



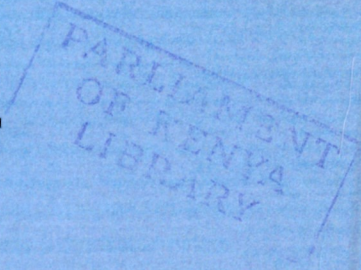
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 FEB 2018	DAY: TUESDAY
TABLED BY: MAJORITY LEADER	
CLERK AT THE TABLE: 	



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND – MUHORONI CONSTITUTENCY**

Reports and Financial Statements

For the year ended June 30th, 2017



**NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND
MUHORONI CONSTTUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30TH 2017**

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

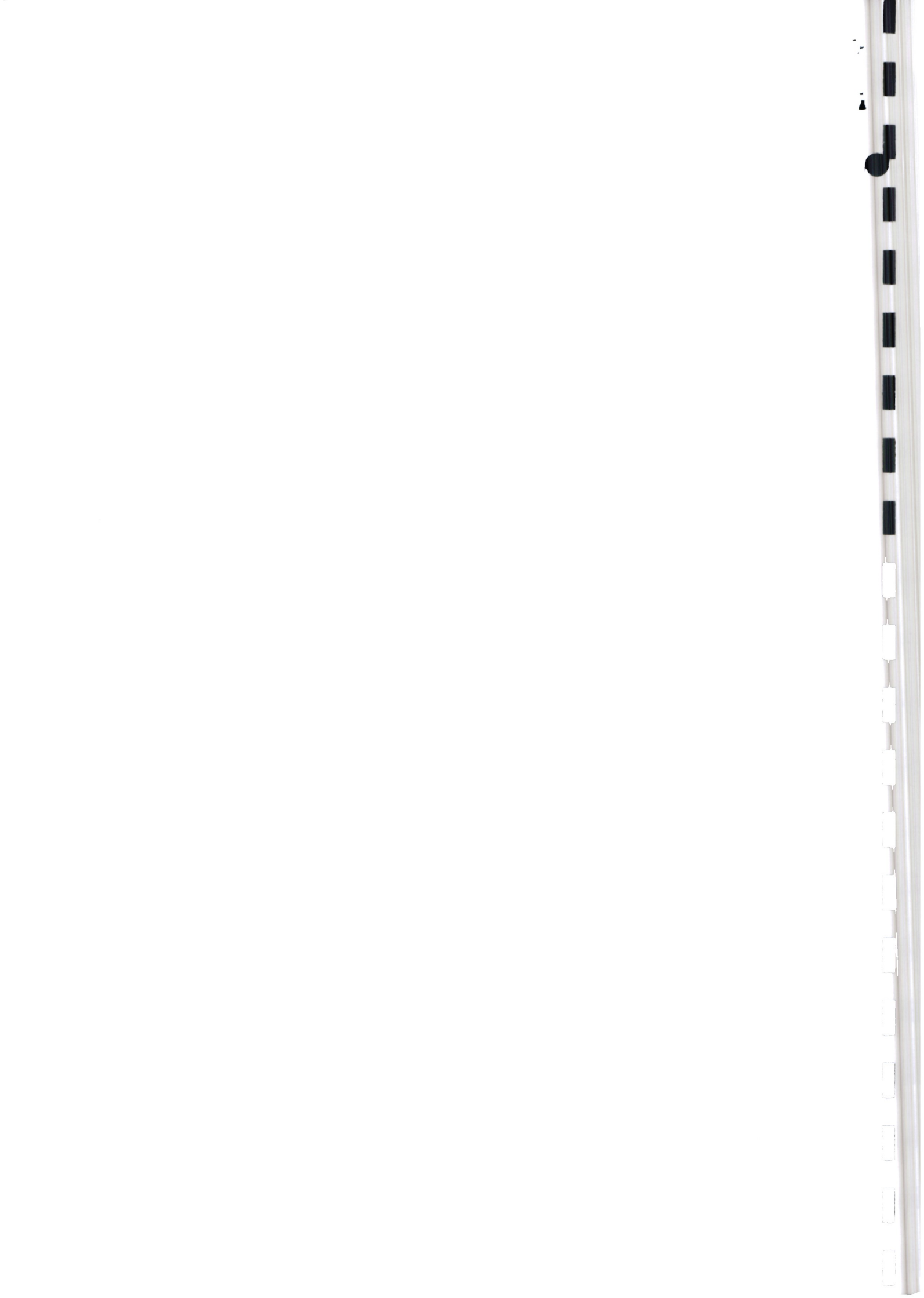


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements For the year ended June 30th, 2017

Table of Contents

Key constituency information and management	Page	3
Fiduciary oversight arrangement	Page	4
Foreword by the chairman CDFC	Page	5
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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements For the year ended June 30th, 2017

1. 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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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-CDF) 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) National Government Constituencies Development Fund Board (NG-CDFB)
- (b) National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

Designation	Name
1. Chief Executive Officer	Yusuf Mbuno
2. Fund Account Manager	Henry S. J. Opilo
3. District Accountant	Philemon Njiri

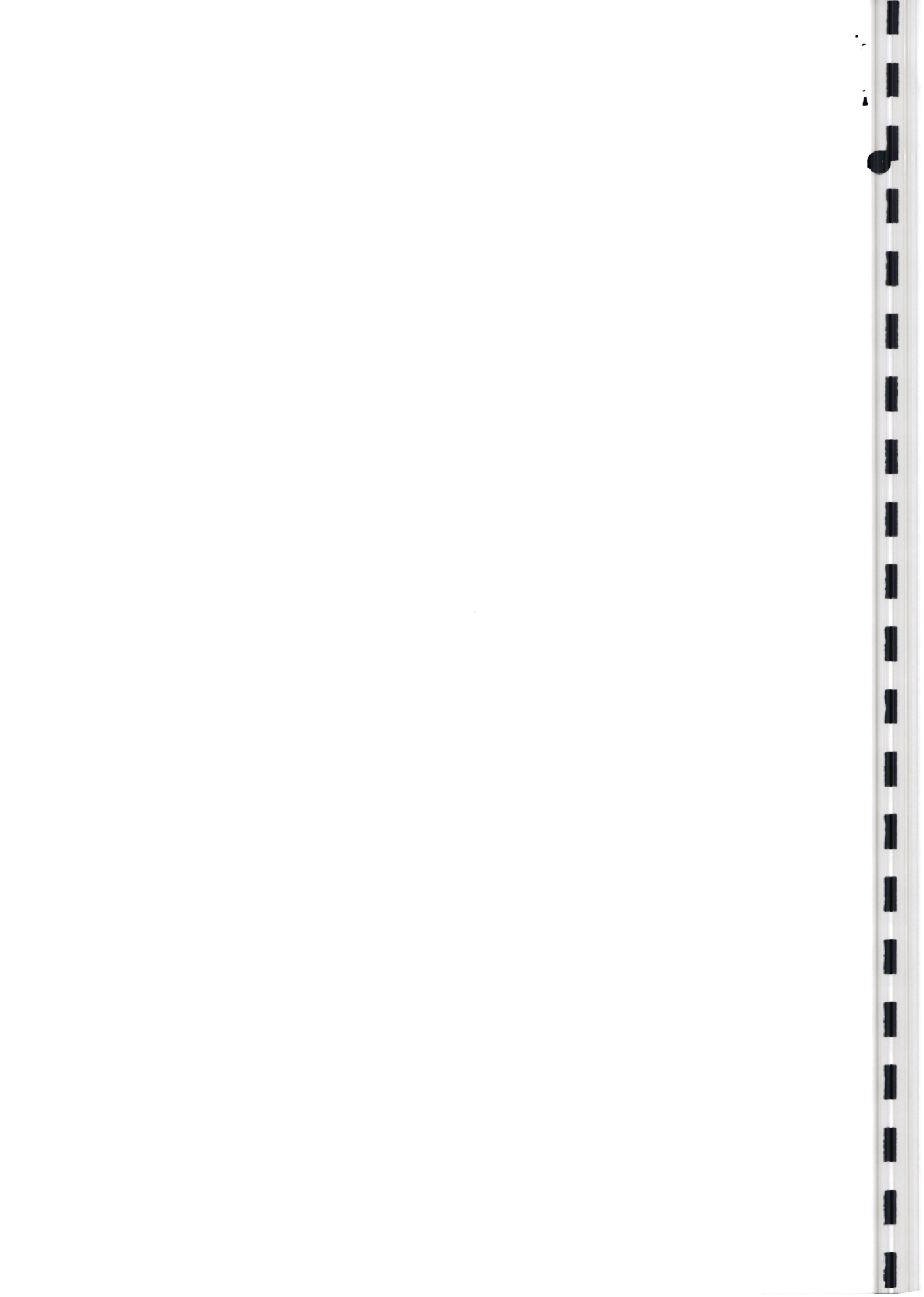


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements

For the year ended June 30th, 2017

- (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 : 0721967624
E-mail : Muhoronicdf@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 General
Office of the Audit General
Anniversary Towers, University Way
P. O. Box 30084
GOP 00100,
NAIROBI
KENYA
- (h) **Principal Legal Advisor**
The Attorney General
State Law Office
Harambee Avenue
P. O. Box 40112,
City Square 00200
NAIROBI
KENYA



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30th, 2017**

II. FOREWORD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND

COMMITTEE (CDFC)

On Behalf of the Muhoroni National Government Constituency Development Fund Committee, it gives me great pleasure to present to you the financial statements and reports for the financial year 2016/2017.

The constituency received Kshs.84,143,631 from the NG-CDF board for the financial year 2016/2017. Out of this we allocated over Kshs.20 million towards bursaries for needy students and over Kshs.50 million 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 however, had a challenge of late disbursement of funds from the board, which led to rise in project costs, and late bursary disbursements that affected timely reporting of students to schools and colleges, to remedy this, funds should be released by CDF board on time.

Despite the reduced allocation for the financial year 2016/2017, we endeavoured to have very fare distribution of funds throughout the constituency, we do hope that the issues surrounding funds allocation will be resolved quickly by the national government to enable poor constituencies catch up.

Finally, I would like to sincerely thank our patron the honourable James Onyango K'oyoo MP 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 live's of the people of Muhoroni Constituency.

Thank you.



John Okwama Ngere,
Chairman, Muhoroni CDFC



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements For the year ended June 30th, 2017

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 faire view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2017. 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, 2017, 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 the internal financial control.

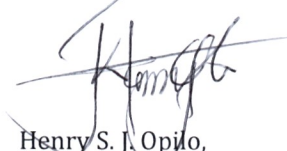
The Fund Account Manager in charge of the Muhoroni CDF confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted 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

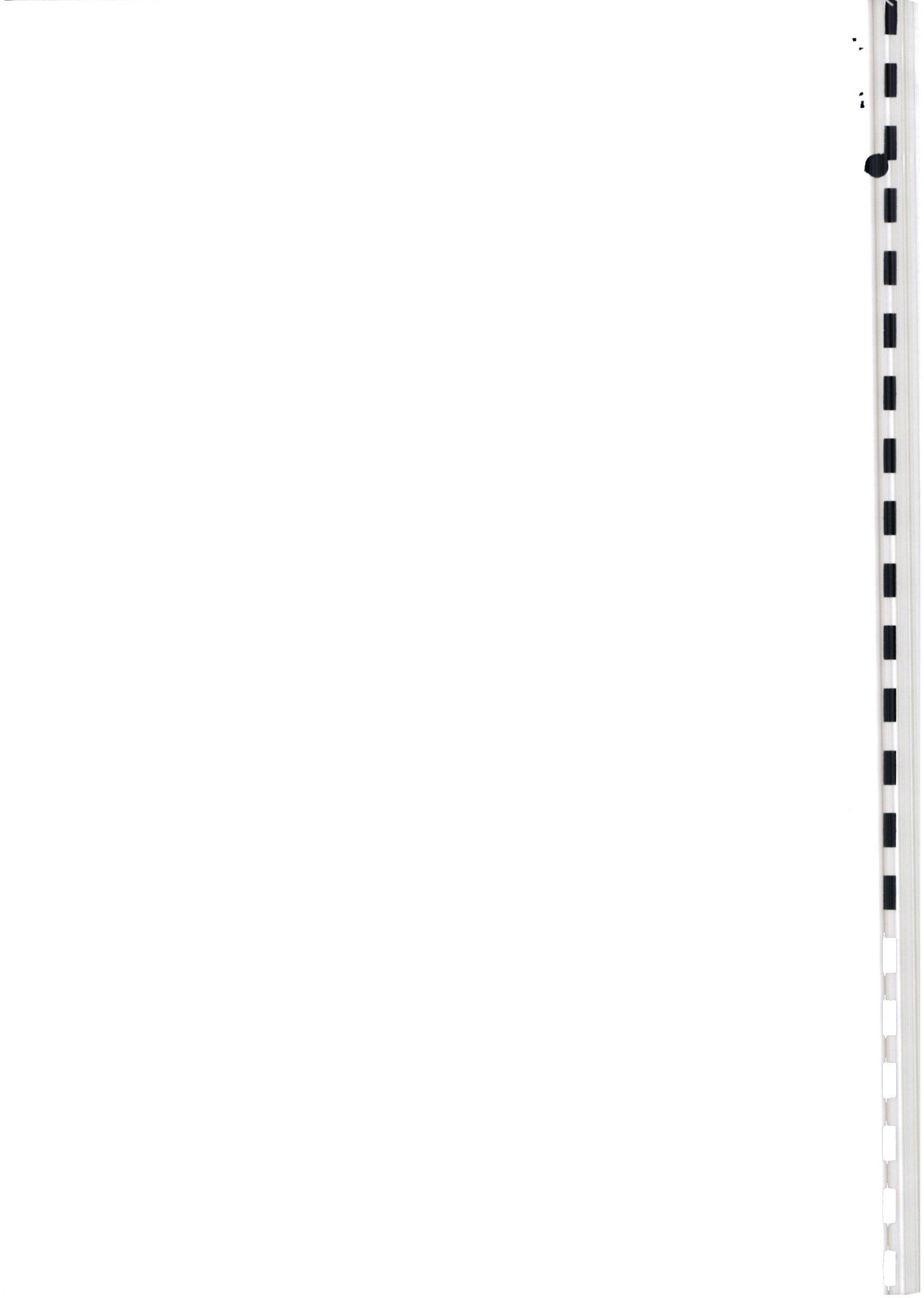
The Muhoroni CDF financial statements were approved and signed on 20th August, 2017.



John Okwama Ngere
Chairman – CDFC



Henry S. J. Opio,
Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-20-342330
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 – MUHORONI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Muhoroni Constituency set out on pages 7 to 27, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Muhoroni Constituency as at 30 June 2017, 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.

In addition, as required by Article 229(6) of the Constitution, except for matter described in Other Matter section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Summary Statement of Appropriation

The summary statement of appropriation indicates that the Fund received Kshs.142,907,825 during the year under review as shown in the actual on comparable basis column. This is however at variance with the figure indicated in the statement of receipts and payments of Kshs.84,143,631. The adjustments of Kshs.61,011,274 differs with the fund balance brought forward of Kshs.58,964,194 reflected in the statement of financial assets and liabilities.

*Report of the Auditor-General On the Financial Statements of National Government Constituencies
Development Fund – Muhoroni Constituency for the year ended 30 June 2017*

Consequently, the accuracy of the summary statement of appropriation could not be confirmed.

2. Summary of Fixed Assets Register

The summary of fixed assets register as highlighted in annex 4 to the financial statements indicates that the total cumulative historical cost as at 30 June 2016 was Kshs.38,387,629. The cumulative cost as at 30 June 2017 has not been reported. In addition, the cost of the Fund's motor vehicle has not been included.

Consequently, the accuracy of the summary of fixed assets register could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments indicates that the total payments for the year under review were Kshs.141,809,687. However, payments totaling Kshs.21,344,064 as shown below were not supported with minutes from the Constituency Development Fund Committee as required by section 12(5) of the National Government Constituencies Development Fund Act, 2015.

ITEM	Amount Kshs
Compensation of employees	2,682,372
Use of goods and services	8,966,477
Other grants and transfers	9,589,455
Acquisition of assets	105,760
Total	21,344,064

Consequently, the propriety of payments totaling Kshs.21,344,064 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Muhoroni Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion of my report, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1. Budget Performance

The Fund's approved budget for the year 2016/2017 amounted to Kshs.142,907,825. The analysis of comparison of budget and actuals is as shown below:

Expenditure	Approved Budget Kshs	Actual Expenditure Kshs	Variance Kshs	% of Utilization
Compensation of employees	3,008,381	3,008,381	0	100%
Use of goods and services	10,812,002	13,318,354	(2,506,352)	123%
Transfers to other government units	72,216,992	69,701,598	2,515,394	97%
Other grants and transfers	56,764,690	55,675,594	1,089,096	98%
Acquisition of assets	105,760	105,760	0	100%
Total	142,907,825	141,809,687	1,098,138	99%

During the year under review, the Fund incurred an expenditure of Kshs.141,809,687 or 99% of the approved budget. There was however an over expenditure in use of goods and services which has not been explained by management. The total expenditure on recurrent expenditure was 19.4% of total funds received in the year and 11.5% of total payments. The National Government Constituencies Development Fund Act 2015, sections 25(6) and 25(9) give a limit of 9% for both administration expenses and payments for monitoring and evaluation. The funds used for recurrent expenditures were therefore above the limits set by the Act.

2. Construction of a Dormitory at Koru Girls High School

Included in transfers to other government units is Kshs.8,943,103 for the construction of a dormitory at Koru Girls High School. Inspection of the works done and paid for indicated that painting works were incomplete. The tiles were also partially fixed and they are ceramic instead of the granite type in the bill of quantities. The ground floor is in use but the upper floor is incomplete. The completion of the project depends on additional funds being provided since the funds from the school which was to contribute 35% of the total cost have not been forthcoming.

3. Construction of Ogwodo- Ngiti Bridge

The statement of receipts and payments indicates that other grants and transfers for the year under review were Kshs.55,675,594. Included in this amount were transfers of Kshs.1,386,656 for the construction of Ogwodo/Ngiti bridge. The contract was

awarded during the year at a total sum of Kshs.5,209,636. However, the contractor was not identified through national open tender as required by the Public Procurement and Assets Disposal Act, 2015 since the threshold is above Kshs.4,000,000 set for works for class C entities. Even though The bridge is complete and in use, however, there was no labelling to indicate that it was a CDF project.

4. Construction of Songhor Administration Police Line

Included in other grants and transfers is Kshs.1,882,106 for the construction of Songhor AP line. The contract sum was of Kshs.2,193,525. Due to insecurity in the area the contractor abandoned the works after having been paid Kshs.1,382,106. Another contractor was picked from the initial list of bidders to complete the works and paid Kshs.500,000. Contract documents and bills of quantities for the new contract have not been provided for audit review. Inspection of the physical works in July 2018 revealed that the six rooms constructed had not been painted. The two latrines and bathrooms did not have doors. Even though emergency funds were utilized to pay for part of the cost, the building is still unoccupied since the National Police Service has not yet posted officers to the area. There was labeling of police post to indicate it was a CDF project.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

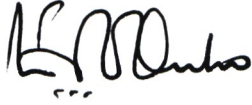
ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

27 September 2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

**Reports and Financial Statements
For the year ended June 30th, 2017**

STATEMENT OF RECEIPT AND PAYMENTS

	NOTE	2016-2017	2015-2016
RECEIPTS		KSHS	KSHS
Transfers from CDF Board – AIEs’ received	1	84,143,631.00	143,351,799.00
Proceeds from sale of Assets	2		
Other receipts	3		
TOTAL RECEIPTS		84,143,631.00	143,351,799.00
PAYMENTS			
Compensation of employees	4	3,008,381.00	2,206,445.00
Use of goods and services	5	13,318,354.00	11,725,325.00
Transfers to other government units	6	69,701,597.90	50,911,252.00
Other grants and transfers	7	55,675,594.10	50,167,292.00
Acquisition of Assets	8	105,760.00	2,802,109.00
Other payments	9	-	-
TOTAL PAYMENTS		141,809,687.00	117,812,423.00
SURPLUS/DEFICIT		(57,666,056.00)	25,539,376.00

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 20th August, 2017 and signed by:



**John Okwama Ngere
Chairman – CDFC**



**Henry J. Opile,
Fund Account Manager**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements
For the year ended June 30th, 2017

STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	NOTE	2016-2017	2015-2016
		KSHS	KSHS
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank and Balance (as per the cash Book)	10A	3,251,367.00	58,964,194.00
Cash Balances (Cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,251,367.00	58,964,194.00
REPRESENTED BY			
Retention	12		
Fund Balance B/fwd. 1 st July.....	13	58,964,194.00	31,115,920.00
Surplus/Deficit for the year		-57,666,065.00	25,539,376.00
Prior year adjustments	14	1,953,238.00	2,308,898.00
NET LIABILITIES		3,251,367.00	58,964,194.00

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 20th August, 2017 and signed by:



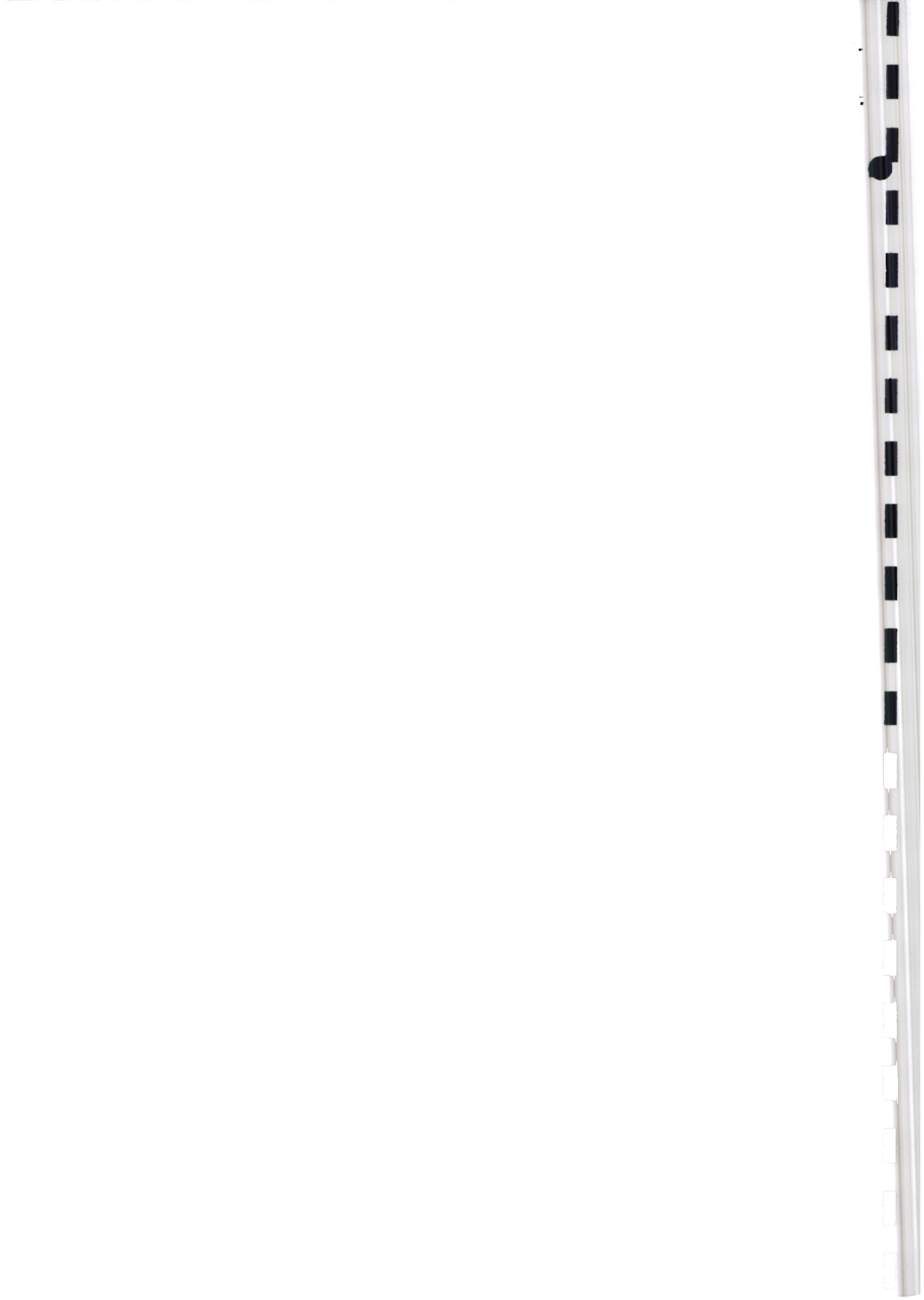
John Okwama Ngere
Chairman – CDFC



Henry J. Opilo,
Fund Account Manager

NB:


Prior year adjustments relate to reversal of stale cheques at the end of the previous period.



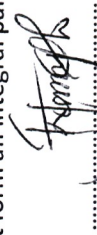
SUMMARY STATEMENT OF APPROPRIATION

Receipts/Expense item	Original Budget a	Adjustment b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.00	61,011,274.00	142,907,825.00	142,907,825.00	-	100%
Proceeds from Sales of Assets						
Other Receipts	-					
TOTAL	81,896,551.00	61,011,274.00	142,907,825.00	142,907,825.00	-	100%
PAYMENTS						
Compensation of Employees	2,797,000.00	211,381.00	3,008,381.00	3,008,381.00		100%
Use of goods and services	4,573,689.00	10,095,209.00	10,812,002.00	13,318,354.00		100%
Transfers to Other Government Units	39,636,735.00	32,580,257.00	72,216,992.00	69,701,597.90	1,156,367.00	102%
Other grants and transfers	34,889,127.00	18,018,667.00	56,764,690.00	55,675,594.10	3,557,458.00	93.70%
Acquisition of Assets	-	105,760.00	105,760.00	105,760.00		100%
Other Payments	-					
TOTAL	81,896,551.00	61,011,274.00	142,907,825.00	141,809,687.00	2,401,091.00	98.30%

The accounting policies and explanatory notes to the financial statement form an integral part of the financial statement. The Muhoroni CDF financial statement were approved on 20th August 2017 and signed by:



 John Okwama Ngere
 Chairman- CDFC



 Henry S.J Opiyo
 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements
For the year ended June 30th, 2017

IV. CASH FLOW STATEMENT

CASH FLOW STATEMENT			
		2016-2017	2015-2016
Receipts for operation income			
Transfers from CDF Board	1	84,143,631.00	143,351,799.00
Other receipts	3		
		84,143,631.00	143,351,799.00
Payments for Operating expenses			
Compensation of employees	4	3,008,381.00	2,206,445.00
Use of goods and services	5	13,318,354.00	11,725,325.00
Transfers to other Government Units	6	69,701,597.90	50,911,252.00
Other grants and transfers	7	55,675,594.10	50,167,292.00
Other payments	9	-	-
Adjusted for :			
Adjustment during the year	14	1,953,238.00	2,308,898.00
Net Cash Flow from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of assets	2		
Net cash flows from Investing activities		(105,760.00)	-2,802,109.00
Cash and Cash equivalent at beginning of the year		58,964,194.00	31,115,920.00
Cash and cash equivalent at END of the year		3,251,367.00	58,964,194.00



V. 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 and all values are rounded to the nearest thousand (Kshs.'000). The accounting policies adopted have been consistently applied to all the years presented.

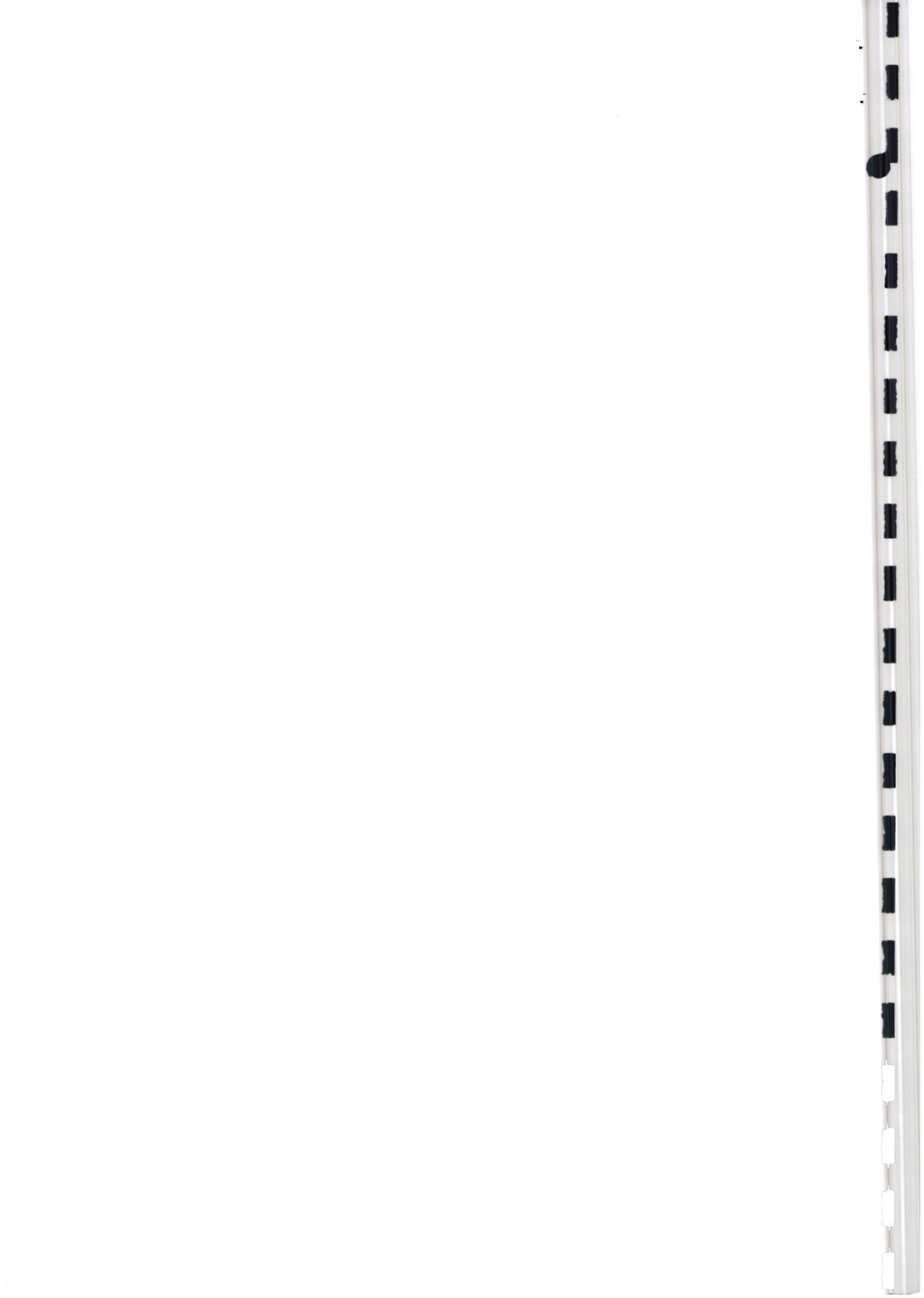
The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognizes transactions and events only when cash is received or paid by the Constituency.

(b) Recognition of Revenue and expenses

The Constituency recognizes 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 recognizes 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 authorized 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 settle, such payments are included in the statement of receipts and payments in the year in which the payments are made.

(f) Budget

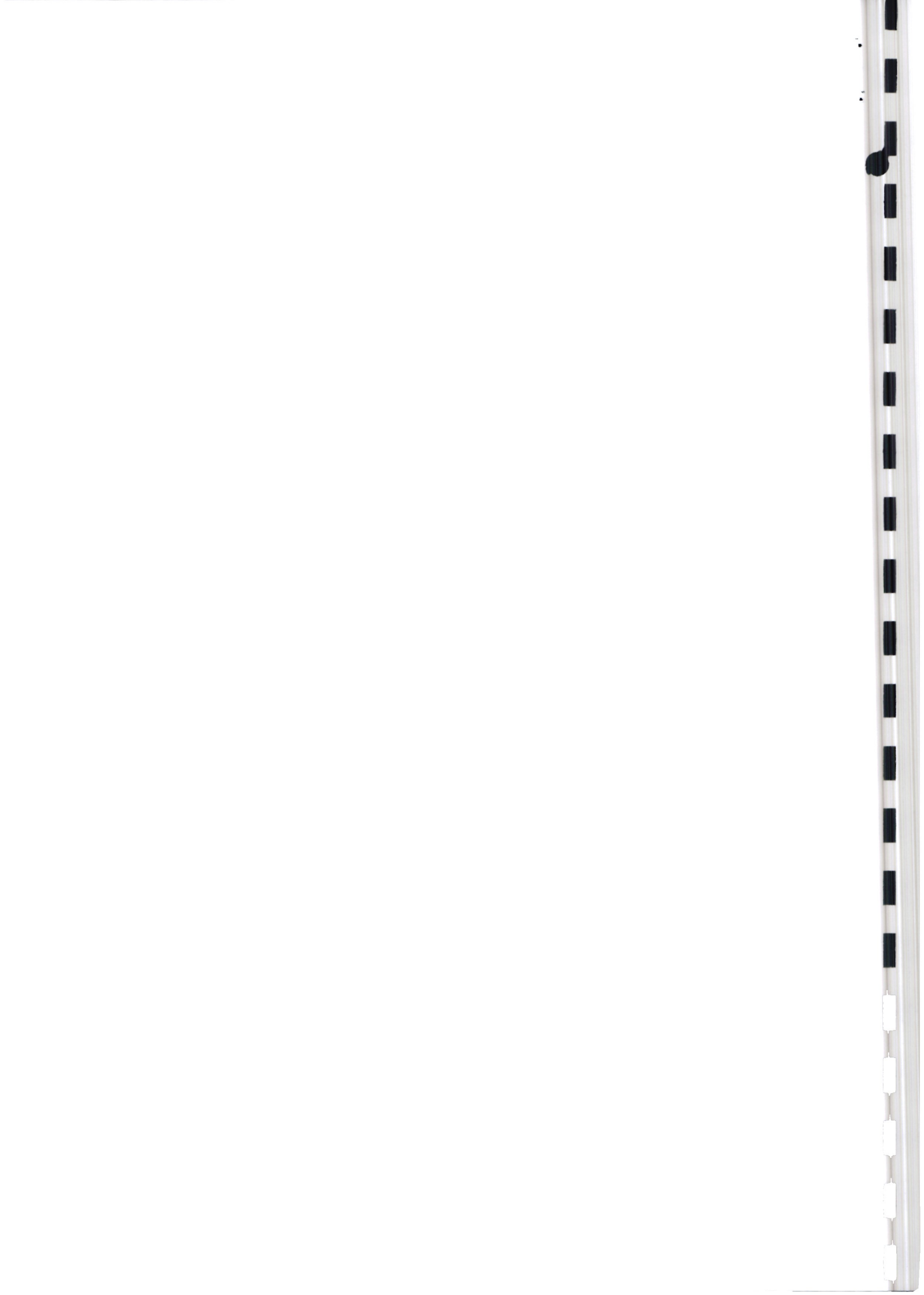
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Constituency's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment 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, 2017.



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUTENCY

Reports and Financial Statements

For the year ended June 30th, 2017

I. NOTES TO THE FINANCIAL STATEMENTS					
GFS CODES					
	1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2016-2017	2015-2016	
			Kshs.	Kshs.	
1330407	Normal Allocation	AIE NO.		27,748,542.00	
		A820907		20,000,000.00	
		A820688		20,000,000.00	
		A825543		18,000,000.00	
		A825804		57,603,257.00	
		A829938	4,094,827.00		
		A839611	36,853,449.00		
		A855645	2,047,080.00		
		A855705	40,948,275.00		
		A855639	200,000.00		
1330408	Conditional grants				
1330409	Receipt from other Constituency				
	TOTAL		84,143,631.00	143,351,799.00	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUTENCY

Reports and Financial Statements

For the year ended June 30th, 2017

3510000	2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
	Description		2016-2017	2015-2016	
			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				
1400000	3. OTHER RECEIPTS				
	Description		2016-2017	2015-2016	
1410107	Interest Received		-	-	
1410405	Rents		-	-	
1420601	Interest Received		-	-	
1450207	Other Receipts Not Classified elsewhere (specify)		-	-	
	Total		-	-	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUHORONI CONSTITUTENCY

Reports and Financial Statements
For the year ended June 30th, 2017

2110000	4. COMPENSATION OF EMPLOYEES				
	Description		2016-2017	2015-2016	
3510000	1. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
	Description		2016-2017	2015-2016	
			Kshs.	Kshs.	
2110201	Basic wages of contractual employees		3,008,381.00	2,000,645.00	
2110202	Basic wages of casual labour		-	205,800.00	
	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		-	-	
2710120	Gratuity		-	-	
	Total		3,008,381.00	2,206,445.00	
2200000	5. USE OF GOODS AND SERVICES				
	Description		2016-2017	2015-2016	
			Kshs.	Kshs.	
2210100	Utilities, supplies and services		1,618,654.00	1,205,795.00	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUTENCY

Reports and Financial Statements

For the year ended June 30th, 2017

2210104	Office Rent		315,000.00		
2210200	Communication, supplies and services		200,000.00	135,000.00	
2210300	Domestic travel and subsistence			280,800.00	
2210500	Printing, advertising and Information supplies and services		20,880.00	495,000.00	
2210600	Rentals of produced assets				
2210700	Training expenses				
2210800	Hospitality supplies and services		525,449.00	946,855.00	
2210802	Other committee expenses		2,450,000.00	4,017,520.00	
2210809	Committee Allowance		2,263,962.00		
2210900	Insurance cost				
2211000	Specialized materials and services			261,584.00	
2211100	Office and general supplies and services		1,287,209.00	1,625,959.00	
2211200	Fuel, oil and lubricants		1,745,000.00	595,000.00	
2211300	Other operating expenses				
2220100	Routine maintenance - vehicles and other transport equipment		2,331,798.00	2,161,812.00	
2220200	Routine maintenance - other assets		560,411.00		
	Total		13,318,354.00	11,725,325.00	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUTENCY

Reports and Financial Statements
For the year ended June 30th, 2017

2630200	6. TRANSFER TO OTHER GOVERNMENT ENTITIES				
	Description		2016-2017	2015-2016	
			Kshs.	Kshs.	
2630204	Transfers to Primary Schools		41,236,359.00	2,101,685.00	
2630205	Transfers to Secondary Schools		28,116,330.00	42,904,526.00	
2630206	Transfers to Tertiary Institutions		-	-	
2630207	Transfers to Health Institutions		348,909.00	5,905,041.00	
	TOTAL		69,701,597.00	5,911,252.00	
2640000	7. OTHER GRANTS AND OTHER PAYMENTS				
	Description		2016-2017	2015-2016	
			Kshs.	Kshs.	
2640101	Bursary - Secondary		30,195,251.00	24,852,556.00	
2640102	Bursary - Tertiary		12,440,813.00	6,700,516.00	
2640104	Bursary - Special schools			360,000.00	
2640105	Mocks and CAT				
2640504	Water			747,550.00	
2640505	Agriculture (food security)				
2640506	Electricity projects		573,144.00	183,188.00	
2640507	Security			17,933.00	
2640508	Roads		786,263.00	6,516,304.00	
2640509	Sports		2,543,001.00	2,728,320.0	
2640510	Environment		1,627,916.00		
2640200	Emergency Projects (specify)		7,509,20400	8,060,925.00	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUTENCY
Reports and Financial Statements
For the year ended June 30th, 2017

	Total		55,675,594.00	50,167,292.00
3100000	8. ACQUISITION OF ASSETS			
	Non-Financial Assets		2016-2017	2015-2016
			Kshs.	Kshs.
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		-	-
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles		-	-
3110704	Purchase of Bicycles and Motorcycles		-	-
3110801	Overhaul of Vehicles		-	-
3111002	Purchase of computers, printers and other IT equipments		-	-
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipments		-	2,802,109.00
3111112	Purchase of soft ware		-	-
3130101	Purchase of computers		105,760.00	-
	Total		105,760.00	2,802,109.00
	9. Other Payments			
	Specify		-	-
	Specify		-	-
	Specify		-	-
	TOTAL		-	-
	10A: BANK BALANCES (CASH BOOK BALANCE)			



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

3111002	Purchase of computers ,printers and other IT equipments	-	-	
3111005	Purchase of photocopier	-	-	
3111009	Purchase of other office equipments	-	2,802,109.00	
3111112	Purchase of soft ware	-	-	
3130101	Acquisition of Land	105,760	-	
	Total	105,760	2,802,109.00	
	9 Other Payments			
	specify	-	-	
	specify	-	-	
	specify	-	-	
	TOTAL	-	-	
	10A: Bank Balances (cash book bank balance)			





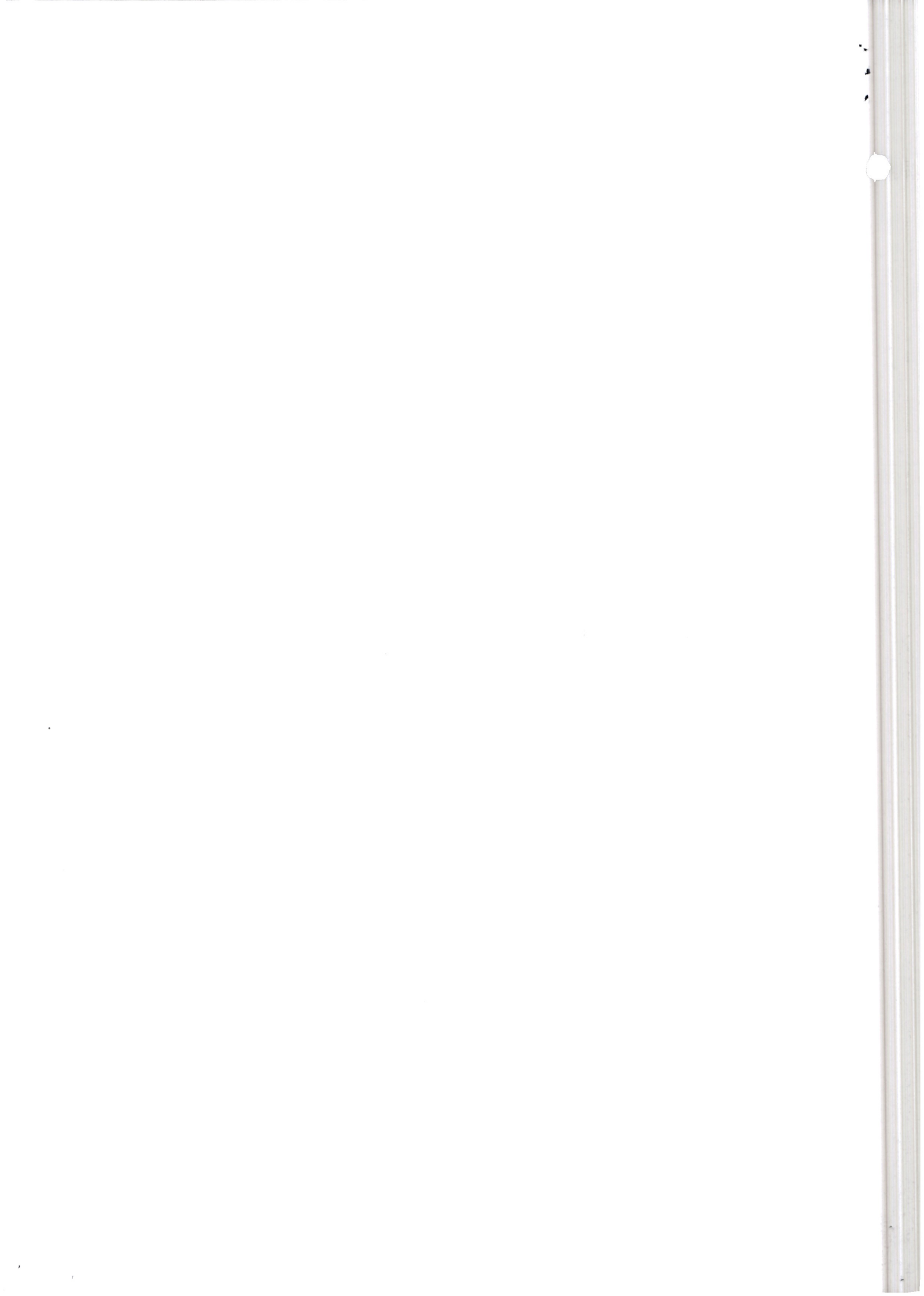


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

	Imprest		-		
			-		
	Total		1,953,238	<i>065</i> 2,308,898.00	
	15				
		OTHER IMPORTANT DISCLOSURES			
	15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)				
			2016 - 2017	2015 - 2016	
			Kshs	Kshs	
	Construction of buildings		-	-	
	Construction of civil works		-	-	
	Supply of goods		-	-	
	Supply of services		-	-	
	TOTAL		-	-	
	15.2: PENDING STAFF PAYABLES (See Annex 2)				
			Kshs	Kshs	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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
Office equipment, furniture and fittings	3,070,109.00	268,000.00
ICT Equipment, Software and Other ICT Assets	217,000.00	112,000.00
Other Machinery and Equipment	95,000.00	95,000.00
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	38,387,629.00	35,480,520.00

Stale cheques that form prior year adjustments

CQ NUMBER	AMOUNT
5755/5256	20,000.00
5979	20,000.00
5656/5726	20,000.00
5952	53,554.00
5708	10,000.00
6347	10,000.00
6218	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

6218	10,000.00
6219	10,000.00
6174	10,000.00
6082	20,000.00
6114	10,000.00
6274	10,000.00
5726	10,000.00
6333	10,000.00
5751	8,783.00
5756	2,800.00
5758	8,783.00
5760	317,374.00
5767	378,692
5770	75,000.00
5771	22,500.00
5780	8,783.00
5782	24,129.00
5881	506,363.00
5882	151,909.00



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

5902	20,302.00	
5903	33,838.00	
5904	10,152.00	
5908	9,813.00	
5991	6,246.00	
5993	28,440.00	
6018	9,813.00	
6050	15,000.00	
6053	15,000.00	
6081	22,939.00	
6084	5,000.00	
6123	20,000.00	
6146	5,000.00	
6160	8,025.00	
6223	15,000.00	
TOTAL	1,953,238	

