

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



*Paper Laid by the  
Leader of the Majority  
Party Hon Aden Duale,  
MP on 21-2-2018  
IBM*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

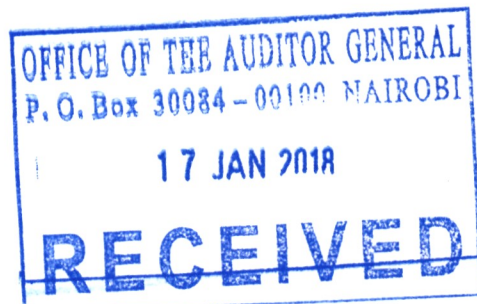
**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
BONDO CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2016**







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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
BONDO 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)

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

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

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<b>Table of Contents</b>	<b>Page</b>
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CHAIRMAN BONDO NGCDFC .....	3
III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES .....	4
IV. STATEMENT OF RECEIPT AND PAYMENTS .....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASH FLOW .....	7
VII. SUMMARY STATEMENT OF APPROPRIATION:RECURRENT & DEVELOPMENT COMBINED .....	8
VIII. SIGNIFICANT ACCOUNTING POLICIES .....	10
IX. NOTES TO THE FINANCIAL STATEMENT .....	12



**CONSTITUENCY DEVELOPMENT FUND- BONDO CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

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

**(d) Fiduciary Oversight Arrangements**

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

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

**Reports and Financial Statements**

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

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**(e) BONDO NGCDF Headquarters**

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

**(f) BONDO NGCDF Contacts**

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

**(g) BONDO NGCDF Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



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

**Reports and Financial Statements**

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

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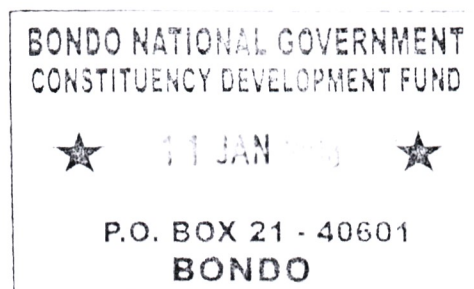
**II. FORWARD BY THE CHAIRMAN BONDO NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)**

The people of Bondo are determined to participate effectively in domesticating the objectives of Vision 2030 in our development planning. The Constituents now have the power to influence the formulation and implementation of development programs in the Constituency. Utilization of CDF and other funds allocated for the constituency will be carried out with transparency, openness and accountability. The National Government Constituency Development Fund Committee will drive the constituency development agenda and will endeavor to implement the Constituency programs and projects that are geared towards equitable distribution of resources and development initiatives. In this regard, we have continued to play critical role in mobilizing the constituents in identifying, prioritizing, and monitoring implementation of high impact projects that will change the lives of our people. Our NGCDFC is determined to economically empower the constituents by investing development funds in wealth creation and asset acquisition through the prudent implementation of our foundation pillars.

It is indeed a great pleasure that I present to you the Financial Statements 2015-2016. By working together over the last few months, we have made considerable progress but a lot need to be done to transform Bondo, development-wise and improve the quality of life of the residents.

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

Sign.....  
CHAIRMAN NGCDFC



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

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

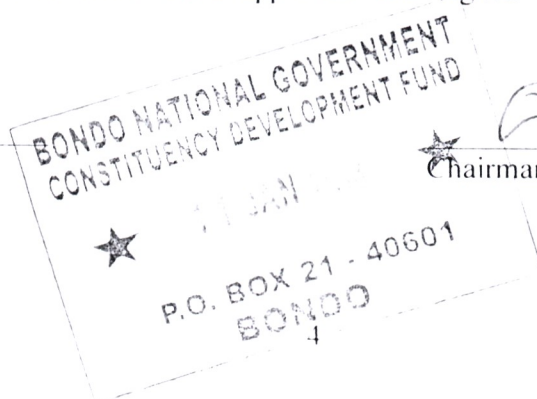
The Accounting Officer in charge of the Bondo NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes for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

**Approval of the financial statements**

The NGCDF's financial statements were approved and signed by the Accounting Officer on 14/09/ 2016.

  
Fund Account Manager

  
Chairman





# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bondo Constituency set out on pages 5 to 24, which comprise the statement of receipts and payments for the year ended 30 June 2016, and the statement of assets, statement of cash flows, 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 of the Constitution of Kenya. 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 in the financial statements, whether due to fraud or error. In the course of the audit, the auditor is required to exercise professional judgement and maintain independence in accordance with the provisions of the Public Audit Act, 2015.

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



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. Previous Year's Matters**

The management has not indicated in the financial statements the status on follow up of audit issues reported in the previous year as required by Public Sector Accounting Standards Board Reporting Template. As a result, the financial statements do not wholly conform to the reporting framework established by the Public Sector Accounts Standard Board.

### **2. Statement of Cash Flows**

The statement of cash flows as at 30 June 2016 reflects negative balance of Kshs.23,799,024 as net increase in cash and cash equivalents while the statement of receipts and payments shows Kshs.20,815,024. The resultant difference of Kshs.2,984,000 reflected as adjustments during the year has not been supported by journal entries.

Consequently, the validity and correctness of the statement of cash flows as at 30 June 2016 cannot be confirmed.

### **Transfers from the National Government Constituencies Development Fund Board (NGCDF)**

Item 1 to the financial statements reflects from the NGCDF Board of Kshs.115,678,608 in transfers received during the year under review which balance however differs from the records from the NGCDF Board which show transfers totalling of Kshs.112,978,608. The resultant difference of Kshs.2,700,000 has not been explained.

In the circumstances, the accuracy and validity of the NGCDF receipts balance of Kshs.115,678,608 cannot be confirmed.

### **Unsupported Committee Expenditure**

In the other grants and transfers balance of Kshs.65,990,479 is Kshs.65,000,000 paid to the Constituencies Road Maintenance Committee. However, expenditure of Kshs.450,000 was supported, resulting to an unexplained difference of Kshs.6,950,000.



Consequently, the propriety of Kshs.6,950,000 paid to the roads maintenance committee cannot be confirmed.

## 5. Procurement of Fish Cages

Included in the transfers to other government units balance of Kshs.61,972,759 is Kshs.18,900,000 paid to a local firm for fabrication, installation and maintenance of fish cages in 90 primary schools. The procurement was done through quotations contrary to Section 88(b) of the Public Procurement and Disposal Act, 2005. Further, the quotations did not specify the number of units required contrary to Section 34(1) of the Act which requires that the procuring entity to give clear, correct and complete description of what is to be procured and allow for open competition among those who wish to participate in the procurement proceedings.

Consequently, the management breached of the law and the propriety of the Kshs.18,900,000 expenditure reportedly incurred on movement of fish cages during the year under review cannot be confirmed.

## 6. Stalled Health Projects

Included in the transfers to other government entities balance of Kshs.61,972,759 is Kshs.4,482,760 incurred in respect of transfers to health institutions for funding of housing projects in four health centres. Physical verification in the month of June 2017 revealed that no work was going on at the sites and no additional funding had been allocated in the current approved budgets. Further, health is a devolved function that can only be implemented by County Governments as prescribed in Section 24 of the National Government Constituencies Development Fund Act, 2015 which came into operation on 19 February 2016. In addition, works had stopped at 70% level of completion and therefore the facilities have not been put to use as shown below:

Project	Activity	Project cost (Kshs)	Allocation (Kshs)	Completion Rate (%)
Usigu	Construction of staff Houses	1,760,000	1,120,690	70
Mawere	Construction of staff Houses	1,760,000	1,120,690	70
Kambajo	Construction of staff Houses	1,760,000	1,120,690	70
Got Agulu	Construction of staff Houses	1,760,000	1,120,690	70
<b>Total</b>		<b>7,040,000</b>	<b>4,482,760</b>	

Consequently, the management breached the law on spending for NGCDF funds.

## 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 - Bondo Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting

Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

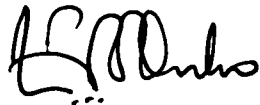
### Other Matter

### Budget Analysis

Comparison of budgeted and actual expenditure figures indicates that the Constituency had budgeted to spend Kshs.144,935,907 on various transfers and projects but actual expenditure amounted to Kshs.136,493,632 as shown below:

Item	Budget Kshs.	Actual Kshs.	Under Expenditure (Kshs.)
Employees' Salaries	3,037,201	2,959,941	77,260
Use of Goods and Services	6,130,874	5,044,271	1,086,603
Transfers to other Government Entities	61,972,759	61,972,759	0
Other grants and transfers	69,595,073	65,990,479	3,604,594
Acquisition of Assets	1,000,000	526,182	473,818
Other Payments	3,200,000	0	3,200,000
<b>Total</b>	<b>144,935,907</b>	<b>136,493,632</b>	<b>8,442,275</b>

There was under-expenditure in five items totalling Kshs.8,442,275 which was blamed by management on delays in receipt of funds from the National Government CDF Board. Consequently, delivery of services to the residents of the constituency was adversely affected by failure to spend allocated funds.



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

**Nairobi**

**13 December 2017**


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

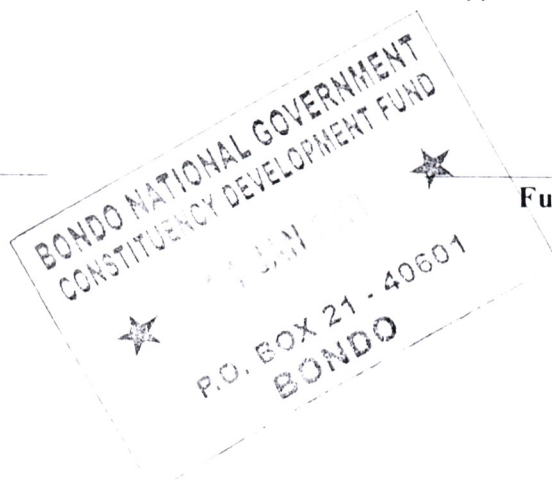
**Reports and Financial Statements  
For the year ended June 30, 2016**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup>  
JUNE 2016**

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	115,678,608	103,420,021
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>115,678,608</b>	<b>103,420,021</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,959,941	1,978,083
Use of goods and services	5	5,044,271	4,852,156
Transfers to Other Government Units	6	61,972,759	38,853,263
Other grants and transfers	7	65,990,479	54,719,346
Acquisition of Assets	8	526,182	498,950
Other Payments	9	-	
<b>TOTAL PAYMENTS</b>		<b>136,493,632</b>	<b>100,901,798</b>
<b>SURPLUS/DEFICIT</b>		<b>(20,815,024)</b>	<b>2,518,223</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bondo NGCDF financial statements were approved on 14/09/16 2016 and signed by:

  
Chairman - NGCDFC



  
Fund Account Manager



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

**Reports and Financial Statements**

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

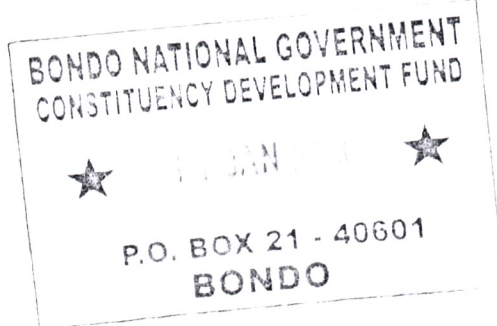
**V. STATEMENT OF ASSETS AS AT 30<sup>TH</sup> JUNE 2016**

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	5,242,275	29,257,299
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11	216,000	
<b>TOTAL FINANCIAL ASSETS</b>		<b>5,458,275</b>	<b>29,257,299</b>
<b>REPRESENTED BY</b>			
Payables	12		
Fund balance b/fwd 1st July 2015	13	29,257,299	26,739,076
Surplus/Deficit for the year		(20,815,024)	2,518,223
Prior year adjustments	14	( 2,984,000)	
<b>NET LIABILITIES</b>		<b>5,458,275</b>	<b>29,257,299</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bondo NGCDF financial statements were approved on 14/09/ 2016 and signed by:

  
Chairman - NGCDFC

  
Fund Account Manager



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

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

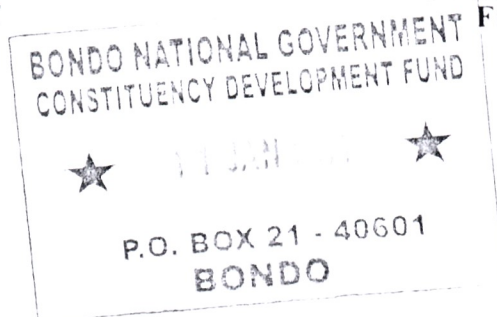
**VI. STATEMENT OF CASHFLOW**

		<b>2015 - 2016</b>	<b>2014 - 2015</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	115,678,608	103,420,021
Other Receipts	3	-	-
		<b>115,678,608</b>	<b>103,420,021</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,959,941	1,978,083
Use of goods and services	5	5,044,271	4,852,156
Transfers to Other Government Units	6	61,972,759	38,853,263
Other grants and transfers	7	65,990,479	54,719,346
Other Payments	9	-	-
		<b>135,967,450</b>	<b>100,402,848</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	2,984,000	-
<b>Net cash flow from operating activities</b>		<b>(23,272,842)</b>	<b>3,017,173</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(526,182)	(498,950)
<b>Net cash flows from Investing Activities</b>		<b>(526,182)</b>	<b>(498,950)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(23,799,024)</b>	<b>2,518,223</b>
Cash and cash equivalent at BEGINNING of the year	13	29,257,299	26,739,076
Cash and cash equivalent at END of the year		5,458,275	29,257,299

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bondo NGCDF financial statements were approved on 14/09/ 2016 and signed by:

  
Chairman NGCDFC

  
Fund Account Manager





**CONSTITUENCIES DEVELOPMENT FUND BONDO CONSTITUENCY**

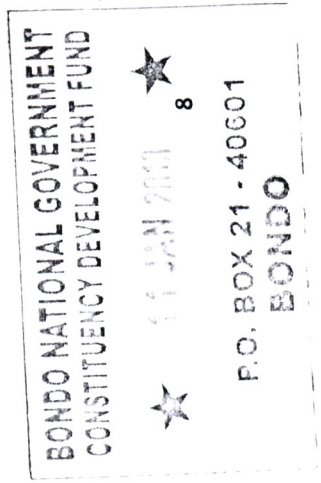
Reports and Financial Statements  
For the year ended June 30, 2016

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

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	115,678,608	29,257,299	144,935,907	136,493,632	8,442,275	94.20%
Proceeds from Sale of Assets						
Other Receipts						
<b>TOTAL</b>	<b>115,678,608</b>	<b>29,257,299</b>	<b>144,935,907</b>	<b>136,493,632</b>	<b>8,442,275</b>	<b>94.20%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,037,201		3,037,201	2,959,941	77,260	97.50%
Use of goods and services	6,130,873.80		6,130,874	5,044,271	1,086,603	82.30%
Transfers to Other Government Units	57,490,000	4,482,759	61,972,759	61,972,759		100.00%
Other grants and transfers	44,820,533	24,774,540	69,595,073	65,990,479	3,604,594	94.80%
Acquisition of Assets	1,000,000		1,000,000	526,182	473,818	52.60%
Other Payments	3,200,000		3,200,000		3,200,000	
<b>TOTAL</b>	<b>115,678,608</b>	<b>29,257,299</b>	<b>144,935,907</b>	<b>136,493,632</b>	<b>8,442,275</b>	<b>94.20%</b>

*N. Hany*  
.....  
FUND ACCOUNT MANAGER

*[Signature]*  
.....  
CHAIRMAN NGCDFC





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

**Reports and Financial Statements**

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

<b>TRIAL BALANCE AS AT 30TH JUNE 2016</b>			
		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	5,242,275.06	
	Cash Balances	-	
	Outstanding Imprest	216,000.00	
<b>Payments</b>			
	Compensation of Employees	2,959,941.00	
	Use of goods and services	5,044,271.00	
	Committee Expenses		
	Transfers to Other Government Units	61,972,759.00	
	Other grants and transfers	65,990,478.70	
	Social Security Benefits		
	Acquisition of Assets	526,182.00	
	Other Payments	-	
<b>Receipts</b>			
	Transfers from the Board		115,678,608
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		(2,984,000)
	<b>Fund Balance b/f</b>		<b>29,257,299</b>
	<b>TOTAL</b>	<b>141,951,907</b>	<b>141,951,907</b>

BONDO NATIONAL GOVERNMENT  
 CONSTITUENCY DEVELOPMENT FUND  
 ★ 1 JAN 2011 ★  
 P.O. BOX 21 - 40601  
 BONDO

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

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

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**I. 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 – BONDO  
CONSTITUENCY**

**Reports and Financial Statements**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**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 – BONDO  
CONSTITUENCY**

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

**II. NOTES TO THE FINANCIAL STATEMENTS**

**1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>Normal allocation</b>			
	A724065	30,000,000.00	7,300,000.00
	A724019	3,200,000.00	
	A724199	20,000,000.00	45,510,010.50
	A825597	62,478,608.00	50,610,010.50
<b>TOTAL</b>		<b>115,678,608.00</b>	<b>103,420,021.00</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 – BONDO  
CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER RECEPTS**

	2015 - 2016 Kshs	2014 - 2015 Kshs
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**

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	2,700,000.00	1,902,481.56
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	-	-
Employer contribution to NSSF gratuity	259,941.00	75,601.00
	-	-
<b>Total</b>	<b>2,959,941.00</b>	<b>1,978,082.56</b>

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2015 - 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Utilities, supplies and services		
Office rent		
Communication, supplies and services	53,200.00	43,800.00
Domestic travel and subsistence	57,500.00	
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses		
Hospitality supplies and services		
Other committee expenses	1,058,750.00	1,000,000.00
Committee allowance	2,011,147.00	2,182,156.00
Insurance costs		
Specialised materials and services		
Office and general supplies and services		
Fuel ,oil & lubricants	885,454.00	846,980.00
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	969,770.00	769,770.00
Routine maintenance – other assets	8,450.00	9,450.00
<b>Total</b>	<b>5,044,271.00</b>	<b>4,852,156.00</b>



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

**Reports and Financial Statements**

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

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

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2015 - 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	23,500,000	20,931,726
Transfers to secondary schools (see attached list)	33,990,000	14,059,467
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)	4,482,760	3,862,070
<b>TOTAL</b>	<b>61,972,759</b>	<b>38,853,263</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2015 - 2016 Kshs</b>	<b>2014 -2015 Kshs</b>
Bursary – secondary schools (see attached list)	8,133,742	8,000,000
Bursary – tertiary institutions (see attached list)	4,000,000	4,300,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)	1,000,000	700,000
Water projects (see attached list)	19,262,842	21,620,000
Agriculture projects (see attached list)	1,930,000	2,000,000
Electricity projects (see attached list)		4,447,700
Security projects (see attached list)	2,860,000	300,000
Roads projects (see attached list)	17,134,034	6,002,506
Sports projects (see attached list)	2,259,572	3,121,239
Other Projects (see attached list)	2,259,572	792,150
Emergency Projects (specify)	7,150,716	3,435,751
<b>Total</b>	<b>65,990,479</b>	<b>54,719,346</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BONDO  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 – 2016 Kshs	2014 - 2015 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	526,182	498,950
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>526,182</b>	<b>498,950</b>



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

**Reports and Financial Statements**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**9. OTHER PAYMENTS**

Specify	2015 - 2016 Kshs	2014 - 2015 Kshs
---------	---------------------	---------------------

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

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 Kshs
Co-operative Bank, Bondo (1141623406300)	5,242,275.06	29,257,298.68
	-	-
	-	-
	-	-
	<b>5,242,275.06</b>	<b>29,257,298.68</b>
<b>10B: CASH IN HAND</b>		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
<b>Total</b>		
[Provide cash count certificates for each]		

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**11: RECEIVABLES**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
HAWKINS SAMBA		216,000		216,000
				<u>216,000.00</u>

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

12 PAYABLES			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>TOTAL</b>			



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

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

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

**13. BALANCES BROUGHT FORWARD**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	5,242,275.06	29,257,298.68
Cash in hand		
Imprest	-	-
<b>Total</b>	<u>5,242,275.06</u>	<u>29,257,298.68</u>

[Provide short appropriate explanations as necessary]

**14. PRIOR YEAR ADJUSTMENTS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	(3,200,000)	-
Cash in hand	216.000	-
Imprest	-	-
<b>Total</b>	<u>(2,984,000)</u>	<u>-</u>

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

**Reports and Financial Statements**

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

**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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

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

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

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

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



**NATIONAL GOVERNMENT ENTITY – BONDO CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs'000)**

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

Supplier of Goods or Services	Original Amount a	Date Contracted B	Amount Paid To-Date C	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
<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 ENTITY – BONDO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

**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**

**For the year ended June 30, 2014 (Kshs'000)**

**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>						

**NG-CDF-BONDO CONSTITUENCY**  
**Reports and Financial statement for the year ended 30 June 2016**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

NGCDF-BONDO

Asset class	Historical Cost		Historical Cost (Kshs) 2014/15
	Kshs 2015/16		
Land			
Buildings and structures	9,341,916		9,341,916
Transport equipment	8,203,500		8,203,498
Office equipment, furniture and fittings	1,063,938		698,958
ICT Equipment, Software and Other ICT Assets	660,150		498,950
Other Machinery and Equipment			
Heritage and cultural assets			
Intangible assets			
<b>Total</b>	<b>19,269,504</b>		<b>18,743,322</b>