

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 16 OCT 2019

DAY:
WED

TABLED
BY:

DEPUTY LEADER OF MAJORITY
HON. JIMMY ANGWENY, MP

OF

MARK-AT
TABLE:

A. Shabuka

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
BONDO CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

6



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
03 OCT 2019
RECEIVED



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

Table of Contents

Table of Contents.....	ii
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	ii
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE	iv
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	xi
IV. STATEMENT OF RECEIPTS AND PAYMENTS	0
V. STATEMENT OF ASSETS AND LIABILITIES.....	1
VI. STATEMENT OF CASHFLOW	2
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	3
VIII. SIGNIFICANT ACCOUNTING POLICIES	4
IX. NOTES TO THE FINANCIAL STATEMENTS	8
X. ANNEXURES	14
XI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	18

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (N-CDFC) (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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the fund.

Mandate

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

- a) Recognized 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 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 human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protect 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 mechanism 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 groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorized withdrawal of money from Consolidated Fund as provided under Article 206 (2) (c) of the Constitution;
- j) Provide mechanism for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution.

Vision

Equitable socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism-** we uphold the national pride of all Kenyans through our work
2. **Participation of the people-** we involve citizens in making decisions about programmes we fund

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

Reports and Financial Statements

For the year ended June 30, 2018

3. Timeless- we adhere to prompt delivery of service
4. Good governance- we uphold high standards 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 *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 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno.
2.	A.I.E holder	Judith Ochoro
3.	Sub-County Accountant	Jared O. Okumu
4.	Chairman NGCDFC	Charles O.Ondiek
5.	Member NGCDFC	Pesila Kofuna

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NG-CDF- 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.

(e) NGCDF BONDO Constituency Headquarters

NG-CDF Office Building.

P.O Box 21-40601

Bondo

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

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

(f) NGCDF BONDO Constituency Contacts

Telephone: (254) 717512051

E-mail: bondoconstituency@gmail.com

Website: www.bondoconstituency.or.ke

(g) NGCDF BONDO Constituency Bankers

i. 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

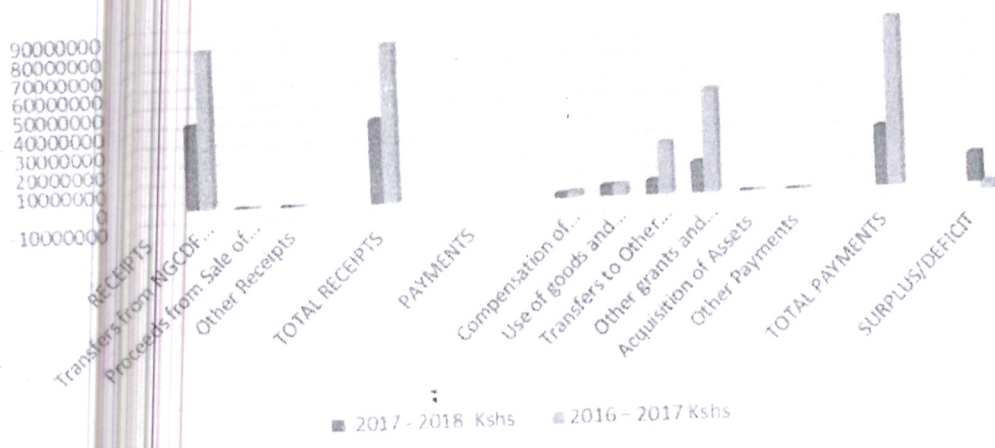
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Summary of the budget performance against actual amounts for current year based on economic classification and programmes

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

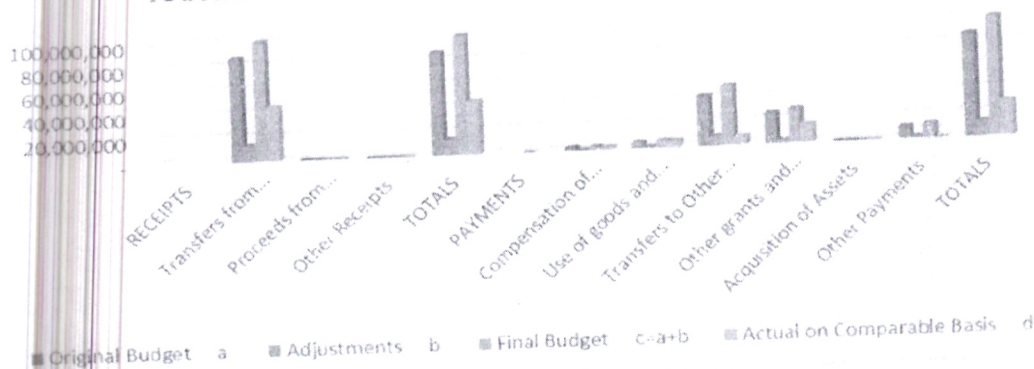
**STATEMENT OF RECEIPTS AND
PAYMENTS 2017/2018 AGAINST 2016/2017**



KEY:

- In general observation there was less receipts in the year 2017/2018 compared to the previous financial year 2016/2017 in which more funds were received before the end of the financial year. This scenario resulted from the slowed down process of release of Allocation Table and Funds from Treasury.

**A GRAPH OF ORIGINAL BUDGET ADJUSTMENT
AGAINST ACTUAL ON COMPARABLE BASIS**

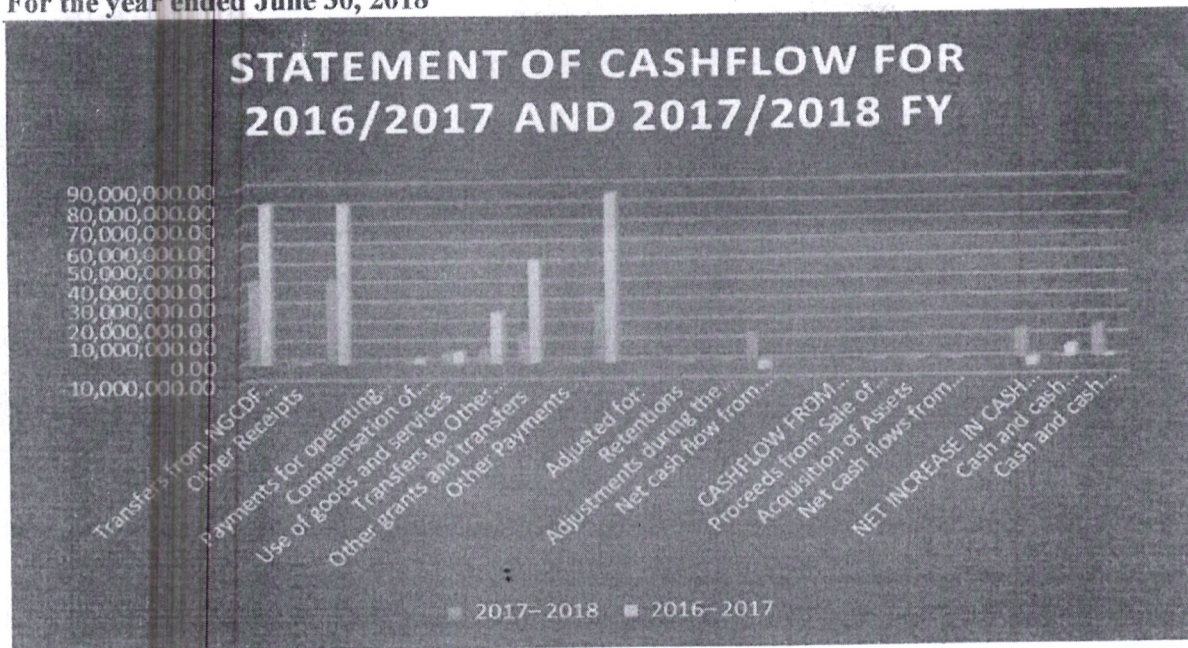


KEY:

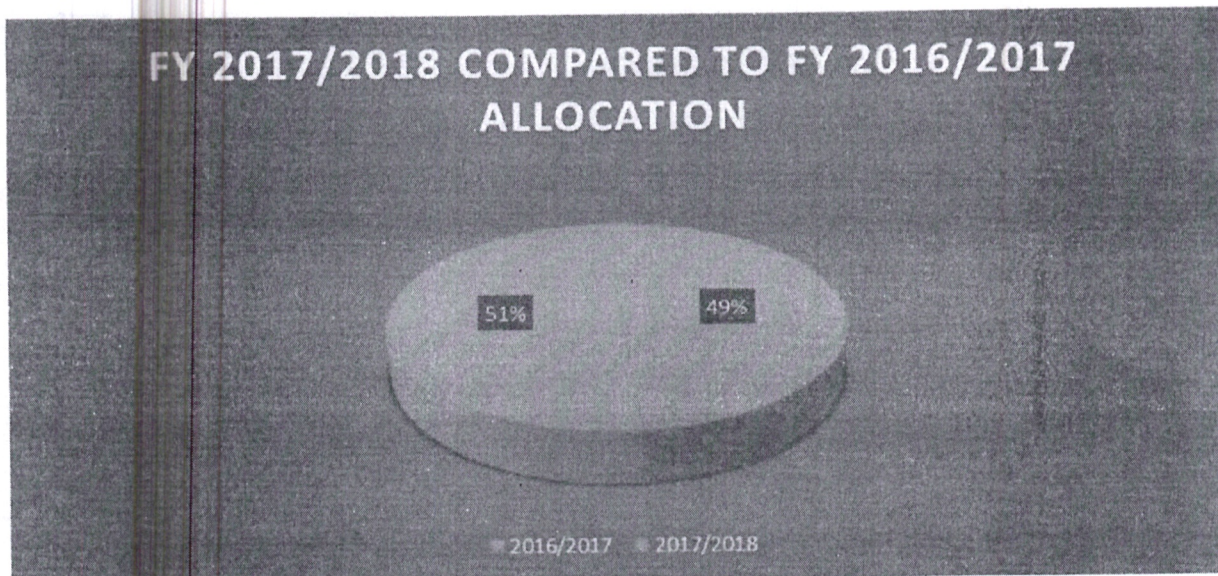
The above shows that there was general underutilization of funds except in **compensation of employees, use of goods and services and other grants and payments**. However as explained above this was due to late release of Allocation Table which resulted into less than half the allocation money received towards the end of the financial year.

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

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



The graph shows that in financial year 2017/2018 there was a net increase in cash and cash equivalent compared to 2016/2017 financial year. The AIE NO A892758 amounting to kshs 37,905,172.00 was received towards the end of June 2018 and the management did not have adequate time to prepare and disburse the funds before the end of the financial year.



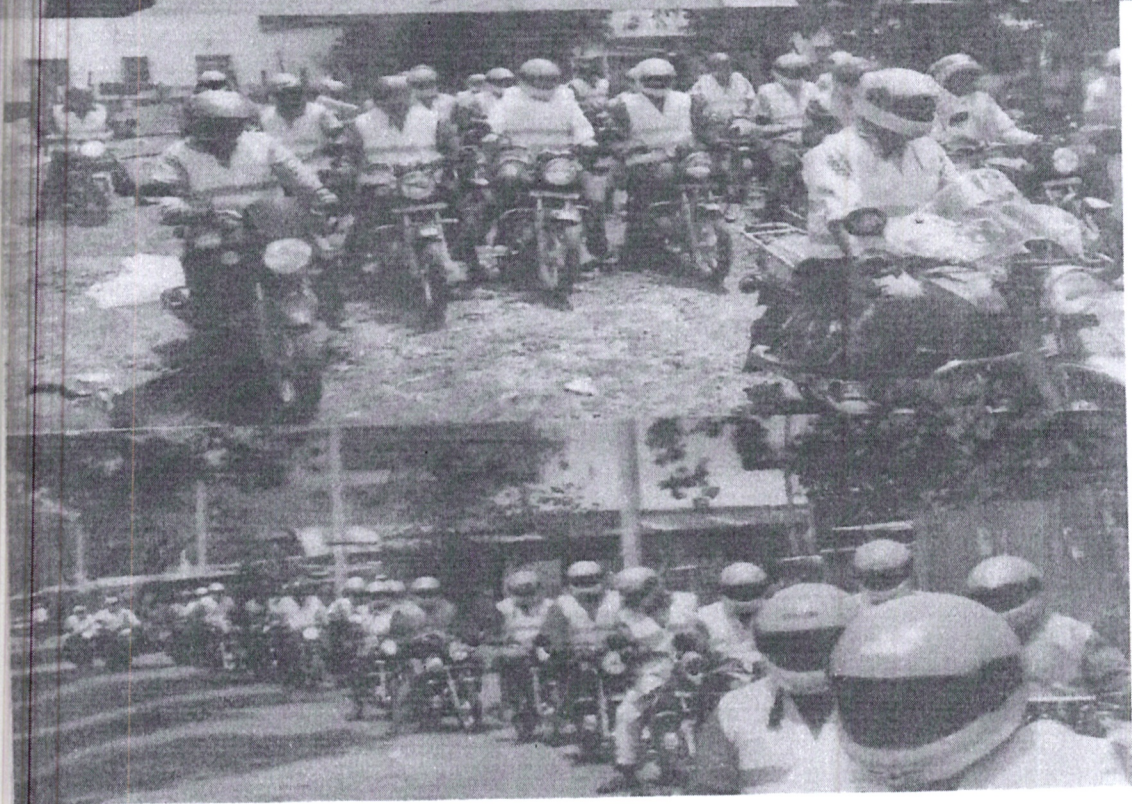
The graph clearly shows that in financial year 2017/2018 the allocation was more by 1% compared to the previous financial year 2016/2017

***NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO
CONSTITUENCY***
Reports and Financial Statements
For the year ended June 30, 2018

Key Achievements in Financial Year 2017/2018

CAPACITY BUILDING/ TRAINING OF BODABODA RIDERS

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BONDO
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018



INSTRUCTIONS GIVEN TO BODABODA OPERATORS DURING TRAINING

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

Reports and Financial Statements

For the year ended June 30, 2018

CONSTRUCTION OF 1 CLASSROOM ABIDHA PRIMARY SCHOOL

SCHOOL BUS FOR ST. PAULS AKOKO SECONDARY SCHOOL



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

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



Implementation challenges and recommended way forward;

- ✓ Late disbursement of funds leading high cost of products due to inflation.
- ✓ Students sometimes chased out of school due to delayed disbursement of bursary.
- ✓ Duplication of projects by various development partners due to lack of a clear policy guideline.
- ✓ Rigorous and costly litigation processes causing delay in service delivery.
- ✓ Limitation of scope of projects to education and security only.
- ✓ Lack of proper policy guideline on bursaries.

Way forward

- ✓ The National Treasury to disburse funds on time.
- ✓ Various levels of government to establish an integrated approach on issues of resource allocation to avoid duplication.
- ✓ The NG-CDF Board to formulate a policy guideline on Bursary.

Sign _____

Charles Otieno Ondiek

CHAIRMAN NG-CDF COMMITTEE

FUND ACCOUNT MANAGER
BONDO CDF
P.O. BOX 21, BONDO

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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF Bondo Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and *applying* appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Bondo 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, 2018, and of the entity's financial position as at that date. The Accounting Officer in-charge of the NGCDF- Bondo 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- Bondo 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 NG-CDF- Bondo Constituency financial statements were approved and signed by the Accounting Officer on 15th September 2018:

Fund Account Manager

Name: Judith Ochoro

Sub-County Accountant

Name: Jared O. Okumu

ICPAK Member Number:

FUND ACCOUNT MANAGER
BONDO CDF
P.O. BOX 21, BONDO
SIGN



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bondo National Government Constituencies Development Fund set out on pages 1 to 19 which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and 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, 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 effect 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 Bondo National Government Constituencies Development Fund as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Public finance management national government regulation 2015, section 101(3) requires that the national treasury shall issue financial instructions and guidelines on applicable accounting policies, basis, standards and classification to be applied in financial reporting in line with the standards set by Public Sector Accounting Standards Board. A review of the financial statements for the year under review revealed the following;

- i. The financial statements omitted page numbering from page 1 to 19.

- ii. The guiding note numbers indicted in the statement of receipts and payments; statement of financial assets; and statement of cash flow do not show the correct corresponding numbers as indicated in the notes to the financial statements.
- iii. Annex 1: Analysis of pending accounts payable reflect closing balance date as 30 June 2016 and comparative as 30 June 2014 instead of 30 June 2018 and 2017 respectively.
- iv. Note VII: Progress on follow up of auditor recommendations did not indicate the audit issues reported on the financial year 2016/2017.

Consequently, the management is in breach of the PFM National Government Regulations, 2015.

2. Unsupported Committee Expenses

Included in the statement of receipt and payments under use of goods and services figure of Kshs.4,810,049 is committee expenses amounting to Kshs.1,830,117. However, payment vouchers amounting to Kshs.509,000 were not supported by monitoring and evaluation reports, work tickets showing the movement during the project visits as shown below, contrary to Public Finance Management National Government Regulations 2015 section 104(1) which states that all payments of public money shall be properly supported by pre-numbered payment vouchers and shall be supported by the appropriate authority and documentation.

PV No	Payee	Details	Date	No of days	Amount Kshs.
91	Hawkins Samba	Imprest for project monitoring and site visit	From 18th-21st June 2018	4	120,000
92	Hawkins Samba	Imprest for project monitoring and site visit	From 1st- 7th June 2018	5	150,000
93	Hawkins Samba	Imprest for project monitoring and site visit	From 11th-15th June 2018	5	150,000
8	Hawkins Samba	Imprest for project monitoring and site visit	21st July 2017	1	89,000
		Total			509,000

Under the circumstance, Kshs.509,000 remains unaccounted for.

3. Unsupported National Hospital Insurance Fund Expenditure

Included under other grants and transfers figure of Kshs. 15,306,958 is a payment cheque No.2078 of Kshs.3,000,000 dated 11 April 2018 to National Hospital Insurance Fund

(NHIF) programmed to cater for premiums for 500 persons of special interest in the constituency. However, the criteria used to identify and the supporting insurance cover documents of the beneficiaries were not provided for audit review, contrary to Public Finance Management National Government Regulations 2015 section 104(1) which states that all payments of public money shall be properly supported by pre-numbered payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, the propriety of the expenditure of Kshs.3,000,000 could not be confirmed as at 30 June 2018.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

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.

Emphasis of Matter

1. Budget Performance

IPSAS 24 Disclosure, paragraph IN8, page 777, states that an explanation of the reasons for differences between the original and final budget, including whether those differences arise from reallocations within the budget or other factors such as policy shifts, natural disasters, or other unforeseen events. These disclosures may be made in notes to the

financial statements or in a report issued before, in conjunction with, or at the same time as, the financial statements. During the financial year under review, Bondo NGCDF had a total budget of Kshs.88,105,859 against a total expenditure of Kshs.29,726,685 resulting in (33%) budget absorption.

Audit Components	Current year Final Budget Figures Kshs.	Current Year Actuals Kshs.	Variance Kshs.	Budget Absorption %
Transfer from NGCDF board	88,105,859	44,700,686	43,405,173	51%
Compensation of employees	2,900,000	2,530,671	369,329	87%
Use of goods and services	6,208,445	4,810,049	1,398,396	77%
Transfer to other government units	42,279,007	7,079,007	35,200,000	17%
Other grants and transfers	26,041,380	15,306,958	10,734,422	59%
Other payments	10,677,027	0.00	10,677,027	0%
Total Expenditure	88,105,859	29,726,685	58,379,174	33%

The entity budget absorption on compensation of employees stood at (87%), use of goods and services at (77%), transfer to other government units at (17%) and other grants and transfers at (59%) and zero (Kshs.0) expenditure was incurred on other payments. However, explanations on budget variances was not given in the financial statements. Consequently, the constituents did not get expected value for money from the expected services and works.

REPORT ON COMPLIANCE WITH LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter(s) described in the Basis for [Conclusion on Lawfulness and Effectiveness in Use of Public Resources/ Qualified Opinion] 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. Failure to Follow Procurement Regulations in Installation of Culverts and Road Gravel Patching

Included in other grants and transfer figure of Kshs.15,306,958 under emergency projects is a payment cheque No. 2087 dated 9 April 2018 of Kshs.700,000 made to Bondo Constituency Roads Maintenance Committee. The funds were intended for the installation of culverts and spot gravelling of D244: Nyamonye- Usenge Road. The road is a National Government project falling under Kenya Rural Roads Authority (KERRA). However, the following shortcomings were noted;

- i) There were no quotations available to indicate how the contractor was identified to carry out road works.
- ii) The Local service order, invoice and valuation certificate of work done were not available for audit review.

Although the said works were implemented, the management failed to explain why procurement regulations were not followed. Consequently, the propriety of the expenditure could not be confirmed.

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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for [Conclusion on Effectiveness of Internal Controls, Risk Management and Governance/Qualified Opinion] section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the projects ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Bondo National Government Constituencies Development Fund or to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the Bondo National Government Constituencies Development Fund financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Bondo National Government Constituencies Development Fund 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 Bondo National Government Constituencies Development Fund ability to continue as a going concern or 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 Bondo National Government Constituencies Development Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Bondo National Government Constituencies Development Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

23 August 2019

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

Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 – 2018	2016 – 2017
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board-AIEs' Received	1	43,405,172	81,896,552
TOTAL RECEIPTS		43,405,172	81,896,552
PAYMENTS			
Compensation of employees	2	2,530,671	2,658,704
Use of goods and services	3	4,810,049	5,557,293
Transfers to Other Government Units	4	7,079,007	25,914,412
Other grants and transfers	5	15,306,958	51,928,895
TOTAL PAYMENTS		29,726,685	86,059,313
SURPLUS/DEFICIT		13,678,487	(4,162,761)

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

Fund Account Manager

Name: Judith Ochoro

Sub-County Accountant

Name: Jared O. Okumu

ICPAK Member Number:

LAND ACCOUNT MANAGER
BONDO C.D.F.
P.O. BOX 21, BONDO
KENYA

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

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

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 – 2018	2016 – 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	14,974,001	1,295,514
Cash balances (cash at hand)	10B	0	0
Total Cash and Cash equivalents		<u>14,974,001</u>	<u>1,295,514</u>
Current receivables-outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		<u>14,974,001</u>	<u>1,295,514</u>
FINANCIAL LIABILITY			
Accounts payable-retention	12	<u>0</u>	<u>0</u>
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balances b/ fwd 1 st July	13	1,295,514	5,458,275
Surplus/Deficit for the year		13,678,487	(4,162,761)
Prior year adjustment	14	0	0
NET FINANCIAL POSITION		<u>14,974,001</u>	<u>1,295,514</u>

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

Fund Account Manager

Name: Judith Ochoro

Sub-County Accountant

Name: Jared O. Okumu

ICPAK Member Number:

FUND ACCOUNTANT
BONDO CONSTITUENCY
P.O. BOX 21, BONDO
KENYA


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

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

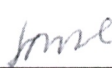
VI. STATEMENT OF CASHFLOW

	Note	2017- 2018	2016- 2017
Receipts for operating income			
Transfers from NGCDF Board	1	43,405,172	81,896,552
Other receipts	3		
		43,405,172	81,896,552
Payments for operating expenses			
Compensation of Employees	4	2,530,671	2,658,704
Use of goods and services	5	4,810,049	5,557,293
Transfers to Other Government Units	6	7,079,007	25,914,421
Other grants and transfers	7	15,306,958	51,928,895
Other payments	9	0	0
		29,726,685.00	86,059,312.54
Adjusted for:			
Retention	12	0	0
Adjustments during the year	14	0	0
Net cash flow from operating activities		13,678,487	(4,162,761)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of assets	2	0	0
Acquisition of assets	8	0	0
Net cash flow from investing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		13,678,487	(4,162,761)
Cash and cash equivalent at BEGINNING of the year	13	1,295,514	5,458,275
Cash and cash equivalent at END of the year		14,974,001	1,295,514

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


Fund Account Manager

Name: Judith Ochoro


Sub-County Accountant

Name: Jared O. Okumu

ICPAK Member Number:

FUND ACCOUNT MANAGER
BONDO C.D.D
P.O. BOX 21, BONDO
SILEW

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	1,295,514	88,105,859	44,700,686	43,405,173	51%
TOTALS	86,810,345	1,295,514	88,105,859	44,700,686	43,905,173	
PAYMENTS						
Compensation of Employees	2,900,000	-	2,900,000	2,530,671	369,329	87%
Use of goods and services	4,912,931	1,295,514	6,208,445	4,810,049	1,398,396	77%
Transfers to Other Government Units	42,279,007	-	42,279,007	7,079,007	35,200,000	17%
Other grants and transfers	26,041,380	-	26,041,380	15,306,958	10,734,422	59%
Other Payments	10,677,027	-	10,677,027	-	10,677,027	0%
TOTALS	86,810,345	1,295,514	88,105,859	29,726,685	58,379,174	

RECEIPTS:

- I. **TRANSFER FROM NGCDF BORD-** The underutilization observed above arose from delayed receipt of funds and the timing which was toward the end of the financial year.

PAYMENTS:

- I. **COMPESATION OF EMPLOYEES, TRANSFER TO OTHER GOVERNMENT UNITS AND OTHER GRANTS AND TRANSFERS-** These were below 90% because funds were not received on time.
- II. **OTHER PAYMENTS-** no expenditure incurred since the management was waiting for funds requested from NGCDF Board.

UNION ACCOUNT OFFICER
 BONDO CDF
 P.O. Box 21, BONDO
 UGANDA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

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

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) as prescribed by the Public Sector Accounting Standards Board of Kenya (PSASB) and set out in accounting policy below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

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

2. Reporting Entity

The financial statements are for the NGCDF- Bondo Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Reporting currency

The financial statements presented in Kenya Shillings (Kshs), which is functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shillings.

4. significant Accounting Policies

The accounting policies set out in this section have been consequently applied by the Entity for all the years presented.

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/ loans 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 criterion 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 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 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 of the period when goods/ services are paid for, such expenses, if not paid during the period where the goods/ services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

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

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 financial year are treated as receivables. This is in recognition of the government practice where the imprests payments are recognized as payments when fully accounted for by the imprests 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 work pending fulfilment of obligations by the contractors and to hold the deposits on behalf of third parties. This is an enhancement to the accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending bills

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

10. Unutilized Funds

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Budget

The budget is developed on the same 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. Include in 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

Materials prior period errors shall be corrected retrospectively in first set of financial statements authorized for issues 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 transaction is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017 – 2018	2016 – 2017
	Kshs	Kshs
CDF Board	0	40,948,277
AIE NO A855770	5,500,000	30,348,275
AIE NO A892758	37,905,172	10,600,000
	43,405,172	81,896,552

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from the sale of building	0	0
Receipts from Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office general equipment	0	0
Receipts from the sale of Plant Machinery Equipment	0	0
	0	0
Total	0	0

3. OTHER RECEIPTS

	2017-2018	2016-2017
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sales of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,976,186	2,658,704
Gratuity	121,401	-
Social Security Benefits	433,084	-
Total	2,530,671	2,658,704

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

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

5. USE OF GOODS AND SERVICES		
	2017-2018	2016-2017
	Kshs	Kshs
Committee expenses	1,830,117	2,000,692
Utilities, supplies and services	57,721	-
Communication, supplies and services	23,000	47,600
Domestics travel an subsistence	202,200	32,400
Printing, advertising and information supplies & services	-	523,000
Training expenses	977,600	980,000
Specialized materials and services	158,621	-
Office and general supplies and services	250,417	-
Fuel, oil & lubricants	563,483	-
Other operating expenses	-	984,650
Routine maintenance- vehicle and other transport equipment	746,890	736,801
Routine maintenance- other assets	-	6,550
Total	4,810,049	5,557,293

6. TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2017 – 2018	2016 – 2017
	Kshs	Kshs
Transfers to primary schools	6,079,007	10,114,421
Transfers to secondary schools	1,000,000	12,000,000
Transfer to tertiary institutions	-	3,800,000
TOTAL	7,079,007	25,914,421

7. OTHER GRANTS AND OTHER PAYMENTS		
	2017 – 2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools	2,970,165	20,000,000
Bursary – tertiary institutions	3,134,379	4,663,793
Social Security Program (NHIF)	3,000,000	4,000,000
Security projects	500,000	20,091,412
Sports projects	1,736,207	1,637,931
Environment projects	1,736,207	1,637,931
Emergency projects	2,230,000	4,094,828
Total	15,306,958	51,928,895

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

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

8. ACQUISITION OF ASSETS		
Non-Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery Equipment	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	0

9. OTHER PAYMENTS		
	2017-2018	2016-2017
	Kshs	Kshs
Strategic Plan	0	0
ICT Hub	0	0
Tivet	0	0
Total	0	0

10. A: Bank Accounts (cash book bank balance)

Name of the Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Co-operative Bank, Bondo (1141623406300)</i>	14,974,001.00	1,295,514.16
Total	14,974,001.00	1,295,514.16

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

10B: CASH IN HAND	2017-2018	2016-2017
	Kshs	Kshs
location 1	0	0
Location 2	0	0
Location 3	0	0
Other locations (specify)	0	0
Total	0	0
<i>[provide cash count certificates for each]</i>		

11. OUTSTANDING IMPRESTS

Name of officer or institution	Date Imprest Taken	Amount taken	Amount surrendered	Balances
		Kshs	Kshs	Kshs
Name of Officer or institution	Dd/mm/yy	0	0	0
Name of Officer or institution	Dd/mm/yy	0	0	0
Name of Officer or institution	Dd/mm/yy	0	0	0
Name of Officer or institution	Dd/mm/yy	0	0	0
Total		0	0	0

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

12. RETENTION

	2017-2018	2016-2017
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanation as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank Accounts	14,974,001.00	1,295,514.16
Cash in hand	0	0
Imprest	0	0
Total	14,974,001.00	1,295,514.16

[Provide short appropriate explanation as necessary]

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

14. PRIOR YEAR ADJUSTMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts (Reversed stale cheque not replaced)	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

15. OTHER IMPORTANT DISCLOSURES

15.1 : PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017-2018	2016-2017
	Kshs	Kshs
Construction of Buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

15.2: PENDING STAFF PAYABLE (See Annex 2)

STAFF GRATUITY	2017-2018	2016-2017
	Kshs	Kshs
	0	0
	0	0
Total	0	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017-2018	2016-2017
	Kshs	Kshs
Compensation of employees	0	0
Use of goods and services	1,295,514	0
Committee expense and capacity building	0	0
Amount due to other government entity (see attached list)	0	0
Amount due to other grants and other transfers (see attached list)	0	0

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**

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

Acquisition of assets	0	0
Other payments (<i>STRATEGIC PLAN, NGCDF OFFICE, NGCDF HALL, INNOVATION HUB.</i>)	0	0
TOTAL	1,295,514	

15.4: PMC ACCOUNT BALANCES (See Annex 4)

	2017-2018	2016-2017
	Kshs	Kshs
PMC Account Balances (see attached list)	19,061.00	2,647.05
Total	19,061.00	2,647.05

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

X. ANNEXURES

ANNEXURE 1- UNUTILIZED FUNDS

Name	Brief Transaction description	Outstanding balance 2017/18	Outstanding balance 2016/17	Comment
Compensation of employees				
Use of goods & services		1,295,514		
Sub total		1,295,514		
Amount due to other Government Entities				
		..		
Sub total				
Amount due to other grants and other transfers				
Sub total				
Grand total		1,295,514		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 2. SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (kshs) 2016/17	Additions during the year (kshs)	Additions during the year (kshs)	Historical Cost (kshs) 2017/18
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
Total	19,269,504	-	-	19,269,504

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 3 – PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance	Bank Balance
			2017/18	2016/17
Abidha Primary school	Cooperative Bank Bondo	1141623889100	3,225	225
Dier Aora Primary School	Cooperative Bank Bondo	1141623889800	775	825
Ugadhi Primary School	Cooperative Bank Bondo	1141013532500	14,736	825
Bar Awendo Primary School	Cooperative Bank Bondo	1141623889400	325	775
Total			19,061	2,647

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

XI. 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	Comment
	A	b	C	d=a-c		
Construction buildings						
1						
2						
3						
Sub total						
Construction of civil work						
4						
5						
6						
Sub total						
Supply of goods						
7 Fuel	300,000		NIL	300,000		
8 Stationery	220,000		NIL	220,000		
9						
Sub total	520,000			520,000		
Supply of services						
10 Security Services	775,514		Nil	775,514		
11						
12						
Sub total	775,514			775,514		
Grand total	1,295,514			1,295,514		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

XII. 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)
1	Failure to reserve stale cheques at the end of the year hence the accuracy of cash and cash equivalent could not be confirmed.	None	FAM	Not resolved	2 weeks
2	Connection of water pipes and excavation of water tanks at Bondo TTC. There was no evidence to show that the project was implemented	To avail documentation	FAM	Not resolved	3 weeks
3	Purchase of patrol boats amounting to Kshs 1,045,000. There was no evidence to show that the project was implemented	To avail documentation	FAM	Not resolved	2 weeks

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – BONDO
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

