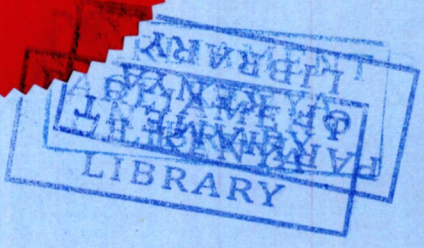


*Paper laid by the  
Hon. B. Wasike  
14/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

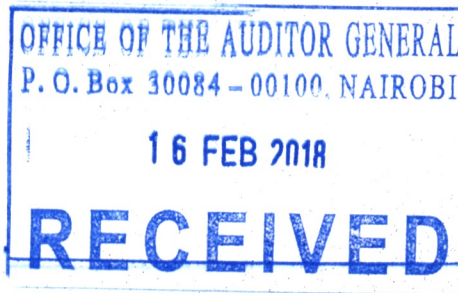
**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**





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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
BONCHARI CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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





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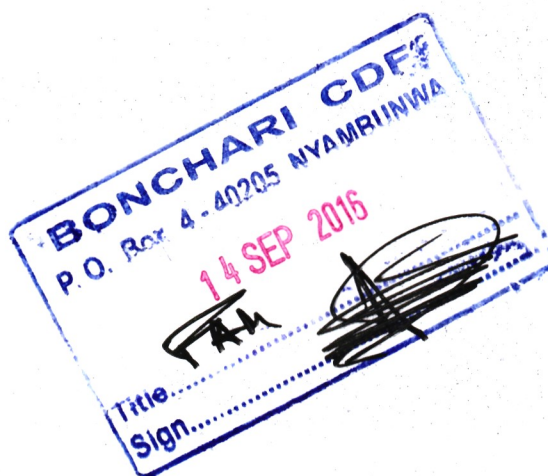
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

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

**Reports and Financial Statements  
For the year ended June 30, 2016**

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**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The National Government Constituencies Development Fund (NGCDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015.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 National Government 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**

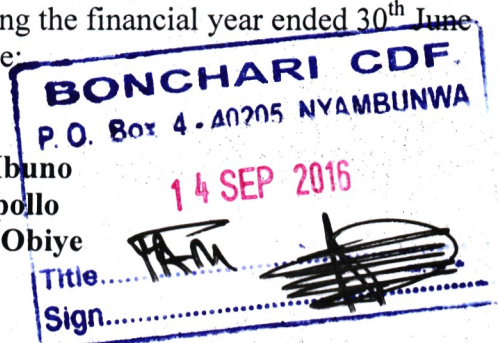
The BONCHARI Constituency's day-to-day management is under the following key organs:

- i. 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 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Amos Apollo
3.	Accountant	Jackson Obiye



**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of BONCHARI 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) BONCHARI NGCDF Headquarters**

NGCDF Office Building – Suneka Town  
P.O Bo 4  
Nyambunwa

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

**Reports and Financial Statements  
For the year ended June 30, 2016**

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**(f) BONCHARI NGCDF Contacts**

Telephone: (254) 0721489083  
E-mail: bonchari@NGCDF.go.ke  
Website: www.bonchari.go.ke

**(g) BONCHARI NGCDF Bankers**

EQUITY BANK KISII  
P.O Box  
KISII

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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





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

**Reports and Financial Statements**

**For the year ended June 30, 2016**

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

On behalf of Bonchari Constituency Development Fund committee, i wish to confirm that we received Kshs. 112,937,451 during the financial year 2015/16 and spent

Kshs. 131,116,874 high by Kshs. 10,978,770 from the receipts. This resulted in paying projects that were brought forward from other financial years with their balances.

This was an improvement as compared to other financial years due to the fact that the constituency was behind based on the by-election that delayed the disbursement of funds from the CDF Board.

However, the committee has made tremendous improvement on spending in various sectors such as roads, education, and bursary among others.

The committee was however concerned about a clear cut between county government projects and CDF projects and hence look forward to policy guideline from the Board.

Sign.....  
**CHAIRMAN NGCDFC**

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

**Reports and Financial Statements  
For the year ended June 30, 2016**

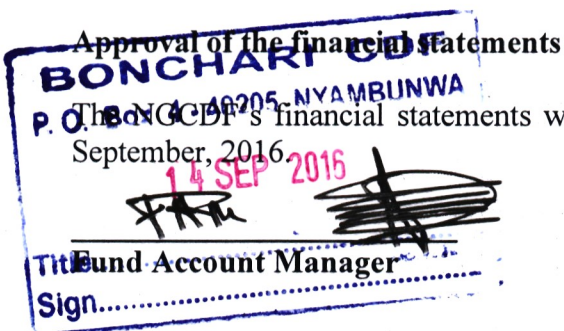
**I. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES**

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 BONCHARING CDF 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 BONCHARI 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 BONCHARI 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 BONCHARI 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.



\_\_\_\_\_  
Chairman



12007

# REPUBLIC OF KENYA

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Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BONCHARI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bonchari Constituency set out on pages 7 to 27, which comprise the statement of financial 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 (ISSAIs). 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 of the financial

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

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 the 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 qualified audit opinion.

### **Basis for Qualified Opinion**

#### **1. Cash and Cash Equivalents**

The statement of financial assets reflects the bank balance as of Kshs.30,309,138 which includes stale cheques amounting to Kshs.3,908,600. These cheques had not been reversed in the cashbook by the year end. A certificate of bank balance was also not availed to support the reported bank balance.

Consequently, the accuracy of the bank balance of Kshs.30,309,138 as at 30 June 2016 could not be confirmed.

#### **2. Transfers to Other Governments Units**

The Constituency Development Fund Committee disbursed a total of Kshs.22,032,756 in the form of transfers to other Government units during the year under review as reflected in the statement of receipts and payments. Out of this amount, Kshs.3,100,000 made to various PMCs was not supported with expenditure returns including cashbooks, bank statements, stores records, minutes and other relevant accounting documents as shown below;

<b>Institution</b>	<b>Amount</b>
	<b>Kshs.</b>
Nyakungu Primary School	1,500,000
Marindi Primary School	300,000
Mwamisoko Primary School	300,000
Genga Dok Primary	250,000
Bogitaa Primary School	250,000
Ekerubo High School	250,000
St. Lawrence Nyabieyo Secondary	250,000
<b>Total</b>	<b>3,100,000</b>

### 3. Other Grants and Transfers

The Constituency Development Fund Committee disbursed a total of Kshs.93,704,220 in the form of other grants and transfers during the year under review. These funds were administered through Project Management Committees (PMCs) spread throughout the Constituency. However, disbursements totaling Kshs.9,994,812 transferred to various PMCs were not adequately supported with expenditure returns, cash books as shown below:

<b>Institution</b>	<b>Amount Kshs.</b>
Gesebe Water Spring	500,000
Bogiakumu Chiefs Office	1,000,000
Gesero Tree Nursery	200,000
Bonchari Environment Project	1,336,435
Bonchari Environment Project	1,708,377
Nyamiobo Mogoga Road	2,750,000
Motonto Kebute Nyangiti Road	2,500,000
<b>Total</b>	<b>9,994,812</b>

In the absence of supporting documents, the funds disbursed to PMCs may not have been utilised for the intended purposes.

### 4. Transfer to Health Institutions

Included in other grants and transfers of Kshs.93,704,220 is Kshs.5,982,756 transfers to health institutions as per note to the financial statement. Though the CDF Board approved the transfers for projects which had been started before the National Government Constituency Development Fund Act, 2015 came into operation, a project verification carried out on various dispensaries on 30 May 2017 revealed that the projects are far from being completed and their continued funding will be in contravention of the Act.

Consequently, the expenditure of Kshs.5,982,756 on health institutions was in breach of the law.

### 5. Fixed Asset Register

The summary of fixed assets under annex 4 reflected Kshs.35,805,653. However, the figure was not supported by detailed fixed assets register. In the circumstances, the accuracy of the summary of fixed assets figure could not be confirmed.

### Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the

financial position of National Government Constituencies Development Fund - Bonchari 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 Performance Analysis

Bonchari CDF was allocated Kshs.113,891,649 by the National Government Constituencies Development Fund Board but only Kshs.112,937,451 was disbursed to the constituency and the expenditure totaled to Kshs.131,116,874 during the year. A comparison of budget and actual amounts for the year under review is shown as below:

Item	Budget Kshs	Actual Expenditure Kshs	Under Expenditure Kshs	Over Expenditure Kshs	Absorption Rate %
Receipts	113,891,649	112,937,451	954,198		99
Compensation of employees	2,100,000	1,888,325	211,675	0	90
Use of goods and services	4,726,248	2,752,998	1,973,250	0	58
Committee expenses	3,124,000	3,333,000	0	209,000	107
Social security benefits	300,000	204,922	95,078	0	68
Bursary/Cats/Mocks	24,206,000	26,945,000	0	2,739,000	111
Transfers To Primary Schools	12,050,000	7,000,000	5,050,000	0	58
Transfers To Secondary Schools	9,700,000	9,050,000	650,000	0	93
Health Projects	4,000,000	5,982,756	0	1,982,756	150
Roads	43,362,080	46,112,080	0	2,750,000	106
Sports Activities	2,277,836	5,152,830	0	2,874,994	226
Environmental Projects	2,277,837	5,394,310	0	3,116,473	237
Emergency	5,767,647	4,200,000	1,567,647	0	73
Water	0	1,200,000	0	1,200,000	100
Agriculture	0	2,700,000	0	2,700,000	100
Security	0	2,000,000	0	2,000,000	100
Motor Vehicle	0	6,700,653	0	6,700,653	100
CDF Hall Furniture	0	500,000	0	500,000	100
<b>Total</b>	<b>113,891,648</b>	<b>131,116,874</b>	<b>9,547,650</b>	<b>26,772,876</b>	<b>115</b>

The following anomalies were noted:

- i. The overall over spending was 15% above budget mainly attributed to slow absorption of funds.
- ii. The Constituency under spent on six (6) line items with a total expenditure of Kshs.9,547,650 and overspent on eleven (11) line items with a total of Kshs.26,772,876.
- iii. The expenditure shows that committee expenses, bursary/cats/mocks, health, roads, sports activities and environmental projects had the highest over expenditure and no explanation was provided for the material variations neither were reallocations by the board before the end of the financial year.
- iv. The prior year audited financial statements reflected the unspent funds as at 30 June 2015 of Kshs.48,488,561 which was supported while the statement of appropriation reflects an adjustment on the budget estimates of Kshs.102,578,910 leading to an unsupported variance of Kshs.54,090,349. The management did not provide schedules of projects earmarked for implementation from the funds rolled over from the prior year.

Consequently, there was delayed service delivery to citizens of the constituency due to slow rate of absorption of funds.

## 2. Project Verification

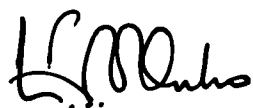
During the year under review, twelve (12) projects costing Kshs.20,370,689 were verified during the audit in June 2017, and eight (8) projects were found to be complete and in use while the rest were in various stages of completion.

Details	Project Activity	Amount Kshs	Remarks
Masagoye Primary	Construction of 3 classrooms	1,500,000	Three classrooms completed and in use
Nyakungu Primary School	Construction of classrooms	1,500,000	Walling up to lintel level/construction being done in phases
Kiaruta Dispensary	Construction of Staff house	1,120,689	Project done up to foundation stage
Riamontinga Sec. School	Construction of Laboratory	1,000,000	Initial proposal was for laboratory which was changed to two classrooms -Scope varied to storied classrooms due to lack of space/PMC returns done/Construction done up to Lintel level



Bitare Secondary	Construction of laboratory	1,000,000	Initial proposal was for laboratory. However some of the funds were diverted for flooring, plastering, and painting of 5 existing classrooms and construction of veranda. Laboratory done up to lintel stage
Kiamoiro Water Spring	Rehabilitation of water spring	700,000	Rehabilitation completed. No labelling done
Mwamisoko-Omosege Iterio Road	Gravelling and laying of culverts	2,250,000	Project complete though no labelling done
Nyabieyo-Bomariba Road	Grading, gravelling and laying of culverts	2,750,000	Project complete though no labelling done
Egetare-Genga Road	Grading, gravelling and laying of culverts	3,000,000	Project complete though no labelling done
Ekerubo Primary School	Construction of 2 classrooms	5,000,000	Construction of 2 classrooms complete though no labelling
Riana Health Centre	Repair of leaking room	300,000	Repair complete. Labelling done
Sugunana Secondary School	Roofing and plastering of two classrooms	250,000	Repair complete. Labelling done
<b>Total</b>		<b>20,370,689</b>	

It was noted that the five (5) projects were not branded because they were on-going. Lack of branding risks overlapping of projects especially where there is multi-funding.



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

**Nairobi**

**10 January 2018**

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

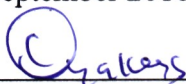
**Reports and Financial Statements**



**For the year ended June 30, 2016**

**I. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE  
2016**

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	112,937,451	167,821,852
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>112,937,451</b>	<b>167,821,852</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,888,325	1,659,177
Use of goods and services	5	2,752,998	1,641,694
Committee Expenses	6	3,333,000	2,002,000
Transfers to Other Government Units	7	22,032,756	9,700,000
Other grants and transfers	8	93,704,220	125,880,796
Social Security	9	204,922	37,738
Acquisition of Assets	10	7,200,653	-
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>131,116,874</b>	<b>140,921,405</b>
<b>SURPLUS/DEFICIT</b>		<b>(18,179,423)</b>	<b>26,900,447</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BONCHARI NGCDF financial statements were approved on 14<sup>TH</sup> September 2016 and signed by:

  
Chairman - NGCDFC

**BONCHARI NGCDF**  
P.O. Box 4 - 40205 NYAMBUNWA  
14 SEP 2016  
Title.....  
Sign.....  
Fund Account Manager



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2016

II. STATEMENT OF ASSETS AS AT 30 JUNE 2016

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	30,309,138	45,641,459
Cash Balances (cash at hand)	12B	-	2,847,102
Outstanding Imprests	13	-	
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>30,309,138</u></b>	<b><u>48,488,561</u></b>
<b>REPRESENTED BY</b>			
Retention	14		
Fund balance b/fwd 1st July 2015	15	48,488,561	18,741,012
Surplus/Deficit for the year		(18,179,423)	26,900,447
Prior year adjustments	16	-	2,847,102
<b>NET LIABILITIES</b>		<b><u>30,309,138</u></b>	<b><u>48,488,561</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BONCHARI NGCDF financial statements were approved on 14<sup>TH</sup> September, 2016 and signed by:

  
Chairman - NGCDFC





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

**Reports and Financial Statements**

**For the year ended June 30, 2016**

**I. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2016**

<b>Receipts for operating income</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>
Transfers from CDF Board	1	112,937,451	167,821,852
Other Receipts	3	-	-
		<b>112,937,451</b>	<b>167,821,852</b>
<b>Payments for operating expenses</b>			
Compensation of employees	4	1,888,253	1,659,177
Use of goods and services	5	2,752,998	1,641,694
Committee Expenses	6	3,333,000	2,002,000
Transfers to Other Government Units	7	22,032,756	9,700,000
Other grants and transfers	8	93,704,220	125,880,796
Social Security	9	204,922	37,738
Other Payments	9	-	-
		<b>123,916,221</b>	<b>26,900,447</b>
<b>Adjusted for:</b>			
Adjustments during the year	16	-	-
<b>Net cash flow from operating activities</b>		<b>(10,978,770)</b>	<b>26,900,447</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(7,200,653)	-
<b>Net cash flows from Investing Activities</b>		<b>(7,200,653)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(18,179,423)</b>	<b>29,747,549</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>48,488,561</b>	<b>18,741,012</b>
<b>Cash and cash equivalent at END of the year</b>		<b>30,309,138</b>	<b>48,488,561</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BONCHARI NGCDF financial statements were approved on 14<sup>TH</sup> September, 2016 and signed by:

  
Chairman NGCDFC

**BONCHARI NGCDF**  
P. O. Box 4 - 2025  
4 SEP 2016  
Fund Account Manager  
Title.....  
Sign.....

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

**I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	113,891,649	102,578,910	216,470,559	158,578,910	57,891,649	73
Proceeds from Sale of Assets				-	-	
Other Receipts	-			-	-	
<b>TOTAL</b>	<b>113,891,649</b>	<b>102,578,910</b>	<b>216,470,559</b>	<b>158,578,910</b>	<b>57,891,649</b>	<b>73</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,200,000	-	2,200,000	1,888,325	311,675	86
Use of goods and services	4,728,248	8,231,645	12,949,893	2,752,998	10,196,895	36
Committee Expenses	3,124,000	1,000,456	4,124,456	3,333,000	794,456	81
Transfers to Other Government Units	25,750,000	23,192,279	48,942,279	22,032,756	26,909,523	45
Other grants and transfers	70,690,748	70,154,528	140,845,277	93,704,220	47,141,057	66
Acquisition of Assets	7,200,653	-	7,200,653	7,200,653	-	100
Social Security	200,000			204,922		
Other Payments			-			
<b>TOTAL</b>	<b>113,891,649</b>	<b>102,578,910</b>	<b>216,470,559</b>	<b>131,116,874</b>	<b>85,353,685</b>	<b>61</b>

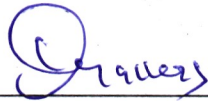
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016**

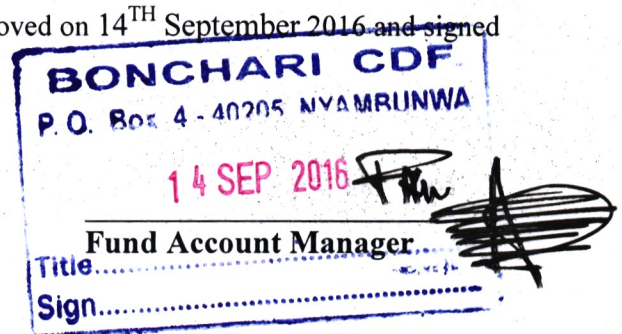
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- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- Many projects which were not done in the previous financial years have been implemented in the current year of review.
  - Political influence at the PMCs hence delayed the utilization of funds.

The BONCHARI NGCDF financial statements were approved on 14<sup>TH</sup> September 2016 and signed by:



**Chairman NGCDF**





## **II. 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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**Reports and Financial Statements**

**For the year ended June 30, 2016**

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authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**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 – BONCHARI  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016**

**III. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2015 - 2016	2014 -2015
		Kshs	Kshs
Normal Allocation	A790828	41,225,964	19,009,305.00
	A759704	200,000	48,496,271.00
	A759746	12,511,487	18,428,185.00
	A724198	10,000,000	43,737,451.00
	A759707	3,000,000	10,000,000.00
	A820532	10,000,000	28,150,635
	A820705	20,000,000	
	A820864	16,000,000	
Conditional grants			-
Receipt from other Constituency		-	
<b>Total</b>		<b>112,937,451</b>	<b>167,821,847</b>

**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		
<b>Total</b>		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**For the year ended June 30, 2016**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. OTHER RECEPTS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,888,325	1,659,177
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>	<b>-</b>	<b>-</b>
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
<b>Total</b>	<b>1,888,325</b>	<b>1,659,177</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**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	65,000	1,592,908
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	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	899,998	-
Fuel ,oil & lubricants	766,759	800,000
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	1,021,241	123,080
Routine maintenance – other assets	-	-
<b>Total</b>	<b>2,752,998</b>	<b>1,641,694</b>



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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. COMMITTEE EXPENSES**

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Other committee expenses	1,559,000	2,467,000
Committee allowance	1,774,000	1,222,000
<b>Total</b>	<b>3,333,000</b>	<b>2,002,000</b>

**7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to primary schools (List Attached)	7,000,000	14,200,000
Transfers to secondary schools (List Attached)	9,050,000	15,800,000
Transfers to Tertiary institutions	-	-
Transfers to Health institutions (List Attached)	5,982,756	-
<b>TOTAL</b>	<b>22,032,756</b>	<b>30,000,000</b>

**8. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary -Secondary (List Attached)	5,708,000	7,855,000
Bursary -Tertiary (List Attached)	21,237,000	19,331,000
water (List Attached)	1,200,000	4,800,000
Agriculture (food security) (List Attached)	2,700,000	7,283,856
Security (List Attached)		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**Reports and Financial Statements  
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	2,000,000	8,000,000
Roads (List Attached)	46,112,080	65,850,000
Sports (List Attached)	5,152,830	610,940
Environment	5,394,310	
Other capital grants and transfer	-	8,450,000
Emergency Projects (List Attached)	4,200,000	2,200,000
strategic plan		1,500,000
<b>Total</b>	<b>93,704,220</b>	<b>125,880,796</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**Reports and Financial Statements**  
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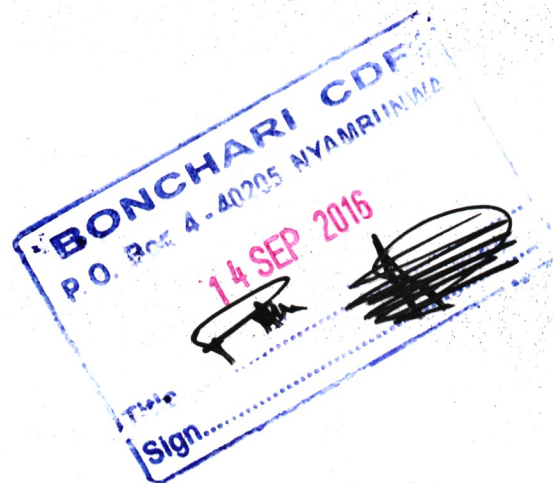
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. SOCIAL SECURITY**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Employer contribution to NSSF	204,922	37,738
gratuity	-	
<b>Total</b>	<b>204,922</b>	<b>37,738</b>

**10. ACQUISITION OF ASSETS**

Specify	2015 - 2016	2014 - 2015
	Kshs	Kshs
NG-CDFC Motor Vehicle	6,700,653	-
CDF Hall Furniture	500,000	-
<b>Totals</b>	<b><u>7,200,653</u></b>	<b>=</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**Reports and Financial Statements**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. OTHER PAYMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Specify	0	
	0	

**12A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2015 – 2016	2014 - 2015
	Kshs	Kshs
EQUITY BANK KISII BRANCH – 0510263641594	30,309,138	17,979,535
	-	-
	-	-
	-	-
	30,309,138	17,979,535
12B: CASH IN HAND		
	2015 – 2016	2014– 2015
	Kshs	Kshs
Location 1		
Location 2		
<b>Total</b>		
[Provide cash count certificates for each]		



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13: OUTSTANDING IMPRESTS**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

14 RETENTION			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015

**BONCHARI CDF**  
 P.O. Box 4 - 40205 NYAMRIIMBA  
 14 SEP 2016  
 Sign.....

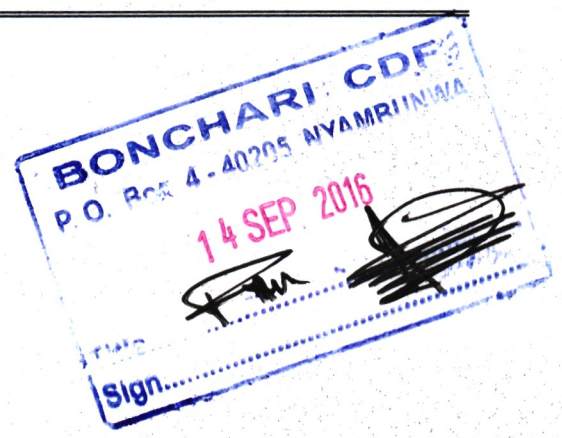
**15. BALANCES BROUGHT FORWARD**

	2015 - 2016	2014 - 2015
	Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts	48,488,561	11,328,003
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>48,488,561</b>	<b>11,328,003</b>

[Provide short appropriate explanations as necessary]

**16. PRIOR YEAR ADJUSTMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI  
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**15. OTHER IMPORTANT DISCLOSURES**

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

	<b>2015- 2016</b>	<b>2014– 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<hr/> 0	<hr/> 0

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

	<b>Kshs</b>	<b>Kshs</b>
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (specify)	0	0
	<hr/> 0	<hr/> 0

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

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	0	0
Amounts due to other grants and other transfers (see attached list)	0	0
Others (specify)	0	0
	<hr/> 0	<hr/> 0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONCHARI CONSTITUENCY  
 Reports and Financial Statements  
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	A	B	C	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		A	B	C	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
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**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		A	B	C	d=a-c		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Grand Total</b>							







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