

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	16 OCT 2019
	DAY. WED
TABLED BY	DEPUTY LEADER OF MAJORITY HON. ANWENTI JIMMI, MP
OF	A. Shibusko

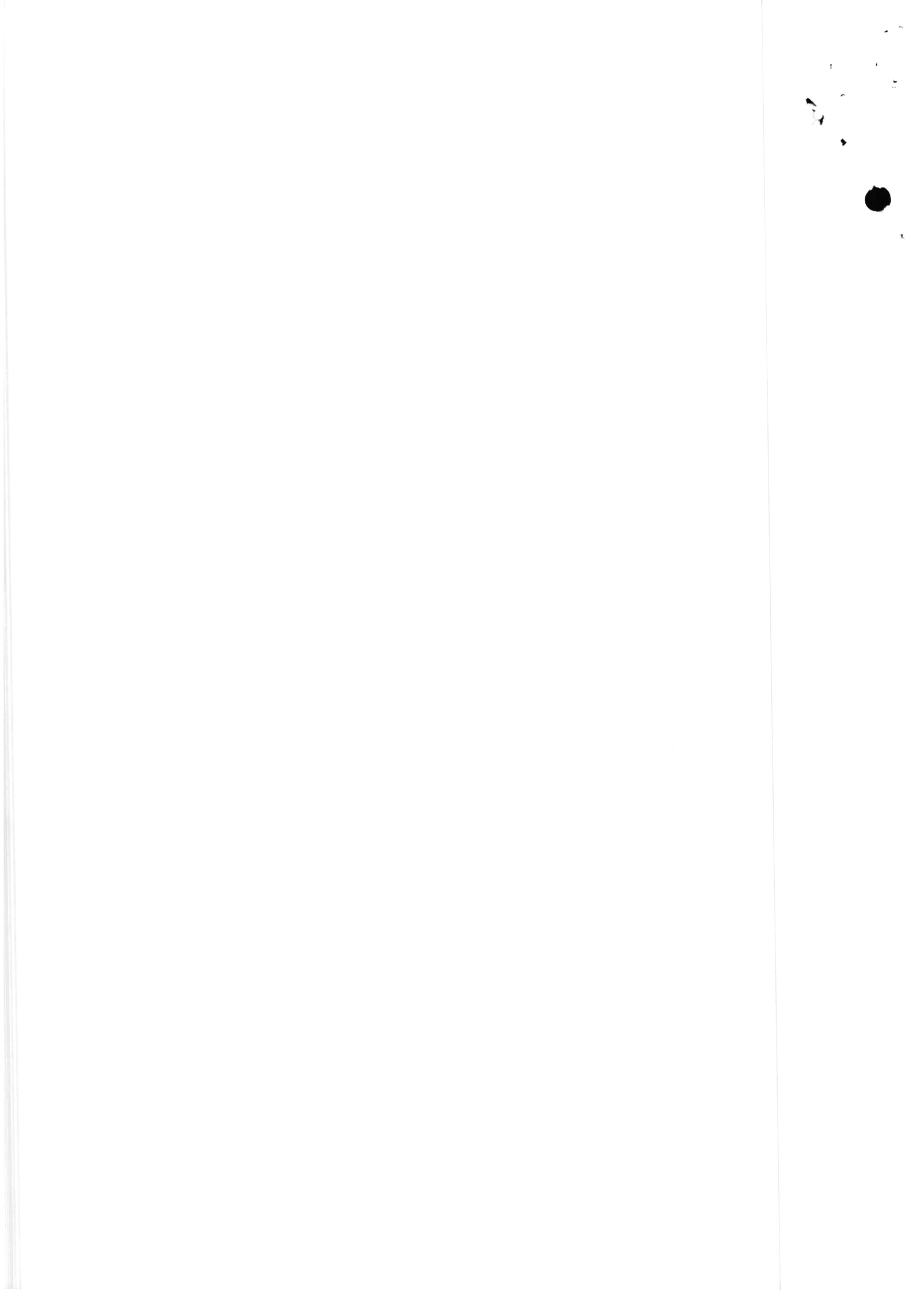
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
HAMISI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND HAMISI
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)**

HAMISI CONSTITUENCY
DEVELOPMENT FUND
2018

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 262
KAMPALA

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Silverius M. Wakoli
3.	Sub-County Accountant	Antony Griffins
4.	Chairman NGCDFC	Stephen Ganira
5.	Member NGCDFC	Laura Mujesia

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF HAMISI Constituency Headquarters

SHAMAKHOKHO ACC'S office grounds
P.O. Box 262-50309,
KAIMOSI.

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 262
KAIMOSI

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

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

(f) NGCDF HAMISI Constituency Contacts

Telephone: (254) 0722959351
E-mail: cdfhamisi@ngcdf.go.ke
Website: www.cdfhamisi.go.ke

(g) NGCDF HAMISI Constituency Bankers

1. Kenya Commercial Bank
Account No. 1102380598
P.O Box 1123
Maragoli

(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

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 262
KAIMOSI

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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Hamisi Constituency Geographic and Climatic Background

Hamisi is one of the five constituencies in Vihiga County. It borders Aldai constituency to the east, Ikolomani and Emgwen constituencies to the north, Vihiga and Sabatia constituencies to the west and Kisumu East constituency to the south. The constituency covers an area of 189.1 km².

The constituency has an equatorial climate with fairly distributed rainfall throughout the year. It has an average precipitation of 1900mm. Temperatures range between 14⁰C to 32⁰C with a mean of 23⁰C. The climate support a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

Hamisi Constituency Population Project and Density by Division

The population of the constituency was 148,259 by the 2009 housing and population census and is projected at 173,424 by 2012 and 179,406 by 2015.

Administrative Units

CONSTITUENCY	DIVISION	NOs. LOCATION	NOs. SUB- LOCATION
HAMISI	Shamakhokho	2	5
	Shaviringa	2	6
	Tambua	2	9
	Jepkoyai	2	8

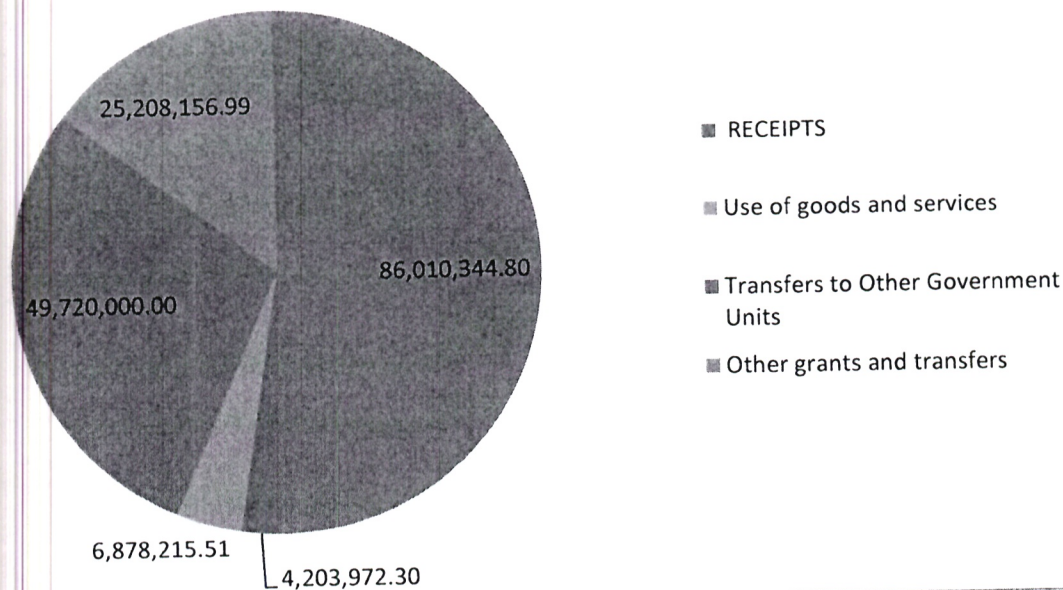
The constituency has seven electoral wards namely Banja, Shamakhokho, Muhudu, Shaviringa, Tambua, Jepkoyai and Gisambai.

The constituency received Ksh. 86,010,344.80 during the year under review. Kshs. 331,931.10 was carried forward from the financial year 2016/2017 totalling to Kshs. 86,344,275.90 where we disbursed ksh. 58,980,275.60 to the respective projects as according to the workplan.

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 288
KATHUNGI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
HAMISI CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

Budget performance against actual 2017-2018



The NGCDFs Hamisi members were inducted on best practices on Monitoring and Evaluation, financial and project management

Sign 
CHAIRMAN NGCDF COMMITTEE

HAMISI CONSTITUENT
DEVELOPMENT FUND
P.O. BOX 289
MUSOMBI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
HAMISI 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 a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


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

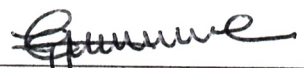
Approval of the financial statements

The NGCDF-HAMISI Constituency financial statements were approved and signed by the Accounting Officer on 14/9/2018 2018.


Fund Account Manager

Name: SILVERIO M. WABU

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
P. O. Box 262 - 50309,
KAIMOSI


Sub-County Accountant

Name: ORIN T. GRIFFINS
ICPAK Member Number: 6191

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Hamisi Constituency as set out on pages 7 to 29, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 National Government Constituencies Development Fund – Hamisi Constituency 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 the National Government Constituency Development Fund Act 2015 and any other Laws of Kenya.

Basis for Qualified Opinion

1. Inaccuracies of Financial Statements

1.1 Statement of Appropriation

Included in the summary statement of appropriation under the adjustment column is Kshs.11,713,241 not supported by any documentary evidence. That is, both the expenditure and receipts components totaling Kshs.11,713,241.

Consequently, the accuracy and validity of the statement of appropriation could not be confirmed as at 30 June 2018.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
– Hamisi Constituency for the year ended 30 June 2018*

2. Unsupported Expenditure

2.1 Over Expenditure on Committee Expenses

Examination of the approved budget of Hamisi National Government Constituency Development Fund for the year under review revealed that the component of committee expenses was budgeted for Kshs.1,541,586. while the actual expenditure was Kshs.6,447,700 resulting into an over expenditure of Kshs.4,906,114 hence overshooting the budget by four hundred and nineteen percent (318%). No explanation was made available for the over expenditure on the above component.

2.2 Failure to Provide Project Returns

Included in transfers to other government entities balance of Kshs.37,519,950 is transfers to secondary schools of Kshs.23,100,000 which in turn includes a disbursement of Kshs.5,000,000 to two secondary schools (Kamuluguywa Kshs.400,000 and Muyere Ksh.4,600,000). However, no project returns for the above disbursements were made available for audit review as per the requirement of the NGCDF Act, 2015.

In consequence, the propriety of the Kshs.5,000,000 expenditure on schools could not be confirmed as at 30 June 2018.

2.3 Cash Withdrawals for Committee Allowances

The management spent Kshs.6,718,386 on use of goods and services which in turn includes Kshs.3,223,000 in respect of committee allowances. Examination of payment schedules and payment vouchers revealed that Kshs.1,206,000 out of a total of Kshs.3,223,000 was withdrawn to cater for committee allowance but was not supported since the payment vouchers containing supporting documents were not made available for audit examination as tabulated below:

Cash book date	Cheque No.	Payee	Amount	Remark
21-07-2017	024929	Fund Account Manager	328,000	Contra entry 003
28-02-2018	024939	Fund Account Manager	40,000	Contra entry 002
28-02-2018	029940	Fund Account Manager	20,000	Contra entry 003
28-02-2018	024943	Fund Account Manager	157,000	Contra entry 005
28-02-2018	024936	Fund Account Manager	300,000	Contra entry 008
27-03-2018	024027	Fund Account Manager	50,000	Contra entry 012
02-06-2018	024237	Fund Account Manager	181,000	Contra entry 034
30-06-2018	025251	Fund Account Manager	130,000	Contra entry 037
		Total	1,206,000	

Consequently, the propriety and validity of Kshs.1,206,000 expenditure on committee allowances could not be confirmed.

3. Unexplained Variance on Sporting Activities

It was observed that the management disclosed a figure of Kshs.760,000 in respect of sporting activities as disclosed in the financial statements. However, the schedule provided amounted to Kshs.650,000 leading to unexplained variance of Kshs.110,000.

Further, Included in other grants and other payments of Kshs.13,915,400 is an amount of Kshs.760,000 for sports. Included also in the amount of sports is a disbursement of Kshs.650,000. Examination of the supporting documents revealed that the committee in their meeting had authorized Kshs.450,000 for this particular expenditure. No explanation was offered for the over expenditure of Kshs.200,000. It was further observed that the youth event took place on 24 April, 2018 while the withdrawal was made on 30 May 2018. It was difficult to ascertain how the youth forum event was funded due to clash of dates of funds withdrawal and undertaking of the events.

Consequently, the propriety of expenditure could not be confirmed.

4. Unsupported Committee Allowances

Included in Kshs.6,718,386 spent on use goods and services is Kshs.3,223,000 spent on committee allowance as disclosed in the financial statements. However, it was not possible to ascertain the validity and propriety of the expenditure totaling Kshs.689,000 whose documentations were not made available for audit examination as tabulated below:

Payment Schedule date	Payee	Amount paid as per the voucher (Kshs)	Unsupported Amount (Kshs)	Remarks
12-02-2018	Fund Account Manager	346,000	57,000	No committee minutes
19-03-2018	Fund Account Manager	264,000	57,000	No committee minutes
20-03-2018	Fund Account Manager	264,000	75,000	No bursary committee minutes for 3 days
21-03-2018	Fund Account Manager	264,000	27,500	No committee minutes
22-03-2018	Fund Account Manager	264,000	27,500	No committee minutes
NONE	Fund Account Manager	260,000	145,000	No schedules of bursary 8 days distribution
28-03-2018	Fund Account Manager	300,000	300,000	Minutes for payment of arrears of 6 committee meetings were not availed.
	Total		689,000	

Consequently, the propriety of Kshs.689,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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.

Emphasis of Matter

Budget and Performance Analysis

5. Non Implementation of Approved Budgeted Projects

Analysis of the approved budget of Hamisi National Government Constituency Development Fund revealed that two (2) projects in the approved budget were never implemented during the financial year under review, that is, capacity building, strategic planning were budgeted to cost Kshs.1,541,586. and Kshs.1,100,000 respectively

Projects	Approved Amount (Kshs)	Actual Expenditure (Kshs)
Capacity Building	1,541,586	0
Strategic Plan	1,100,000	0
Total	2,641,586	0

6. Absorption of Budget

Further, during the year under review Hamisi NG-CDF had a total budget of Kshs.98,523,586 against a total expenditure of Kshs.58,980,276 resulting into 59.9% budget absorption. In addition, the entity under absorbed the budget on compensation to employees at 18%, transfer to other government units 65.4%, other grants and transfers 50.2%.

Audit Component	Budgeted Amount (Kshs)	Actual Amount (Kshs)	Variance (Kshs)	% Absorption
Transfer from CDF Board	98,523,586	86,344,276	12,179,310	87.6%
Compensation to Employees	4,586,530	826,540	3,759,990	18%
Use of goods and services	7,853,727	6,718,386	1,135,341	85.5%
Transfer to other Government units	57,351,034	37,519,950	19,831,085	65.4%
Other Grants and Transfers	27,732,295	13,915,400	13,816,895	50.2%

The under absorption on some items means the citizen of the constituency did not receive the expected value for money due to non-delivery of services.

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. Except for the matter(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON COMPLIANCE WITH LAWFULNESS AND EFFECTIVENESS IN THE 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 Open a Bank Account for Project at Bumira Secondary School

Included in transfers to other government entities balance of Kshs.37,519,950 under note 6 are transfers to secondary schools of Kshs.23,100,000. Further included in transfers to secondary schools balance of Kshs.23,100,000 is a disbursement of Kshs.1,000,000 to Bumira Secondary School vide cash book payment voucher number 021 of 27/3/2018. In support of the payment was Fund Committee minutes of 8 March 2018.

Examination of the project returns file revealed that there was no project management committee in place and no separate and independent bank account was opened as per

the requirement of the Act and regulations. The account that the funds of Kshs.1,000,000 were deposited in was a harambee account where other development funds from parents are also deposited. Further, it was not clear as to who the contractor was and how he was identified.

Physical verification of the project revealed that the contractor was not on site and the classroom had been roofed with no windows and doors in place. The roof of the classroom was poorly constructed since it had bends all over and it be blown off during windy periods.

The project was not supervised at all by the Ministry of Public Works as per requirement of the Act and thus this led to the poor workmanship. Consequently, the propriety of the expenditure cannot be confirmed.

2. Failure to Maintain a Separate CDF Bank Account

Included in the transfers to other government entities of Kshs.37,519,950 as reflected in the statement of receipts and payments, is Kshs.9,920,000 for the Transfers to primary schools which includes transfers to Simbi Primary School for Kshs.2,000,000 and Jeblebuk Primary School for Kshs.200,000. The management committees in both cases failed to maintain separate bank accounts for the funds. It was also noted that the accounts used had several other transactions from various sources.

Consequently, the propriety of Kshs.2,200,000 could not be confirmed.

3. Re-allocation of Funds Approved for the Construction of One (1) Classroom

Included in transfers to other government entities balance of Kshs.37,519,950 is transfers to secondary schools of Kshs.23,100,000. Further, included in transfers to secondary schools balance of Kshs.35,150,000 is a disbursement of Kshs.1,000,000. to St. John's Cheptech as per the approved budget from the Board.

Examination of the project returns file revealed that no new classroom was constructed but instead the money was re-allocated to the purchase of land without approval of re allocation from the Board as required by National Government Constituencies Development Fund Act 2015 section 6 subsection 2.

The amount disbursed was deposited in the school's lunch account and not a separate and independent account opened as required by the regulations.

It was also not explained as to how the seller and valuer for the land were identified since no procurement procedures were followed as per the requirements of the Public Procurement and Asset Disposal Act, 2015.

Physical verification of the project on 27/2/2019 revealed that the land was actually purchased.

Consequently, the citizens could have not receive the value for money.

4. Poor Implementation of Projects

Included in the transfers to other government entities balance of Kshs.37,519,950 reflected in the statement of receipts and payments is Kshs.2,000,000 incurred on renovation works at Simbi Primary School. However, audit examination revealed the following respective construction works not properly executed:

- i. Holes in walls and other sections badly damaged
- ii. Some floors not plastered and most of it is in a poor state
- iii. Broken windows and not fitted in some classrooms
- iv. Poor paint job and not done in all rooms
- v. Doors are of poor quality
- vi. Verandah not plastered

Qualification of works has not been done and the school failed to keep invoices and other receipts to account for the funds.

Consequently, the propriety of the expenditure could not be confirmed.

5. Irregular Implementation of Project

Included in the transfers to other government entities balance of Kshs.37,519,950 as reflected in the statement of receipts and payments is Kshs.9,920,000 for the transfers to primary schools. Included in this figure was Kshs.1,000,000 incurred in the implementation of a project in Jebrongo Primary School for the construction of one classroom to completion, as per the approved codelist.

However, physical verification revealed that the school was in the process of building a new tuition block as the current one in use has been condemned. The project file does not have any letter from the relevant authority to support this claim. Furthermore, there was no bank statement availed to confirm receipt of funds above. There is no qualification of works done and hence it is not possible to ascertain how funds have been utilized.

6. Failure to Abide by the NGCDFC Resolution

NGCDFC minutes indicated that the bursary allocation for tertiary institution falls between Kshs.7000-Kshs.10,000. However, the management disbursed bursary to a number of students that were over and above the set limit as noted below:

Name	Vchr No. & Date	School	Amount (Kshs)
Rael Alisa	43 of 15/5/18	Kabarak Univ	30,000
Oliver Wamalwa	15 of 27/3/18	Kibabii Univ	30,000
Claire Lumadi	15 of 27/3/18	Karen Hospital LTD	50,000
Nancy Miheso	40 of 30/4/18	Eldoret Poly	30,000

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Hamisi Constituency for the year ended 30 June 2018

Name	Vchr No. & Date	School	Amount (Kshs)
Geno Jacob	25 of 28/3/18	Kibabii Univ	20,000
Oliver Wamalwa	25 of 28/3/18	Kibabii Univ	20,000
Robin Nyabera	25 of 28/3/18	KMTC	15,000
Ireen Khadembu	25 of 28/3/18	Kakamega KMTC	20,000
Linda Lumwaji	25 of 28/3/18	Maseno Univ	20,000
Total			235,000

Consequently, the value for money could not be confirmed.

7. Construction of Road-Givodi and Madeya Primary

The financial statements reflect other grants and other payments of Kshs.13,915,400 which in turn includes Kshs.4,050,000 of emergency fund in the year under review to rehabilitate Givodi Primary - Madeya Primary Road contrary to the provisions of the NGCDF Act,2015 and the constitution. The management failed to produce documentation of the residents who made a request for emergency funds towards the road rehabilitation and also failed to appoint project management committee to implement the project as required by section 36(1) of the NGCDF Act.

Further, examination of project file revealed the following anomalies:

- a) No signed contract agreement was in the project file and/ availed for audit examination
- b) No job cards were in the project file and/availed for audit verification to account for 18 hours' day works of Kshs.372,384 as was shown in the bill of quantities
- c) No letters appointing the tender opening, the evaluation and tender award committee members were made available for audit examination.
- d) The following items included in the bill of quantities were not also accounted for through documentary evidence as to how they were utilized:
 - i. General office administration and overheads/preliminaries-Kshs.78,000
 - ii. Contract supervision of Kshs.60,000

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, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the cash basis of accounting unless the National Government either intends to liquidate the 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 resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems

are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

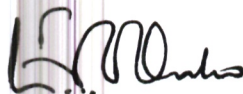
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability 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 to cease to continue as a going concern or 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 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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
HAMISI CONSTITUENCY**

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

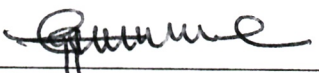
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	86,010,344.80	81,496,551.70
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		86,010,344.80	81,496,551.70
PAYMENTS			
Compensation of employees	4	826,540.00	3,231,305.90
Use of goods and services	5	6,718,385.60	11,078,650.90
Transfers to Other Government Units	6	37,519,950.00	71,580,369.85
Other grants and transfers	7	13,915,400.00	45,799,090.50
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		58,980,275.60	131,689,417.15
SURPLUS/DEFICIT		27,030,069.20	(50,192,865.45)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-HAMISI Constituency financial statements were approved on 14/9/2018 and signed by:


Fund Account Manager
Name: SILVERUS M. WAKOLU

FUND ACCOUNTANT MANAGER
NG-CDF HAMISI CONSTITUENCY
P.O. Box 262 - 50109,
KAMUKOSI


Sub-County Accountant
Name: OLIVER T. GRIFFIN
ICPAK Member Number: 6191

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

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

V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	27,364,000.30	333,931.10
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		27,364,000.30	333,931.10
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	27,364,000.30	333,931.10
Surplus/Deficit for the year		-	-
Prior year adjustments	14	-	-
NET LIABILITIES		27,364,000.30	333,931.10

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-HAMISI Constituency financial statements were approved on 4/9/2018 and signed by:

Fund Account Manager

Name: SILVERUS M. WAKOLI

Sub-County Accountant

Name: ORINCO T. GRIFFINS
ICPAK Member Number: 6191

FUND ACCOUNT MANAGER
 NGCDF HAMISI CONSTITUENCY
 P.O. Box 262-50309
 HAMISI

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

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

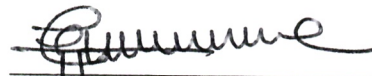
VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	86,010,344.80	81,496,551.70
Other Receipts	3	-	-
		86,010,344.80	81,496,551.70
Payments for operating expenses			
Compensation of Employees	4	826,540.00	3,231,305.90
Use of goods and services	5	6,468,385.60	11,078,650.90
Transfers to Other Government Units	6	37,769,950.00	71,580,369.85
Other grants and transfers	7	13,915,400.00	45,799,090.50
Other Payments	9	-	-
		58,980,275.60	131,689,417.15
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		27,030,069.20	(50,192,865.45)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		27,030,069.20	(50,192,865.45)
Cash and cash equivalent at BEGINNING of the year	13	333,931.10	50,526,796.55
Cash and cash equivalent at END of the year		27,364,000.30	333,931.10

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-HAMISI Constituency financial statements were approved on 14/9/18 2018 and signed by:

Fund Account Manager

Name: STANLEY M. WAKILI



Sub-County Accountant

Name: ORANGE T. GRIFFINS

ICPAK Member Number: 6191

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


VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

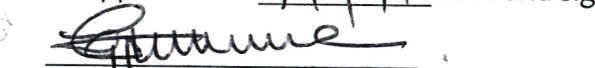
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,344.80	11,713,241.44	98,523,586.24	86,344,275.90	12,179,310.34	87.6%
Proceeds from Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.0%
Other Receipts	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL	86,810,344.80	11,713,241.44	98,523,586.24	86,344,586.90	12,179,310.34	87.6%
PAYMENTS						
Compensation of Employees	4,203,972.30	382,558.00	4,586,530.30	826,540.00	3,759,990.30	18.0%
Use of goods and services	6,878,215.51	975,511.04	7,853,726.55	6,718,385.60	1,135,340.95	85.5%
Transfers to Other Government Units	50,520,000.00	6,831,034.49	57,351,034.49	37,519,950.00	19,831,084.49	65.4%
Other grants and transfers	25,208,156.99	2,524,137.91	27,732,294.90	13,915,400.00	13,816,894.90	50.2%
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0.0%
Other Payments	0.00	1,000,000.00	1,000,000.00	0.00	1,000,000.00	0.0%
TOTAL	86,810,344.80	11,713,241.44	98,523,586.24	58,980,275.60	39,543,310.64	59.9%

a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

N/B: The underutilization was generally caused by the late disbursement of funds from the board headquarters. The budget utilization difference of Kshs. 12,179,310.34 is the amount owing the Constituency by the board.

The NGCDF-HAMISI Constituency financial statements were approved on 14/9/2018 and signed by:


Fund Account Manager
Name: SILVERIUS M. NAKU


Sub-County Accountant
Name: ORIN T. GRIFFINS
ICPAK Member Number: 6191

FUND ACCOUNT MANAGER
NGCDF-HAMISI CONSTITUENCY
P.O. Box 282-50305
KALINDI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI 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 Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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.

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 282
KAIMOSI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 266
KAMISI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized 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 approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

HAMISI CONSTITUENT
DEVELOPMENT FUND
P.O. BOX 288
MARIAKI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 253
Nairobi

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI 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
NGCDF Board			
AIE NO A829558	1		4,094,827.60
AIE NO A855014	2		36,853,449.00
AIE NO A855583	3		40,548,275.10
AIE NO A855815	1	5,500,000.00	
AIE NO A892824	2	37,905,172.00	
AIE NO A896826	3	21,000,000.00	
AIE NO A896902	4	21,605,172.80	
TOTAL		86,010,344.80	81,496,551.70

2. PROCEEDS FROM SALE OF ASSETS

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

HAMISI CONSTITUENCY
DEVELOPMENT FUND
C.O. BONDWE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees		3,040,985.90
Basic wages of casual labour	813,580.00	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	12,960.00	190,320.00
Gratuity	-	-
Total	826,540.00	3,231,305.90

HAMISI CONSTITUENCY
DEVELOPMENT FUND
COLLECTOR

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	3,224,700.00	5,681,000.00
Committee allowance	3,223,000.00	4,585,000.00
Insurance costs		
Specialised materials and services		
Office and general supplies and services	270,685.60	762,650.90
Fuel ,oil & lubricants	-	50,000.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
	-	-
Total	6,718,385.60	11,078,650.90

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 118
KARIAKO

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 -2018	2016 - 2017
	Kshs	Kshs
Transfers to primary schools	9,920,000.00	34,370,000.00
Transfers to secondary schools	23,100,000.00	33,510,369.85
Transfers to Tertiary institutions	4,499,950.00	3,000,000.00
Transfers to Health institutions	-	700,000.00
TOTAL	37,519,950.00	71,580,369.85

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary -Secondary	3,386,000.00	11,224,000.00
Bursary -Tertiary	1,409,400.00	4,484,300.00
Bursary-Special schools	10,000.00	192,500.00
Mocks & CAT	-	-
water	-	-
Agriculture (food security)		
Electricity projects	-	-
Security	4,300,000.00	22,800,000.00
Roads	-	898,470.50
Sports	760,000.00	659,820.00
Other capital grants and transfer	-	100,000.00
Emergency Projects (specify)	4,050,000.00	5,140,000.00
Total	13,915,400.00	45,499,090.50

HAMISI CONSTITUENT
DEVELOPMENT FUND
BOARD OF GOVERNORS

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

10A: Bank Balances (cash book bank balance)		27,364,000.30	333,931.10
Name of Bank, Account No. & currency		2017 - 2018	2016 - 2017
	Account Number	Kshs (30/6/2018)	Kshs (30/6/2017)
KCB Mbale Branch	1102380598	27,364,000.30	333,931.10
		-	-
		-	-
Total		27,364,000.30	333,931.10
10B: CASH IN HAND)			
		2017 - 2108	2016 - 2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
Total		-	-

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 288
KAIMOSI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>

Total

12 RETENTION

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

Total

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017 - 2018 Kshs (1/7/2018)	2016 - 2017 Kshs (1/7/2017)
Bank accounts	27,364,000.30	333,931.10
Cash in hand	-	-
Imprest	-	-
Total	27,364,000.30	333,931.10

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 288
MUSOMBI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HAMISI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts		
Cash in hand		
Imprest		
Total		

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees		
Use of goods and services		
Amounts due to other Government entities (see attached list)		
Amounts due to other grants and other transfers (see attached list)		
Acquisition of assets		
Others (<i>specify</i>)		

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 2822
Nairobi

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 HAMISI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)		

HAMISI CONSTITUENCY
 DEVELOPMENT FUND
 P.O. BOX 249
 KATMOBI

NATIONAL GOVERNMENT ENTITY - (HAMISI CONSTITUENCY)
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For the year ended June 30, 2018 (Ksh)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

HAMISI CONSTITUENCY
 DEVELOPMENT FUND
 P.O. BOX 20266
 KALINDI

NATIONAL GOVERNMENT ENTITY - (HAMISI CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs.)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Grand Total							

HAMISI CONSTITUENCY
 DEVELOPMENT FUND
 P.O. BOX 2952
 KALINDI

NATIONAL GOVERNMENT ENTITY - (HAMISI CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	N/A	N/A	N/A	N/A
Buildings and structures	3,500,000.00	N/A	N/A	3,500,000.00
Transport equipment	319,770.00	N/A	N/A	319,770.00
Office equipment, furniture and fittings	99,300.00	N/A	N/A	99,300.00
ICT Equipment, Software and Other ICT Assets	588,000.00	N/A	N/A	588,000.00
Other Machinery and Equipment	31,150.00	N/A	N/A	31,150.00
Heritage and cultural assets	N/A	N/A	N/A	N/A
Intangible assets	N/A	N/A	N/A	N/A
Total	4,538,220.00	N/A	N/A	4,538,220.00

HAMISI CONSTITUENCY
DEVELOPMENT BOARD
P.O. BOX 2554
KALIMOTO

NATIONAL GOVERNMENT ENTITY - (HAMISI CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Gisambai Primary School	KCB	1115696788	280.00	
Shipala Primary School	KCB	1175861588	2,044.00	
Jivuye Primary School	KCB	1173389458	2,554.00	
Madeya Primary School	KCB	1101803088	1,401.00	
Cheptech Primary School	KCB	1114695998	3,398.00	
Bumuyange Primary School	KCB	1101627867	10,945.00	
Kapsegeli Primary School	KCB	1133370152	20,278.00	
Simbi Primary School	KCB	1101837756	6,628.00	
Musiri Primary School	KCB	1236826809	1,835.00	
Banja Muslim Primary School	KCB	1126380296	2,876.00	
Jeviriri Primary School	KCB	1101840595	1,194.00	
Gamuguywa Primary School	KCB	1131121740	1,496.00	
Shaviringa Primary School	KCB	1101632240	401,680.00	
Hamisi Primary School	KCB	1172671117	74.00	
Cheptembu Primary School	KCB	1171212607	2,600.00	
Jebrongo Primary School	KCB	1102263486	580,675.00	
Kitambazi Primary School	KCB	1113865709	249.00	
Muyere Secondary School	KCB	1162318430	1,210.00	
St. Johns Cheptech Secondary School	KCB	1111932565	90,019.00	
Bumira Secondary School	KCB	1139175238	15,225.00	
Chebunaywa Secondary School	KCB	1150113723	2,769.00	
Kamuluguywa Secondary School	KCB	1170928218	2,659.00	
Ishiru Secondary School	KCB	1102162167	26,171.00	
Tambua DOs Office	KCB	1122467451	4,824.00	
Deputy County Commissioner Project	KCB	1208679031	3,760.00	
Total			1,186,844.00	

HAMISI CONSTITUENCY
DEVELOPMENT FINANCE
P.O. BOX 283
KAIMOI

NATIONAL GOVERNMENT ENTITY - (HAMISI CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

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)
2016-2017-1-01-0213-0(02)	Unvouched expenditure of kshs. 333,286	The vouchers pertaining compensation of employees amount of Kshs. 333,286 were meant for staff salary, NSSF, NHIF and PAYE and staff welfare for the months ended April, May and June 2017. Attached find copies of the vouchers	Fund Account Manager – Hamisi	Resolved	
2016-2017-1-01-0213-0(02)	Funds meant for projects in 2016/2017 totalling to Kshs. 8,600,000.00 were re-allocated to other projects. This means that NGCDF Hamisi didn't do proper project ranking as required by the NGCDF Regulations 2016.	The reallocated funds during the final year totaled to Ksh. 4,950,000 which was reallocated from other projects to fund Bahati Primary School which was in a dire need due to destruction caused by heavy rains. Attached find the board's approval	Fund Account Manager	Resolved	

HAMISI CONSTITUENCY
DEVELOPMENT FINANCE
10.09.2018