

*Paper laid by the
Hon. B. Wafnali
xysf
14/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KABONDO KASIPUL CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KABONDO KASIPUL CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NGCDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015. The Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The Kabondo Kasipul Constituency's 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 2015 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|------------|--------------------|---------------------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E holder | Wilson Juma Ochola |
| 3. | Accountant | Tom Ojwando |
| 4. | | |

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kabondo Kasipul 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) KABONDO KASIPUL NGCDF Headquarters

Jeroza Building
P.O Bo 84-40223
Kisii- Kisumu Highway.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KABONDO
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For the year ended June 30, 2016

(f) KABONDO KASIPUL NGCDF Contacts

Telephone: (254) 0720 352 119
E-mail: Kabondokasipulcdf@gmail.com

(g) KABONDO KASIPUL NGCDF Bankers

1. Co-operative Bank of Kenya
P.O Box
Oyugis

(h) Independent Auditors

The office of 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 NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

The NG-CDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF have improved the Education and Security infrastructures of Kabondo Kasipul.

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

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

Sign 
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KABONDO
KASIPUL CONSTITUENCY**

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For the year ended June 30, 2016

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the **Kabondo Kasipul** NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the **Kabondo Kasipul** NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Kabondo Kasipul NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

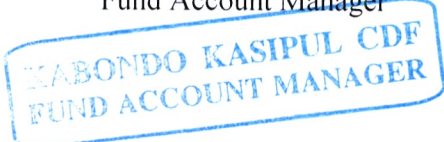
The NGCDF's financial statements were approved and signed by the Accounting Officer on 30-09-2016.



Fund Account Manager



Chairman



REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KABONDO KASIPUL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kabondo Kasipul Constituency set out on pages 5 to 19, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kabondo Kasipul Constituency for the year ended 30 June 2016

of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for Adverse Opinion

1. Understated Cash and Cash Equivalents

The cash and cash equivalents balance of Kshs.61,590,990 as at 30 June 2016 includes in the bank reconciliation statements unrepresented cheques of Kshs.3,892,740 which in turn includes stale cheques of Kshs.1,938,229 not reversed in the cash book. Further, the certificate of bank balance of Kshs.65,482,385 was not availed for audit verification to assist in confirming of bank balance.

Consequently, the management breached the Public Finance Regulations 2015 Section 90 (3) and the validity and accuracy of the cash and cash equivalents balance of Kshs.62,590,990 for the year ended 30 June 2016 could not be confirmed.

2. Acquisition of Assets

Construction of Kabondo Kasipul Constituency Development Fund Office Block

The acquisition of assets figure of Kshs.17,400,000 includes construction of office block of Kshs.17,000,000 for which the tender was awarded to Cedar Construction Africa Limited having quoted Kshs.30,350,160 instead of the lowest responsive bidder- Civil Trust Engineering and Construction Limited that had quoted Kshs.22,618,443, resulting to unexplained variance of Kshs.7,731,718 on the basis that the lowest bidder's estimates was 33.7% lower than the engineer's estimate of Kshs.34,127,034.96. Further, the contractor was paid Kshs.12,000,000 out of a total of Kshs.17,000,000 without completion certificate being signed by a qualified engineer from department of public works and the 10% retention fees of Kshs.1,200,000 was not withheld as required.

Further, the bank statements for the Project Management Committee maintained at Cooperative Bank Oyugis branch- Account No.01141455555900 for the period June 2015 to February 2016 revealed irregular withdrawals amounting to Kshs.6,493,000 that were made on diverse dates by constituency development fund committee members.

Consequently, the propriety of the expenditure on acquisition of assets of Kshs.17,400,000 and whether the residents of Kabondo Kasipul obtained value for money on this transaction could not be confirmed.

3. Other Grants and Transfers

3.1. Funds Transferred to Kabondo Kasipul Roads Project Management Committee

The other grants and transfers figure of Kshs.43,445,665 includes roads figure Kshs.16,064,844 transferred to Kabondo Kasipul Roads Management Committee formed as self-help group/project for six roads project as indicated below:

| Project/Road | Contractor | Amount Kshs. |
|--|-------------------------|-------------------|
| Nyapalo-Nyamwaga Primary-Nyamwaga Bridge | Baba Bakita Enterprises | 3,300,000 |
| Kabongo-Kauma Health Centre Road | Joa's component Co. Ltd | 1,400,000 |
| Ringa-Kojwach-Oriri JN-Komolo Road | Dalko Enterprises Ltd | 2,900,000 |
| Ongoro- Odino and Nyandolo- Ponge Road | Miregi Road Works | 2,200,000 |
| Chabera-Opong'a-Kolwa Road | Enzotec Ventures Ltd | 1,632,422 |
| Ogenga-Kanyangwara-Ramula-Kowidi Road | Farao Enterprises Ltd | 2,200,000 |
| Total | | 13,632,422 |

Physical verification of Ongoro-Odino access road, Ogenga-Kanyangwara-Kowidi road and Nyapalo-Nyamwaga Primary-Nyamwaga Bridge road confirmed that works were complete except for spot gravelling of Ongoro-Odino access road of Kshs.412,200 which was not done but was certified and the funds released to the contractor without retaining 10 % of the funds to carter for defects as required.

Further, the constituency fund management committee members unlawfully and without approval, on diverse dates had withdrawn a total Kshs.4,290,000 from the fund account as indicated below:

| Date | Cheque No. | Payee | Amount Kshs. |
|----------------|------------|---------------|------------------|
| 24 July 15 | 016 | Joshua Andala | 160,000 |
| 19 August 15 | 026 | „ | 100,000 |
| 20 August 15 | 027 | „ | 530,000 |
| „ | 028 | „ | 120,000 |
| 25 August 15 | 032 | „ | 900,000 |
| 01September 15 | 038 | Leonard Okoth | 750,000 |
| 01 September15 | 039 | Leonard Okoth | 800,000 |
| 02 September15 | 043 | Joshua Andala | 700,000 |
| 11September 5 | 044 | Joshua Andala | 230,000 |
| | | Total | 4,290,000 |

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kabondo Kasipul Constituency for the year ended 30 June 2016

Consequently, the propriety of withdrawal of Kshs.4,290,000 and whether the residents of Kabondo Kasipul obtained value for money on this transaction could not be confirmed.

3.2. Construction of Mit Meda Water Project

Included under other grants and payments figure of Kshs.43,445,665 is Kshs.6,062,630 under water which in turn includes Mit Meda Water project of Kshs.5,411,640 paid to Gerabbo Enterprises. However, the constituency development fund committee used restricted tender to award a contract for construction of Mit Meda water project to Gerabbo Enterprises for drilling of a 130m deep borehole, supply and installation of a solar pump, construction of water kiosks and cattle troughs at a contract sum of Kshs.5,411,640 instead of the recommended open tender. The management paid the contractor the full contract sum without retaining 10% as required to cover for the 6 months defect liability period. In addition, the title deed for the land where the project is located was not processed while the test pumping results were not availed for audit verification to ascertain whether the desired water quality and volumes were achieved.

Consequently, the management breached the Section 53 of Public Procurement Regulations, 2006 on the requirement of 10% retention and also the ownership of the land for the year ended 30 June 2016 could not be confirmed.

4. Transfers to other Government Entities

4.1. Breach of Regulations in Construction of Pundo Sports Ground

The transfers to other Government entities figure of Kshs.48,197,351 includes Kshs.12,000,000 under transfers to tertiary institutions which in turn includes Pundo Sports Ground figure of Kshs.2,000,000 allocated to Kabondo Kasipul Sports Committee for improvement of the ground as analysed below;

| Items | Amount (Kshs) | Remarks |
|--|---------------|--|
| Ground Levelling | 288,000 | Works not quantified |
| Purchase of galvanized goal post pipes | 250,000 | Not yet fixed and were sub-standard |
| Trench digging | 779,400 | Not commensurate with the amount paid |
| Purchase of 60 bags of cement | 48,000 | No evidence of work done by cement |
| Purchase of paints | 24,000 | No evidence of painting commensurate to the amount paid. |
| Purchase of 30 iron sheets | 25,500 | No evidence of work done by such number of iron sheets |
| Purchase of 2,000 bricks | 24,000 | The work done by bricks not seen |

| | | |
|---|------------------|----------------|
| Purchase of wheel barrows, jembes, pangas, slashes, spades and axes | 156,500 | Tools not seen |
| Total | 1,595,400 | |

Further, the payments for the above goods and services were made in cash contrary to regulations requiring suppliers to be paid by cheque.

Consequently, the propriety of the payment of Kshs.1,595,400 for Pundo Sports Ground could not be confirmed.

4.2. Procurement of Laboratory Equipment

Included in transfers to other Government entities figure of Kshs.48,197,351 is Kshs.19,237,000 for transfers to secondary schools which additionally includes figure of Kshs.10,000,000 received to finance the projects approved for purchase of laboratory equipment for 20 secondary schools. However, the procurement of Kshs.10,000,000 was split into two by floating tenders No. Kab/KasCDF/Q1/2015/2016 and tender No.Kab/Kas/CDF/Q2/2015/2016 of Kshs.5,000,000 each and subsequently using request for quotation method disregarding the threshold matrix for entities in Class C which sets the maximum at Kshs.500,000. In addition, there was no inspection and acceptance committee report on the equipment's as required by procurement regulations.

Consequently, the management breached Section 54 (1) of the Public Procurement and Disposal Act, 2015 which states that "no procuring entity may structure procurement as two or more for the purpose of avoiding the use of a procurement procedure".

4.3. Procurement of Ambulance

Included in transfers to other government entities figure of Kshs.48,197,351 is a figure of Kshs.11,226,420.00 for transfers to health institutions which in turn includes procurement of ambulance Kshs.6,890,000 paid to Toyota Kenya. The Constituency Fund Management invited quotation for supply of an ambulance and whereby four suppliers quotations were received from Crown Motors Group Ltd Kshs.6,516,335 for supply of Nissan fully converted to ambulance, Simba Corporations Ltd for supply of Mitsubishi fully converted ambulance at Kshs.4,531,980, Nottingham Motors (K) Ltd for supply of Toyota Land cruiser fully converted ambulance at Kshs.6,900,000 and Toyota Kenya Ltd for supply of Toyota Land Cruiser fully converted ambulance at Kshs.7,008,979. The tender committee resolved to buy Toyota land cruiser and tender was awarded to Nottingham Motors (K) Ltd at Kshs 6,900,000. The tender committee further directed that LPO be issued to Nottingham Motors (K) Ltd. However, LPO No. KAB KAS CDF/Q6/2014-15 was issued to Toyota Kenya Ltd at cost of Kshs.7,008,979 disregarding the tender committee recommendation resulting to overpayment of Kshs.108,979.

Consequently, the management breached the Section 31 (1) Public Procurement and Disposal Act, 2015. Further it has not been possible to confirm that the residents of the constituency obtained value for money on this transaction.

Adverse Opinion

In my opinion, except for the effect of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kabondo Kasipul Constituency as at 30 June 2016, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budget Analysis

The overall average budget absorption rate was at 65% as analysed below:

| Expense Item | Approved Budget (Kshs) | Actual Expenditure (Kshs) | Under Expenditure (Kshs) | % of Utilisation |
|-------------------------------------|------------------------|---------------------------|--------------------------|------------------|
| Compensation of Employees | 3,708,312 | 2,229,136 | 1,479,176 | 60 |
| Use of goods and services | 12,667,458 | 8,504,207 | 4,163,251 | 67 |
| Transfers to Other Government Units | 50,095,143 | 48,197,351 | 1,897,792 | 96 |
| Other grants and transfers | 99,347,001 | 43,445,665 | 55,901,336 | 44 |
| Acquisition of Assets | 18,650,035 | 17,400,000 | 1,250,035 | 93 |
| Total | 184,467,949 | 119,776,359 | 64,691,590 | 65 |

2. Project Implementation Status

During the year under review, Constituency Development Fund had an approved budget of Kshs.112,171,301.00 to be spent on eighty three (83) projects out of which an amount of Kshs.101,725,595.00 was disbursed to seventy one (71) projects. Kshs.10,446,000.00 budgeted for twelve (12) projects had not been disbursed as shown below:

| Project Name | Sub-project/ Activities | Allocations (Ksh.) | Disbursement (Ksh.) | Cumulative achievement (%) | Implementation Status (Not started, on-going, completed, stalled or abandoned) |
|------------------------|---------------------------------|--------------------|---------------------|----------------------------|--|
| Chagere Primary School | Construction of 1 new classroom | 500,000 | | 0% | Not started |
| Kogalo | Construction of 1 | 500,000 | | 0% | Not started |

| | | | | | |
|-------------------------------|--|-------------------|---------|-----|-------------|
| Primary School | new classroom | | | | |
| Kitare Primary School | Construction of 1 new classroom | 246,000 | | 0% | Not started |
| Kojwach Boys Secondary School | Construction of dormitory | 400,000 | | 0% | Not started |
| Siany Secondary School | Construction of 1 new classroom | 500,000 | | 0% | Not started |
| Got Rateng Secondary School | Construction of dormitory | 400,000 | | 0% | Not started |
| Kokwanyo Health Centre | Construction of ward | 300,000 | | 0% | Not started |
| Left Water Bank Project | Installation of Water Pump and Construction of Reservoir Tank | 600,000 | | 0% | Not started |
| Chabera Water Project | Installation of Water Pump and Construction of Reservoir Tank | 500,000 | | 0% | Not started |
| Kadongo Water Project | Spring Water Protection | 600,000 | | 0% | Not started |
| Ramba Market | Installation of High mast flood lights | 4,500,000 | | 0% | Not started |
| Dago - Nyandolo - Ponge Road | Grading and Gravelling 5Kms | 1,400,000 | | 0% | not started |
| Sub - Total | | 10,446,000 | | | |
| | | | | | |
| Four Staff Houses | Completion of Staff Houses; Plastering and fittings at Kimonge Health Centre, Ober Health Centre, Got Kamondi Dispensary and Kabondo Kasipul Sub District Hospital | 750,000 | 750,000 | 20% | on going |
| Oriri Primary School | Roofing of damaged classroom | 250,000 | 250,000 | 30% | On going |
| Abuoye Primary School | Completion of 1 classroom | 300,000 | 300,000 | 30% | On going |

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kabondo Kasipul Constituency for the year ended 30 June 2016

| | | | | | |
|--|--|------------|------------|-----|----------|
| Pundo Karayola Sports Ground | Levelling and Shaping of Karayola Sports Ground | 2,000,000 | 2,000,000 | 30% | On going |
| Awach Dispensary | Completion of staff house; Roofing,plastering and fittings | 350,000 | 350,000 | 30% | On going |
| Bongu Nyasire - Nyabondo Pri. - Wadhliech Road | Opening and Drading 2.3 Kms | 2,000,000 | 2,000,000 | 30% | On going |
| Kabondo Kasipul Sports Tournament | Facilitate sports activities at community level through sponshorship of a tournament | 2,000,000 | 2,000,000 | 30% | On going |
| Kabondo Kasipul Environmental Day | Tree planting at the following institution: 12 Chief's camp, Ramula Sub - County Hospital, Got Rateng Sec. School, CDF Office, Deputy Sub County office, Adega Mixed Sec., Gangre Mixed, Ringa Girls and Cleaning of Markets i.e Kadongo, Ramba, Ringa and Chabera | 2,000,000 | 2,000,000 | 30% | On going |
| Kodada Market Centre | Construction of Boda Boda Shed | 400,294 | 400,294 | 30% | On going |
| CDF Office Construction | Construction of CDF Office | 10,000,000 | 10,000,000 | 30% | on going |
| Orinde Primary School | Completion of 1 classroom, plastering and fittings | 300,000 | 300,000 | 40% | On going |
| Ober Secondary School | Completion of Dining Hall; Painting and fittings | 250,000 | 250,000 | 40% | On going |

| | | | | | |
|--|---|------------|------------|-----|----------|
| Kokwanyo Secondary School | Completion of Laboratory; fittings and painting | 250,000 | 250,000 | 40% | On going |
| Otel Mixed Secondary School | Completion of Administration Block | 300,000 | 300,000 | 40% | On going |
| Orera Secondary School | Completion of Administration Block | 400,000 | 400,000 | 40% | On going |
| Owiro Secondary School | Completion of Laboratory; fittings and plumbing works | 300,000 | 300,000 | 40% | On going |
| Kabongo Pri. Kagola - Obondo St. - Ramba - Awach | Opening and Grading of Road 3Kms | 2,000,000 | 2,000,000 | 40% | On going |
| Omuga Technical Training Institute | Construction of 1 workshop measuring 11m x 16m, three lecture rooms each one measuring 8m x 6m and an office space measuring 5.5m x 5.4m all located on the ground floor respectively | 10,000,000 | 10,000,000 | 40% | on going |
| Pala Dispensary | Completion of Dispensary; Walling and roofing | 400,000 | 400,000 | 40% | On going |
| Kochola - Ogilo Road | Opening and Grading 2Kms | 1,000,000 | 1,000,000 | 40% | On going |
| Keyo Nyangwen - God Okombo Road | Opening and Grading 2Kms | 1,000,000 | 1,000,000 | 40% | On going |
| Ringa - Dudu Primary - Miruka Road | Opening, Grading and Culverting 2Kms | 2,000,000 | 2,000,000 | 40% | On going |
| Ringa - Nyaluru Primary - God Agak Sec. School | Opening and Grading 1.6 Kms | 1,000,000 | 1,000,000 | 40% | On going |

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| | | | | | |
|--|---|-------------------|-------------------|------|----------|
| Ramula Market-Kowidi Primary School | Grading and Culverting of road 1Km | 1,000,000 | 1,000,000 | 40% | On going |
| Ponge Pri. - Oogo Pri. - Abuoye Pri. - Miriu Road | Opening, Culverting, Patch Gravelling and Grading 5Kms | 3,000,000 | 3,000,000 | 40% | Ongoing |
| Mikai Market Centre | Construction of Boda Boda Shed | 400,000 | 400,000 | 40% | Ongoing |
| Riat Market Centre | Construction of Boda Boda Shed | 400,000 | 400,000 | 40% | Ongoing |
| Otondo Secondary School | Completion of a classroom; plastering and fittings | 200,000 | 200,000 | 60% | On going |
| Tala Dispensary | Completion of maternity ward;Plastering, fittings and painting | 200,000 | 200,000 | 60% | On going |
| Ringa Dispensary | Completion of Dispensary;Walli ng and roofing | 1,000,000 | 1,000,000 | 60% | On going |
| Kabondo Sub District Hospital | Construction of Maternity ward | 1,000,000 | 1,000,000 | 60% | On going |
| Kabongo-Kauma Health Centre | Grading and Gravelling 3Kms | 1,000,000 | 1,000,000 | 60% | On going |
| Narrow Gate - Ongujo Pri. - Osasa - Anyona Pri Ring Road | Grading, Patch Gravelling and Culverting of Road | 1,000,000 | 1,000,000 | 60% | On going |
| Chabera - Oponga - Kolwa Pri. - Kowiti Road | Grading, Patch Gravelling and Culverting of Road 1.6Kms | 1,000,000 | 1,000,000 | 60% | On going |
| Mikai-Apondo Road | Completion of Gravelling and Grading 0.8 Kms | 600,000 | 600,000 | 70% | On going |
| Sub -Total | | 50,050,294 | 50,050,294 | | |
| Employee salary | Payment of salaries and other benefits accruing to the CDFC staff | 1,967,040 | 1,967,040 | 100% | Complete |

| | | | | | |
|--|---|-----------|-----------|------|----------|
| Goods and services | Purchase of fuel, oil and lubricants, printing, stationery, telephone expenses, office tea, office utilities, security services, bank charges and commissions, travel and subsistence and routine maintenance of vehicles and other transport equipment | 2,537,360 | 2,537,360 | 100% | Complete |
| Committee Expenses | Payment of committee sitting allowances and other allowances to CDFC members | 1,600,000 | 1,600,000 | 100% | Complete |
| Social Security benefits | Payment of employees contribution to NSSF | 102,960 | 102,960 | 100% | Complete |
| Acquisition of office furniture and fittings | Acquisition of office furniture and fittings | 250,000 | 250,000 | 100% | Complete |
| M & E Goods and Services | Purchase of fuel, oil, lubricants, stationery, telephone expenses, vehicle hire and refreshments. | 700,000 | 700,000 | 100% | Complete |
| M & E Committee Expenses | Payment of committee sitting allowances and other allowances to CDFC members, transport, conference facilities | 1,000,000 | 1,000,000 | 100% | Complete |
| M & E Capacity Building of | Capacity building of CDFC, CDFC | 1,500,000 | 1,500,000 | 100% | Complete |

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kabondo Kasipul Constituency for the year ended 30 June 2016

| | | | | | |
|---|--|------------|------------|------|----------|
| CDFC, PMCs and CDFC staff | staff and PMCs and publicizing CDF | | | | |
| Bursary - Secondary Schools | Fees payment for needy students in secondary schools | 5,700,000 | 5,700,000 | 100% | Complete |
| Bursary - Tertiary/ Universities Institutions | Fees payment for needy students in colleges and universities | 12,000,000 | 12,000,000 | 100% | Complete |
| Bursary - Special Schools | Fees payment to needy students in special schools | 300,000 | 300,000 | 100% | Complete |
| MOCKS & CATs | Funds for conducting continuous assessment tests and mocks | 2,000,000 | 2,000,000 | 100% | Complete |
| Emergency Reserve | Emergency reserve for urgent and unforeseen need for expenditure | 5,767,647 | 5,767,647 | 100% | Complete |
| Kolal Primary School | Construction of 1 new classroom | 500,000 | 500,000 | 100% | Complete |
| Omiro Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Angino Mixed Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Apondo Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Ringa Girls Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Got Rateng Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Ponge Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Bishop Linus Okok Girls Secondary | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kabondo Kasipul Constituency for the year ended 30 June 2016

| School | | | | | |
|---|--|-----------|-----------|------|----------|
| Ongoro Mixed Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Orinde Mixed Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| St. Mary's Andingo Girls Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Ogilo Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| St. Peters God Agak Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| St. Paul's Oriang Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| God Ber Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Kadie Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Ober Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Owiro Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| Otondo Secondary School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| St. Philips Nyabondo Sec. School | Purchase of laboratory equipment | 500,000 | 500,000 | 100% | Complete |
| God Ber Health Centre | Completion of Staff house; Roofing and plastering | 250,000 | 250,000 | 100% | Complete |
| Mit Meda Water Project | Borehole Drilling and Construction of Reservoir Tank | 5,500,000 | 5,500,000 | 100% | Complete |
| Kandegwa Secondary | Purchase of laboratory | 500,000 | 500,000 | 100% | Complete |

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kabondo Kasipul Constituency for the year ended 30 June 2016

| | | | | | |
|----------------------|-----------|--------------------|--------------------|--|--|
| School | equipment | | | | |
| Sub - Total | | 51,675,007 | 51,675,007 | | |
| Grand - Total | | 112,171,301 | 101,725,301 | | |

Out of a total of eighty three (83) projects planned for execution in the year under review, twelve (12) projects with a budget of Kshs.10,446,000 were not funded during the year despite the fund having cash at bank amounting to Kshs.61,590,990 as at 30 June 2016.

In addition, thirty six (36) projects with total budget of Kshs.51,675,007 were complete, thirty five (35) projects with a budget of Kshs.50,050,294 were at various levels of completion ranging between 20% and 70% while twelve (12) other projects worth Kshs.10,446,000 had not commenced.

Due to non-implementation of the twelve (12) projects, the residents of the Constituency failed to receive the benefits accruing from planned programs and activities for the year ended 30 June 2016.

3. Project Verification

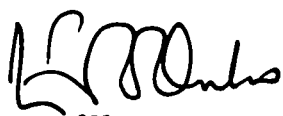
During the year under review, thirteen (13) projects costing Kshs.65,571,757 were verified during the audit in June 2017 and nine (9) projects were found to be complete and in use while four (4) projects were in various stages of completion ranging between 30% and 70%.

| No | Project Name | Activity | Budget (Kshs) | Status | Observation |
|----|------------------------------|---|---------------|----------|---|
| 1 | Odino Dispensary Access Road | Opening, culverting, sporting gravelling | 2,200,000 | Complete | Unexplained cash withdrawals of project funds. Opening and spot gravelling done |
| 2 | Mit Meda Water Project | Drilling of borehole, supply of water pump, construction of water kiosks and cattle tough | 5,411,640 | Complete | Use of restricted instead of open tender. Complete and in use |
| 3 | Kochola boda boda sheds | Construction of boda boda shed | 360,000 | Complete | Complete and in use |
| 4 | Adega-Kitare- | Opening, installation of | 3,300,000 | Complete | Unexplained cash |

| | | | | | |
|----|------------------------------------|---|---------------|---|--|
| | Awach Road | culverts, spot gravelling | | | withdrawals of project funds. Opening and sport gravelling done |
| 5 | Ogenga-Kanyangwara Road | Opening, installation of culverts, spot gravelling | 2,200,000 | Complete | Unexplained cash withdrawal of project funds |
| 6 | Construction of CDF office | Construction of CDF office | 30,350,116.58 | 30% Complete | Roofing was in progress. Unexplained cash withdrawal of project funds |
| 7 | Construction of Pundo Sport Ground | Sports ground construction | 2,000,000 | 30% Complete | Gravel spread and trenches dug. Use of cash instead of adherence to procurement laws |
| 8 | Ringa boda boda shed | Nyals Engineering | 360,000 | Complete | Complete and in use |
| 9 | Kaso Water Project | Installation of water pipes | 500,000 | Intended works complete | Pipes laid |
| 10 | Ringa Dispensary | Completion of dispensary: walling and roofing | 1,000,000 | Intended works complete | In use |
| 11 | Kabondo Sub-District Hospital | Construction of maternity ward | 1,000,000 | The work is ongoing almost 70% complete | WIP |
| 12 | Omuga Technical Training Institute | Construction of 1 workshop measuring 11m x 16m, three lecture rooms each measuring 8m x | 10,000,000 | The work is ongoing Almost 50% complete | WIP |

| | | | | | |
|----|-------------------------------|---|-------------------|-------------------------|--|
| | | 6m and an office space measuring 5.5m x 5.4m all allocated on the ground floor. | | | |
| 13 | Kabondo Sub-District Hospital | Purchase of Ambulance | 6,890,000 | Intended works complete | The procurement procedures were not followed |
| | Total | | 65,571,757 | | |

Most of the projects were branded as required by the National Government Constituencies Development Fund Act, 2015. However, a few were not branded as required and there is risk of overlap of projects especially where there is multi-funding by the County Government and other Agencies of National Government.



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

Nairobi

22 January 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KABONDO
KASIPUL CONSTITUENCY**

Reports and Financial Statements


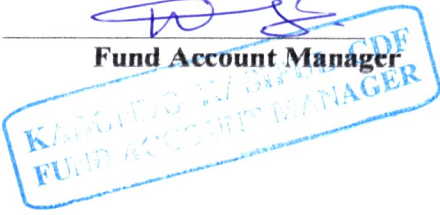
For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2015 - 2016 | 2014 - 2015 |
|---|------|--------------------|---------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from CDF board-AIEs' Received | 1 | 163,946,041 | 53,774,740 |
| Proceeds from Sale of Assets | 2 | - | |
| Other Receipts | 3 | - | 51,000 |
| TOTAL RECEIPTS | | 163,946,041 | 53,825,740 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 2,229,136 | 1,294,601 |
| Use of goods and services | 5 | 8,504,207 | 4,734,557 |
| Transfers to Other Government Units | 6 | 48,197,351 | 24,750,000 |
| Other grants and transfers | 7 | 43,445,665 | 53,421,077 |
| Acquisition of Assets | 8 | 17,400,000 | 1,423,263 |
| Other Payments | 9 | - | - |
| TOTAL PAYMENTS | | 119,776,359 | 85,623,498 |
| SURPLUS/DEFICIT | | 44,169,682 | (31,797,758) |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kabondo Kasipul NGCDF financial statements were approved on 30-09- 2016 and signed by:


Chairman - NGCDFC


Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KABONDO
KASIPUL CONSTITUENCY**


Reports and Financial Statements


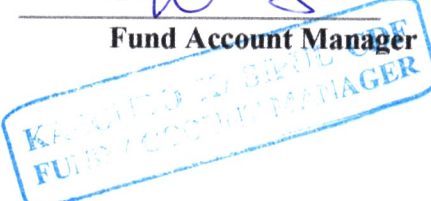
For the year ended June 30, 2016

V. STATEMENT OF ASSETS

| | Note | 2015 - 2016 | 2014 - 2015 |
|---------------------------------------|------|-------------------|-------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 61,590,990 | 18,491,907 |
| Cash Balances (cash at hand) | 10B | - | - |
| | | 61,590,990 | 18,491,907 |
| Outstanding Imprests | 11 | 1,300,600 | 230,000.00 |
| TOTAL FINANCIAL ASSETS | | 62,891,590 | 18,721,907 |
| REPRESENTED BY | | | |
| Retention | 12 | | |
| Fund balance b/fwd 1st July... | 13 | 18,721,907 | 50,519,665 |
| Surplus/Deficit for the year | | 44,169,682 | (31,797,758) |
| NET LIABILITIES | | 62,891,589 | 18,721,907 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kabondo Kasipul NGCDF financial statements were approved on 30-09- 2016 and signed by:


Chairman - NGCDFC



Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KABONDO
KASIPUL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

VI. STATEMENT OF CASHFLOW

| | | 2015 - 2016 | 2014 - 2015 |
|--|-----------|---------------------|---------------------|
| Receipts for operating income | | | |
| Transfers from CDF Board | 1 | 163,946,041 | 53,774,740 |
| Other Receipts | 3 | - | 51,000 |
| | | 163,946,041 | 53,825,740 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 2,229,136 | 1,294,601 |
| Use of goods and services | 5 | 8,504,207 | 4,734,557 |
| Transfers to Other Government Units | 6 | 48,197,351 | 24,750,000 |
| Other grants and transfers | 7 | 43,445,665 | 53,421,077 |
| | | 102,376,359 | 84,200,235 |
| Adjusted for: | | | |
| Adjustments during the year | 14 | (1,070,600) | 429,500 |
| Net cash flow from operating activities | | 60,499,082 | (29,944,995) |
| | | | |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | (17,400,000) | (1,423,263) |
| Net cash flows from Investing Activities | | (17,400,000) | (1,423,263) |
| | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 43,099,082 | (31,368,258) |
| Cash and cash equivalent at BEGINNING of the year | 13 | 18,491,907 | 49,860,166 |
| Cash and cash equivalent at END of the year | | 61,590,989 | 18,491,908 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kabondo Kasipul NGCDF financial statements were approved on 30-09- 2016 and signed by:


Chairman NGCDFC


Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KABONDO
KASIPUL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

**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 | 113,971,301 | 70,496,648 | 184,467,949 | 98,001,772 | 86,466,176 | 53.1% |
| TOTAL | 113,971,301 | 70,496,648 | 184,467,949 | 98,001,772 | 86,466,176 | 53.1% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,070,000 | 1,638,312 | 3,708,312 | 2,229,136 | 1,479,176 | 60.1% |
| Use of goods and services | 7,837,360 | 4,830,098 | 12,667,458 | 8,504,207 | 4,163,251 | 67.1% |
| Transfers to Other Government Units | 31,846,000 | 18,249,143 | 50,095,143 | 48,197,351 | 1,897,792 | 96.2% |
| Other grants and transfers | 61,967,941 | 37,379,060 | 99,347,001 | 43,445,665 | 55,901,336 | 43.7% |
| Acquisition of Assets | 10,250,000 | 8,400,035 | 18,650,035 | 17,400,000 | 1,250,035 | 93.3% |
| TOTAL | 113,971,301 | 70,496,648 | 184,467,949 | 119,776,359 | 64,691,590 | 64.9% |

(a) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The constituency received the final AIE of shillings 56,171,301.00 towards the end of the financial year hence was not able to do projects in relation to other grants and transfers in full.

The **KABONDO KASIPUL** NGCDF financial statements were approved on 30-09-2016 and signed by:

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2015 - 2016 | 2014 -2015 |
|---------------------------------|-----------|--------------------|-------------------|
| | | Kshs | Kshs |
| Normal Allocation | A796197 | 38,887,370 | |
| | A796210 | 12,887,370 | |
| | A796423 | 30,000,000 | |
| | | 26,000,000 | |
| | A825789 | 56,171,301 | |
| | | | |
| | A750454 | | 26,887,370 |
| | A796543 | | 14,132,422 |
| | A796747 | | 12,754,948 |
| Conditional grants | | | - |
| | AIE NO... | - | |
| Receipt from other Constituency | AIE NO... | - | |
| TOTAL | | 163,946,041 | 53,774,740 |

2. PROCEEDS FROM SALE OF ASSETS

| | 2015 – 2016 | 2014 – 2015 |
|--|-------------|-------------|
| | Kshs | Kshs |
| Receipts from sale of Buildings | | |
| Receipts from the Sale of Vehicles and Transport Equipment | | |
| Receipts from sale of office and general equipment | | |
| Receipts from the Sale Plant Machinery and Equipment | | |
| | | |
| Total | | |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2015 - 2016 Kshs | 2014 - 2015 Kshs | |
|--------------|---------------------|---------------------|----------|
| | - | 51,000 | - |
| Total | - | 51,000 | - |

4. COMPENSATION OF EMPLOYEES

| Description | 2015 - 2016 Kshs | 2014 - 2015 Kshs |
|---|------------------------|---------------------|
| Basic wages of contractual employees | 1,663,018 | 1,022,304 |
| Personal allowances paid as part of salary | - | |
| Employer contribution to NSSF | 55,270 | 57,408 |
| gratuity | 510,848 | 214,889 |
| Total | 2,229,136 | 1,294,601 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| Description | 2015 - 2016 | 2014 - 2015 |
|--|------------------------|--------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 129,200 | 400,030 |
| Office rent | 114,000 | 228,000 |
| Communication, supplies and services | 88,375 | 132,000 |
| Domestic travel and subsistence | 1,491,800 | 300,000 |
| Printing, advertising and information supplies & services | 265,503 | 181,307 |
| Training expenses | 857,000 | - |
| Hospitality supplies and services | 629,645 | 96,700 |
| Other committee expenses | 397,830 | 684,000 |
| Committee allowance | 2,908,000 | 600,000 |
| Office and general supplies and services | 1,200 | 528,000 |
| Fuel ,oil & lubricants | 600,000 | 700,000 |
| Other operating expenses | 7,590 | 283,901 |
| Routine maintenance – vehicles and other transport equipment | 996,719 | 503,678 |
| Routine maintenance – other assets | - | 76,561 |
| Bank charges | 17,345 | 20,380 |
| Total | 8,504,207 | 4,734,557 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2015 - | 2014 - 2015 |
|------------------------------------|-------------------|-------------------|
| | 2016 | |
| | Kshs | Kshs |
| Transfers to primary schools | 5,733,931 | 8,200,000 |
| Transfers to secondary schools | 19,237,000 | 10,400,000 |
| Transfers to Tertiary institutions | 12,000,000 | |
| Transfers to Health institutions | 11,226,420 | 6,150,000 |
| TOTAL | 48,197,351 | 24,750,000 |

7. OTHER GRANTS AND OTHER PAYMENTS

| Description | 2015 - | 2014 - 2015 |
|------------------------------|-------------------|-------------------|
| | 2016 | |
| | Kshs | Kshs |
| Bursary -Secondary | 7,083,000 | 5,671,000 |
| Bursary -Tertiary | 7,265,125 | 7,366,000 |
| Bursary-Special schools | 45,000 | 143,000 |
| Mocks & CAT | 1,419,600 | - |
| strategic plan | 650,000 | 2,600,000 |
| water | 6,062,630 | 1,100,000 |
| Cultural activities | - | 300,000 |
| Electricity projects | - | 13,121,151 |
| Security | 1,391,213 | 1,300,000 |
| Roads | 11,932,422 | 16,087,425 |
| Sports | 500,000 | 2,100,000 |
| Bodaboda sheds | 1,924,891 | |
| environment | 2,000,000 | 200,000 |
| Emergency Projects (specify) | 3,171,784 | 3,432,501 |
| Total | 43,445,665 | 53,421,077 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

8. ACQUISITION OF ASSETS

| <u>Non-Financial Assets</u> | | 2015 - 2016 | 2014 - 2015 |
|---|--|------------------------|--------------------|
| | | Kshs | Kshs |
| Construction Of Buildings | | 17,000,000 | |
| Overhaul Of Vehicles | | - | 338,153 |
| Purchase Of Office Furniture And Fittings | | | 149,965 |
| Purchase Of Computers ,Printers And Other IT Equipments | | 400,000 | - |
| Acquisition Of Land | | - | 935,144 |
| Total | | 17,400,000 | 1,423,263 |

9. OTHER PAYMENTS

There were no other payments in the financial year 2015/2016.

10A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | | 2015 - 2016 | 2014 - 2015 |
|---|---------------------------|-----------------------------|-----------------------------|
| | Account Number | Kshs (30/6/2016) | Kshs (30/6/2015) |
| <i>Cooperative Bank Oyugis</i> | | 61,590,990 | 18,491,907 |
| Total | | 61,590,990 | 18,491,907 |

10 B

During the financial year 2015/2016 there were cash in hand.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

| <i>Name of Officer</i> | | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance (30/6/2016)</i> |
|-------------------------|---------------------------|---------------------|---------------------------|----------------------------|
| | Date imprest taken | Kshs | Kshs | Kshs |
| <i>Wilson Ochola</i> | 7.01.2016 | 700,000 | - | 700,000 |
| <i>Naphtally Ochuma</i> | 14.06.2016 | 600,600 | - | 600,600 |
| | | | 230,000 | 1,300,600 |

12. Retention

There were retentions during the financial year 2015/2016, however all retentions cheques were written during payments to the merchants and the cheques were deposited at the sub county accountant office awaiting release when time elapses.

13. BALANCES BROUGHT FORWARD

| | | 2015 - 2016 | 2014 - 2015 |
|---------------|--|--------------------|--------------------|
| | | Kshs | Kshs |
| Bank accounts | | 18,491,907 | |
| Imprest | | 230,000 | |
| Total | | 18,721,907 | 50,519,666 |

14. PRIOR YEAR ADJUSTMENTS

IMPRESTS FOR THE YEAR 2015/16-IMPRESTS FOR THE YEAR 2014/15

1,300,600-230,000

1,070,600

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
KABONDO KASIPUL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLES

There were no pending accounts payables

15.2: PENDING STAFF PAYABLE

| | 2015- 2016 | 2014 - 2015 |
|----------|-------------------|--------------------|
| | Kshs | Kshs |
| Gratuity | 510,848 | 214,889 |
| | 510,848 | 214,889 |

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

| Asset Class | Historical Cost (Kshs) 2015/16 | Historical Cost (Kshs) 2014/15 |
|--|---|---|
| Land | 965,200 | 965,200 |
| Buildings and structures (office construction) | 17,000,000 | - |
| Transport equipment | 5,750,000 | 5,750,000 |
| Office equipment, furniture and fittings | 371,354 | 371,354 |
| ICT Equipment, Software and Other ICT Assets | 807,445 | 407,445 |
| Other Machinery and Equipment | - | - |
| Heritage and cultural assets | -- | - |
| Intangible assets | | |
| Total | 24,893,999 | 7,493,999 |


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PROGRESS ON FOLLOW-UP OF AUDITORS RECOMMENDATIONS

| Reference Number | Issue/Observation | Management Comments | Focal Point Person to Resolve the Issue(Name and Designation) | Status (Resolved Or Not Resolved) | Time Frame(Put A Date When You Expect the Issue To be Resolved) |
|-------------------------------|--|---|--|------------------------------------|---|
| REF:KS M/KK/C DF/2014 /15(17) | Budget implementation analysis The approval of the board was 105549481 and only disbursed 53774740 creating a deficit of 52236786 | The under expenditure resulted from late disbursement from the CDF board | FAM Kabondo Kasipul | Resolved | 1 month |
| | Irregular reallocations from Nyamwaga PMC to roads and bursary | The reallocations were duly approved by the board it's that the reallocation file was not requested by the auditors | FAM Kabondo Kasipul | Resolved | 1 week |

Prepared by:


Wilson Juma Ochola
Fund Account Manager
KABONDO KASIPUL

