00	5,657,292.65	5,557,292.62	100,000.03	98.2%
Transfers to Other Government Units	26,891,379.32		26,891,379.32	25,914,421.19	976,958.13	96.4%
Other grants and transfers	47,634,482.73	4,294,412.00	51,928,894.73	51,928,894.73		100.0%
Acquisition of Assets						
Other Payments						
<b>TOTALS</b>	<b>81,896,551.70</b>	<b>5,458,275.00</b>	<b>87,354,826.70</b>	<b>86,059,312.54</b>	<b>1,295,514.16</b>	<b>98.5%</b>

The BONDO NGCDF financial statements were approved on 1/08/17 and signed by:

BONDO NATIONAL GOVERNMENT  
 CONSTITUENCY DEVELOPMENT FUND

*M. H. Harty*  
 Fund Account Manager

Chairman NGCDF



## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of revenue and expenses**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

**5. Pending bills**

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

**6. Budget**

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

**7. Comparative figures**

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

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2016-2017</b>	<b>2015-2016</b>
		<b>Kshs</b>	<b>Kshs</b>
CDF Board			
AIE NO A839583		40,948,276.60	30,000,000.00
AIE NO A855622		30,348,275.10	3,200,000.00
AIE NO A855711		10,600,000.00	20,000,000.00
AIE NO.			62,478,608.00
<b>TOTAL</b>		<b>81,896,551.70</b>	<b>115,678,608.00</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
<b>Total</b>	<b>00</b>	<b>00</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2016- 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	00	00
Rents	00	00
Receipts from Sale of tender documents	00	00
Other Receipts Not Classified Elsewhere	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	2,658,704.00	2,700,000.00
Basic wages of casual labour	00	00
<b>Personal allowances paid as part of salary</b>		
House allowance	00	00
Transport allowance	00	00
Leave allowance	00	00
Gratuity	00	00
Other personnel payments		259,941.00
<b>Total</b>	<b>2,658,704.00</b>	<b>2,959,941.00</b>

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

**5. USE OF GOODS AND SERVICES**

	<b>2016 - 2017</b>	<b>2015– 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	2,000,692	2,011,147.00
Utilities, supplies and services	00	00
Communication, supplies and services	47,600.00	53,200.00
Domestic travel and subsistence	32,400.00	57,500.00
Printing, advertising and information supplies & services	523,000	00
Rentals of produced assets	00	00
Training expenses	980,000	00
Hospitality supplies and services	00	00
Insurance costs	00	00
Specialized materials and services	00	00
Office and general supplies and services	00	00
Other operating expenses	984,650.00	1,058,750.00
Routine maintenance – vehicles and other transport equipment	736,800.62	969,770.00
Routine maintenance – other assets	6,550.00	8,450.00
<b>Total</b>	<b>5,557,292.62</b>	<b>5,044,271.00</b>

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

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities	00	00
Transfers to primary schools (see attached list)	10,114,421.19	23,500,000
Transfers to secondary schools (see attached list)	12,000,000	33,990,000
Transfers to tertiary institutions (see attached list)	3,800,000	00
Transfers to health institutions (see attached list)	00	4,482,760
<b>TOTAL</b>	<b>25,914,421.19</b>	<b>61,972,759</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2016 - 2017</b>	<b>2015- 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	20,000,000.00	8,133,742
Bursary – tertiary institutions (see attached list)	4,663,793.00	4,000,000
Bursary – NHIF (see attached list)	4,000,000.00	
Mock & CAT (see attached list)		1,000,000
Water projects (see attached list)		19,262,842
Agriculture projects (see attached list)		1,930,000
Electricity projects (see attached list)		
Security projects (see attached list)	20,091,412.08	2,860,000
Roads projects (see attached list)		17,134,034
Sports projects (see attached list)	1,637,931.03	2,259,572
Environment projects (see attached list)	1,637,931.03	2,259,572
Emergency projects (see attached list)	4,094,827.59	7,150,716
<b>Total</b>	<b>51,928,894.73</b>	<b>65,990,479</b>



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

**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	00	00
Construction of Buildings	00	00
Refurbishment of Buildings	00	00
Purchase of Vehicles and Other Transport Equipment	00	00
Overhaul of Vehicles and Other Transport Equipment	00	00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	00	526,182
Purchase of ICT Equipment, Software and Other ICT Assets	00	00
Purchase of Specialised Plant, Equipment and Machinery	00	00
Rehabilitation and Renovation of Plant, Machinery and Equip.	00	00
Acquisition of Land	00	00
Acquisition of Intangible Assets	00	00
<b>Total</b>	<b>00</b>	<b>526,182</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**9. OTHER PAYMENTS**

Specify	2016 - 2017 Kshs	2015 - 2016 Kshs
---------	---------------------	---------------------

	00	00
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**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2016 - 2017 Kshs	2015 - 2016 Kshs
<i>Co-operative Bank, Bondo (1141623406300)</i>	1,295,514.16	5,242,275.06
<b>Total</b>	<b>1,295,514.16</b>	<b>5,242,275.06</b>

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**10B: CASH IN HAND**

	<b>2016 – 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Location 1	00	00
Location 2	00	00
Location 3	00	00
Other Locations ( <i>specify</i> )	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

*[Provide cash count certificates for each]*

**11: OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	00	00	00
<i>Name of Officer or Institution</i>	dd/mm/yy	00	00	00
<i>Name of Officer or Institution</i>	dd/mm/yy	00	00	00
<i>Name of Officer or Institution</i>	dd/mm/yy	00	00	00
<i>Name of Officer or Institution</i>	dd/mm/yy	00	00	00
<i>Name of Officer or Institution</i>	dd/mm/yy	00	00	00
<b>Total</b>				<b>00</b>

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

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

**12 RETENTION**

	<b>2016 – 2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	00	00
Supplier 2	00	00
Supplier 3	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	<b>2016 – 2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	1,295,514.16	5,242,275.06
Cash in hand	00	00
Imprest	00	00
<b>Total</b>	<b>1,295,514.16</b>	<b>5,242,275.06</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	<b>2016 – 2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	00	(3,200,000)
Cash in hand	00	216,000
Imprest	00	-
<b>Tota</b>	<b>00</b>	<b>2,984,000</b>

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**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2016 – 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	<b>00</b>	<b>00</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	00	00
Middle management	00	00
Unionisable employees	00	00
Others ( <i>specify</i> )	00	00
	<b>00</b>	<b>00</b>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	00	00
Amounts due to other grants and other transfers (see attached list)	00	00
Others ( <i>specify</i> )	00	00
	<b>00</b>	<b>00</b>

**15.4: PMC account balances (See Annex 5)**

	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	2,647.05	00
	<b>2,647.05</b>	<b>00</b>

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONDO CONSTITUENCY**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONDO CONSTITUENCY**  
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**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONDO CONSTITUENCY**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2016/17</b>	<b>Historical Cost (Kshs) 2015/16</b>
Land		
Buildings and structures	9,341,916	9,341,916
Transport equipment	8,203,500	8,203,500
Office equipment, furniture and fittings	1,063,938	1,063,938
ICT Equipment, Software and Other ICT Assets	660,150	660,150
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>19,269,504</b>	<b>19,269,504</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONDO  
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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2016/17</b>	<b>Bank Balance 2015/16</b>
Milenga Primary School	Co-operative Bank	01141623984100	222.05	00
Olago Primary School	Co-operative Bank	01141624589600	825.00	00
Aila Chief's Camp	Co-operative Bank	01141624589500	825.00	00
Amoyo Chief's Office	Co-operative Bank	01141624589400	775.00	00
<b>Total</b>			<b>2,647.05</b>	<b>00</b>