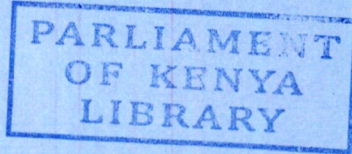


*Paper laid by
the Hon. B. Wajuhali
mpif
14/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND.
MUHORONI 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)**

Table of contents

- Key constituency information and management.....Page3
- Foreword by the chairman CDFC.....Page5
- Statement of constituency management responsibilities.....Page 6
- Statement of receipts and payments.....Page 7
- Statement of financial assets and liabilities.....Page 8
- Summary statement of appropriation.....Page 9
- Cash flow statement.....Page 10
- Significant accounting policies.....Page 11
- Notes to the financial statements.....Page 13

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDFA) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

b) Key Management

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

- a) Constituencies Development Fund Board (CDFB)
- b) Constituency Development Fund Committee (CDFC)

c) Fiduciary Management

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

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Henry S. J. Opilo
3.	District Accountant	James Mutekwa

d) Entity Headquarters

Muhoroni CDF
P.O. Box 60,
Chemelil
Kisumu Sugar Belt Union offices
Awasi- Nandi Hills Highway
Kisumu,
Kenya

e) Entity Contacts

Telephone: 0721 967624
E-mail: Muhoroni cdf@go.ke
Website: www.go.ke

f) Entity Bankers

Kenya Commercial Bank
Muhoroni Branch
A/C NO.1104058669
P.O. Box 113,
Muhoroni

g) Independent Auditors

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

h) Principal Legal Adviser

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

II. FOREWORD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

On behalf of the Muhoroni Constituency development fund committee, it gives me great pleasure to present to you the financial statements and reports for the financial year 2015/2016.

The constituency received Ksh115,603,257 from the nationalCDF board for the financial year 2015/2016. Out of this we allocated over Kshs 20million towards bursaries for needy students and over Kshs 65million towards the construction of new classrooms in both secondary and primary school in the constituency. This underpins our commitment towards improving education standards in the constituency which is a key pillar in development.

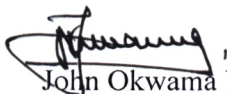
We undertook construction of a bridge at gwodo ngiti to lessen the suffering of the people of ogwodo village during flush floods which renders the road impassable. We also overhauled the engine and transmission of the constituency grader to enable maintenance of feeder roads in the constituency and consequently graded keyo/yawo dispensary roads,nyando oyani ochoria kipsamwe road and tamu god nyithindo roads.

To provide an alternative avenue of talent development for our youth we bought sets of uniforms for teams

We have finally moved into our new offices at Chemelil market after years of a standoff on the location of the Muhoroni sub county headquarters. The new offices will go a long way in helping us deliver our mandate better.

Finally I would like to sincerely thank our patron the honourable James Onyango K'OyooMP Muhoroni constituency for his support and the teams at the deputy county commissioner's office and the sub county treasury for their unwavering support towards improving the life's of the people of Muhoroni constituency

Thank you.



John Okwama Ngele

Chairman, Muhoroni CDFC.

III. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

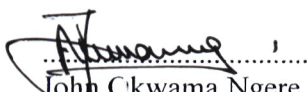
The Fund Account Manager in charge of the Muhoroni CDF is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2016. This responsibility 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

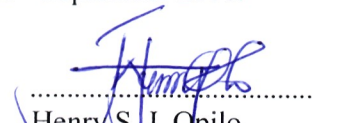
The Fund Account Manager in charge of the Muhoroni CDF accepts responsibility for the Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards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

The Fund Account Manager in charge of the Muhoroni CDF confirms that the entity has complied fully with applicable Government Regulations and that the Constituency'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 Fund Account Manager confirms that the Constituency'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 Muhoroni CDF financial statements were approved and signed on 28th September 2016.


.....
John Ckwama Ngere
Chairman - CDFC


.....
Henry S. J. Opilo
Fund Account Manager

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 – MUHORONI 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 – Muhoroni Constituency set out on pages 7 to 24, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and a summary statement of appropriation: recurrent and development 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 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 of the financial statements, whether due to fraud or error. In making those risk

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Muhoroni 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 adverse audit opinion.

Basis for Adverse Opinion

1. Transfers to Other Government Units

1.1. Unsupported expenditure

The Constituency Development Fund Committee disbursed a total of Kshs.50,911,252 as transfers to other government units during the year under review. These funds were administered through Project Management Committees (PMCs) spread throughout the Constituency. However, disbursements totalling Kshs.34,930,145 out of the total transfers of Kshs.50,911,252 were not adequately supported with complete expenditure returns, cashbooks, bank statements, stores records, minutes, procurement records, inspection reports and other relevant accounting records as shown below.

	Name	Amount (Kshs.)
1.	Migere Dispensary	3,268,297
2.	Olik Oliero Secondary	8,293,594
3.	St. Stephens Menera Secondary	6,500,000
4.	Masogo Sub-County Hospital	1,746,560
5.	Koru Girls High School	5,063,632
6.	St. Benedicts Nyangoma Mixed Secondary	1,769,150
7.	Ayiecho Nyatao Secondary	8,288,912
	Total	34,930,145

1.2. Unreconciled Expenditure

The transfers to other government units reflects Kshs.50,911,252 but was supported with documentation amounting to Kshs.45,490,181 thus resulting is an unexplained and unreconciled difference of Kshs.5,421,072.

Consequently, the propriety of the expenditure of Kshs.5,421,072 could not be confirmed.

2. Other Grants and Other Payment

2.1. Emergency Fund

During the year under review, the management spent emergency funds amounting to Kshs.8,060,925. However, the use of the emergency funds did not meet the threshold set for urgent and unforeseen need for expenditure as required by Section 8 (3) of the National Government Constituencies Development Fund Act, 2015.

Consequently the Fund was in breach of the law.

2.2. Sports Projects

Included in other grants and transfers figure of Kshs.50,167,292 is Kshs.2,728,320 in respect of sports projects as reflected under Note 7 to the financial statements. A review of the payments revealed the following anomalies;

- i) Kshs.956,000 was paid out to Muhoroni District Education Officer to carry out bench marking exercises in Mombasa, Nakuru and Busia. However, no documents were availed to show how these funds were utilized.
- ii) Kshs.1,278,320 was applied for the purchase of uniforms for various football clubs in the constituency where;
 - a) No explanation was availed on request as to why all the three quotations were dated on 29 January 2016 and opened on 8 February 2016 yet all the invoices from the suppliers were for the month of December 2015.
 - b) The local purchase order No.1842271 was acknowledged by the supplier on 9 December 2015 long before the quotations were raised.
 - c) The nineteen (19) sets of branded uniforms were received in stores by raising a counter receipt voucher (S13) No.5818258 dated 16 December 2015 even before the quotations were raised. Further, the counter receipt voucher (S13) was also signed by the District Works Officer (DWO) who deals in supervision of the construction of government buildings and was not an employee of Muhoroni Constituency Development Fund Committee.
 - d) No inspection and acceptance committee report from the Constituency Development Fund Committee was availed for audit examination to confirm that the right quality and quantity was delivered.
 - e) No stores ledger was availed for audit review to confirm that the nineteen sets of branded uniforms were received in stores and subsequently issued out to the intended teams by issuing a counter issue voucher (S11).

- f) No lists of teams that benefitted from the nineteen sets of uniforms was availed for audit review.

2.3. Roads Projects

Included in other grants and transfers figure of Kshs.50,167,292 are payments for road projects totalling Kshs.6,515,304 as per Note 7 to the financial statements. Out of this amount were payments totalling Kshs.2,935,304 paid to a contractor for the construction of Ogwodo – Ngiti Bridge. No documents were made available for audit review to show how the contractor was identified. There were also no site inspection reports to support the payments. Physical verification conducted on 19 May 2017 by the audit team revealed that works valued at Kshs.774,000 had not been done though they had been paid for.

2.4. Unsupported Payment Vouchers

Note 7 to the financial statements reflects other grants and other payments of Kshs.50,167,292 which was supported by requisite documentation of Kshs.38,746,298 resulting in unaccounted and unexplained difference of Kshs.11,420,994.

In view of the foregoing, the propriety of other grants and transfers amounting to Kshs.25,145,543 could not be confirmed.

3. Acquisition of Assets

Note 8 to the financial statements reflects acquisition of assets figure of Kshs.2,802,109 for which no procurement documents were availed for audit verification. In addition, fixed assets register was not maintained and the assets had not been tagged.

Consequently, the accuracy and validity of the acquisition of assets figure of Kshs.2,802,109 could not be confirmed.

4. Cash and Cash Equivalents

The cash and cash equivalent reflected a balance of Kshs.58,964,194 as at 30 June 2016. Included in this balance were cheques of Kshs.464,023 that had not been presented to the bank for more than six months and therefore stale and had not been reversed in the cashbook by 30 June 2016.

Consequently it has not been possible to confirm that cash and cash equivalents balance of Kshs.58,964,194 as at 30 June 2016 has been fairly stated.

5. Statement of Appropriation – Recurrent and Development

The summary statement of appropriation for recurrent and development expenditure includes the actual on comparable basis figure for transfers from CDF Board as Kshs.117,650,337 which differs with the amount shown in the statement of receipts and

payments figure of Kshs.143,351,799 by an unreconciled and unexplained difference of Kshs.23,701,462.

Further the statement of appropriation indicates an adjustment figure of Kshs.58,864,462 in respect of transfer from CDF Board and the corresponding Kshs.58,864,462 with regards to payment items during the year ended 30 June 2016. These adjustments have not been supported by relevant budget allocation estimates from the National Government Constituencies Development Fund Board. Consequently, the accuracy of the summary statement of appropriation recurrent and development could not be confirmed.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund – Muhoroni 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 does not comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budget Performance Analysis

Analysis of Muhoroni NGCDF approved budget totalling Kshs.176,514,799 reflected in 2015/2016 allocation of Kshs.117,650,337 and unspent balance brought forward of Kshs.58,864,462. During the same period, the Fund incurred expenditure of Kshs.117,812,424 of the approved budget resulting in unabsorbed amount of Kshs.58,702,375. The budget performance is detailed below;

2015/16 Component	Approved Budget (a) (Kshs.)	Expenditure (b) (Kshs.)	Deviation (a-b) (Kshs.)	Absorption rate (b/a) %
Compensation of Employees	1,850,000	2,206,445	(356,445)	119
Use of Goods and services	8,738,530	11,725,326	(2,986,796)	134
Acquisition of Assets	0	2,802,109	(2,802,109)	
Transfers to Other Government Units	98,215,920	50,911,252	47,304,668	52
Other grants and transfers	67,710,349	50,167,292	17,543,057	74
Total	176,514,799	117,812,424	58,702,375	67

The management failed to utilize Kshs.58,702,375 or 67% of its budget allocation with the likelihood denying the residents of Muhoroni constituency the much desired service through public utilities.

2. Previous Year Matters

The Constituency did not indicate the status and follow up of audit issues reported in the financial year 2015/2016 financial statements as required by Public Sector Accounting Standards Board Reporting Template.



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

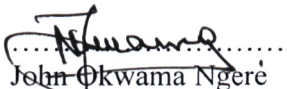
Nairobi

29 January 2018


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	143,351,799	129,560,760
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		143,351,799	129,560,760
PAYMENTS			
Compensation to employees	4	2,206,445	3,593,006
Use of goods and services	5	11,725,326	13,318,436
Transfers to Other Government Units	6	50,911,252	28,250,000
Other grants and transfers	7	50,167,292	48,047,149
Acquisition of Assets	8	2,802,109	29,267,998
Other Payments	9	-	-
TOTAL PAYMENTS		117,812,423	122,476,589
SURPLUS/DEFICIT		25,539,375	7,084,172

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Muhoroni CDF financial statements were approved on 28th September 2016 and signed by:



 John Okwama Ngeri
Chairman - CDFC

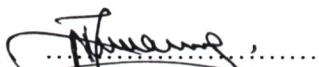


 Henry J Opilo
Fund Account Manager

V. STATEMENT OF FINANCIAL ASSETS

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	58,964,194	30,758,871
Cash Balances (sale of tenders, hire of grader)			
Outstanding Imprests	10B		357,049
Cash Equivalents (e.g. sale of tender doc held in bankers cheque)			
TOTAL FINANCIAL ASSETS		58,964,194.35	31,115,920
REPRESENTED BY			
Fund balance b/fwd 1st July 2015	13	31,115,920	19,484,149
Surplus/Deficit for the year		25,539,375	7,084,172
Prior year adjustments	14	2,308,898	4,547,600
NET LIABILITIES		58,964,194	31,115,920

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Muhoroni CDF financial statements were approved on 28th September 2016 and signed by:



 John Okwama Ngere
Chairman - CDFC

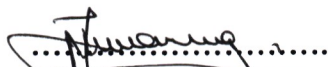


 Henry J Opilo
Fund Account Manager

VI: SUMMARY STATEMENT OF APPROPRIATION

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	117,650,337	58,864,462	176,514,799	174,467,719	2,047,080	98.8%
Proceeds from Sale of Assets	0	-		-	-	
Other Receipts	0		-		-	
TOTAL RECEIPTS	117,650,337	58,864,462	176,514,799	174,467,719	2,047,080	98.8%
PAYMENTS						
Compensation of Employees	1,850,000		1,850,000	2,206,445	(356,445)	119.3%
Use of goods and services	8,738,530		8,738,530	11,725,326	(2,986,796)	134.2%
Transfers to Other Government Units	67,100,000	44,450,000	98,215,920	50,911,252	47,304,668	51.8%
Other grants and transfers	39,961,807	14,414,462	67,710,349	50,167,292	17,543,057	74.1%
Acquisition of Assets	-		-	2,802,109.00	(2,802,109.00)	#DIV/0!
Other Payments	-		-		-	#DIV/0!
TOTAL	117,650,337	58,864,462	176,514,799	117,812,424	58,702,375	66.7%

Muhoroni NG-CDF financial statements were approved on 28th September 2016 and signed by:



 John Okwama Ngere
 Chairman - CDFC



 Henry Opilo
 Fund Account Manager

VII: CASH FLOW STATEMENT

MUHORONI CONSTITUENCY DEVELOPMENT FUND			
CASHFLOW STATEMENT FOR PERIOD ENDED 30.06.2016			
Receipts for operating Activities	NOTE	2015-2016	2014-2015
Transfers from Other Government Entities	1	143,351,799.	129,560,760
Other Revenues	3	-	-
	TOTAL	143,351,799	129,560,760
Payments for operating expenses			
Compensation of Employees	4	2,206,445	3,593,006
Use of goods and services	5	11,725,326	13,318,436
Transfers to Other Government Units	6	50,911,252	28,250,000
Other grants and transfers	7	50,167,292	48,047,149
	TOTAL	115,010,315	93,208,590
Adjusted for:			
Adjustments during the year	14	2,308,898	4,547,600
Net cash flow from operating activities		30,650,382	40,899,770
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets	8	2,802,109	29,267,998
Net cash flows from Investing Activities		(2,802,109)	(29,267,998)
CASHFLOW FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT			
		27,848,273	11,631,771
Cash and cash equivalent at beginning of the year		31,115,920	19,484,149
Cash and cash equivalent at end of the year		58,964,193	31,115,920

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

a) 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 and relevant legal framework of the Government of Kenya. 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 Constituency. 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 Constituency.

b) Recognition of revenue and expenses

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

c) In-kind contributions

In-kind contributions are donations that are made to the Constituency 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 Constituency 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.

d) 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 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.

e) Receivables and payables

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

f) 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 Constituency'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 Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

g) Comparative figures

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

h) 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.

IX. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2015 - 2016	2014 -2015
			Kshs	Kshs
1330407	Normal Allocation	AIE NO. A	27,748,542.25	25,748,542.00
		AIE NO. A	20,000,000.00	19,748,542.50
		AIE NO. A	20,000,000.00	27,748,542.25
		AIE NO. A	18,000,000.00	10,000,000.00
		AIE NO. A	57,603,257.00	46,315,133.40
		AIE NO. A		
		AIE NO. A		
		AIE NO. A		
		AIE NO. A		
1330408	Conditional grants	AIE NO...		-
		AIE NO...		-
	TOTAL		143,351,799	129,560,760.15

3510000	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-	
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-	-
3510801	Receipts from the Sale Plant Machinery and Equipment		-	
3510803	Receipts from the Sale of office and general equipment		-	
	TOTAL			
			-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

1400000	3 OTHER RECEIPTS		
	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
1410107	Interest Received	-	-
1410405	Rents	-	-
1420601	Interest Received	-	-
1450207	Receipt from Ministry of Interior and Coordination and National Government		
	TOTAL	-	-

2110000	4 COMPENSATION OF EMPLOYEES		
	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,942,065.00	1,193,020.00
2110202	Basic wages of casual labour	205,800.00	2,389,346.40
	Personal allowances paid as part of salary		
2110301	House allowance		
2110314	Transport allowance		
2110320	Leave allowance		
2110326	Other personnel payments		
2120101	Employer contribution to NSSF	58,580	10,640
2710120	Gratuity-contractual employees		
	TOTAL	2,206,445	3,593,006.40

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

2200000		5 USE OF GOODS AND SERVICES	
Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
2210100	Utilities, supplies and services	1,205,795.00	998,070.00
2210101	Electricity		
2210104	Office rent		
2210200	Communication, supplies and services	135,000.00	180,000.00
2210300	Domestic travel and subsistence	280,800.00	589,603.00
2210500	Printing, advertising and information supplies & services	495,000.00	1,056,963.00
2210600	Rentals of produced assets		
2210700	Training expenses	-	1,302,380.00
2210800	Hospitality supplies and services	946,855.00	480,520.00
2210802	Other committee expenses		
2210809	Committee allowance	4,017,520.00	
2210900	Insurance costs		
2211000	Specialised materials and services	261,584.00	-
2211100	Office and general supplies and services	1,625,959.00	1,118,233.00
2211200	Fuel ,oil & lubricants	595,000.00	5,874,000.00
2211300	Other operating expenses	-	371,570.00
2211301	Bank Service Commission and Charges		
2211313	Security Operations	-	
2220100	Routine maintenance – vehicles and other transport equipment	2,161,812.55	1,272,147.98
2220200	Routine maintenance – other assets	-	74,950.00
	TOTAL	11,725,325.55	13,318,436.00

2630200		6 TRANSFER TO OTHER GOVERNMENT ENTITIES	
Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
2630204	Transfers to Primary schools	2,101,685.00	22,750,000.00
2630205	Transfers to Secondary schools	42,904,526.25	5,500,000.00
2630206	Transfers to Tertiary institutions	-	-
2630207	Transfers to Health institutions	5,905,041.00	-
	TOTAL	50,911,252	28,250,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

2640000	7 OTHER GRANTS AND OTHER PAYMENTS		
	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2640101	Bursary -Secondary	24,852,556.00	11,904,312.00
2640102	Bursary –Tertiary	6,700,516.00	3,595,000.00
2640104	Bursary-Special schools	360,000.00	-
2640105	Mocks & CAT	-	-
2640504	Water	747,550.00	1,588,025.00
2640505	Food security	-	-
2640506	Electricity	183,188.00	2,829,106.00
2640507	Security	17,933.00	-
2640508	Roads and Bridges	6,516,304.00	13,683,763.00
2640509	Sports	2,728,320.00	820,000.00
2210809	Commitee allowance		2,600,000.00
2640510	Environment	-	5,626,500.00
2640511	Provincial Administration	-	-
2640512	Cultural Projects	-	-
2640513	Agriculture		
2640200	Emergency Projects	8,060,925.00	5,400,443.80
	TOTAL	50,167,292.00	48,047,149.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2016

10B: CASH IN HAND)				
		2015 - 2016	2014 - 2015	
		Kshs (30/6/2016)	Kshs (30/6/2015)	
Location 1		-	357,029.00	
Location 2		-	-	
Location 3		-	-	
Other receipts (specify)		-	-	
TOTAL		-	357,029.00	
		<i>[Provide cash count certificates for each]</i>		
11: OUTSTANDING IMPRESTS				
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2015)</i>
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
HENRY OPILO	28.06.2016	357,049	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	TOTAL	357,049	-	-
12 Retention				
<i>Supplier/Contractor</i>	<i>PV No.</i>	2015 - 2016	2014 - 2015	
TOTAL				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

13 BALANCES BROUGHT FORWARD			
		2015 - 2016	2014 - 2015
		Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts		30,758,891.11	19,484,149.00
Cash in hand		357,029.00	-
Imprest		-	-
TOTAL		31,115,920	19,484,149.00
	<i>[Provide short appropriate explanations as necessary]</i>		
14			
	PRIOR YEAR ADJUSTMENTS	Kshs	Kshs
		2015 - 2016	2014 - 2015
Bank accounts			
Cash in hand		-	-
Others (See annex 5)		2,308,898.00	4,547,599.57
TOTAL		2,308,898.00	4,547,599.57
15			
	OTHER IMPORTANT DISCLOSURES		
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2015 - 2016	2014 - 2015
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

15.2: PENDING STAFF PAYABLES (See Annex 2)			
		2015 - 2016	2014 - 2015
		Kshs	Kshs
Senior management			
Middle management		-	-
Unionisable employees		-	-
Others (specify)		-	-
		-	-
15.3: OTHER PENDING PAYABLES (See Annex 3)			
		2015 - 2016	2014 - 2015
		Kshs	Kshs
Amounts due to other Government entities (see attached list)		-	-
Amounts due to other grants and other transfers (see attached list)		-	-
Others (specify)		-	-
		-	-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2016

7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF
 PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2016	2015	
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2016

12.							
	Sub-Total						
	Grand Total						

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.	Primary Schools	25,000,000.00	-	22,750,000.00	2,250,000.00	0	
2.	Secondary Schools	47,700,000.00	-	5,500,000.00	42,200,000.00	0	Funds had been disbursed but the AIE had not been sent
	Sub-Total	.00		.00	44,450,000.00		
Amounts due to other grants and other transfers							
3.	Security Projects		-		7,011,700.00	0	
4.	Roads and Bridges Projects		-			0	
5.	Emergency Projects		-			0	
6.	Cultural Activities	1,915,119.00	-	820,000.00	1,095,119.00	0	
7.	Electrification and Lighting		-		6,307,643.00	0	
	Sub-Total	-		-	-		
	Grand Total				14,414,462.00		
8.					-		
	Sub-Total				-		
	Grand Total				58,864,462.00		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Buildings and structures	17,000,000.00	17,000,000.00
Motor Grader CAT 140H GK A608V	18,005,520.00	18,005,520.00
Toyota Hilux Double Cabin GKB 074C	4,900,000.00	4,900,000.00
Office equipment, furniture and fittings	3,070,109.00	268,000.00
ICT Equipment, Software and Other ICT Assets	112,000.00	112,000.00
Other Machinery and Equipment	95,000.00	95,000.00
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	43,182,629.00	40,380,520.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

NNEX 5: PRIOR YEAR ADJUSTMENTS

Prior year adjustments include stale cheques that were cancelled and reversed in the cash book hence increasing the cash book balance but were not replaced as at 30.06.2016 and are listed below

1	5332	Yawo dispensary	1,000,000.00
2	5331	Masogo sub county hospital	1,000,000.00
3	4993	Nssf	1,600.00
4	4995	Payee	4,753.00
5	5046	Comm dmetic taxes	59,502.59
6	5069	Matter hospital	10,000.00
7	5096	Payee	6,080.00
8	5142	Payeee	6,660.00
9	5177	Sinyolo girls sec school	6,660.00
10	5767	Payee	10,000.00
11	5274	Payee	10,000.00
12	5310	Comm vat	6,660.00
13	5323	Payee	6,660.00
14	5344	Comm vat	24,000.00
15	5345	Embu university	15,000.00
16	5362	Comm vat	9,009.00
17	5383	Chemelil club	3,630.00
18	5405	Comm vat	4,521.00
19	5407	Comm vat	2,252.00
20	5425	Payee	8,783.00
21	5516	Busia college	10,000.00
22	5517	Coast institute	10,000.00
23	5564	Mmust	20,000.00
24	5604	Miwani boys sec school	10,000.00
25	5613	Nyambisawa girls sec school	15,000.00
26	5619	Nyatindo sec school	10,000.00
27	5631	Sawagongo high school	15,000.00
28	5638	St boniface magare	10,000.00
29	5704	Payee	8,783.00
30	5706	Comm vat	4,344.00
		TOTAL	2,308,898