

REPUBLIC OF KENYA



Enhancing Accountability

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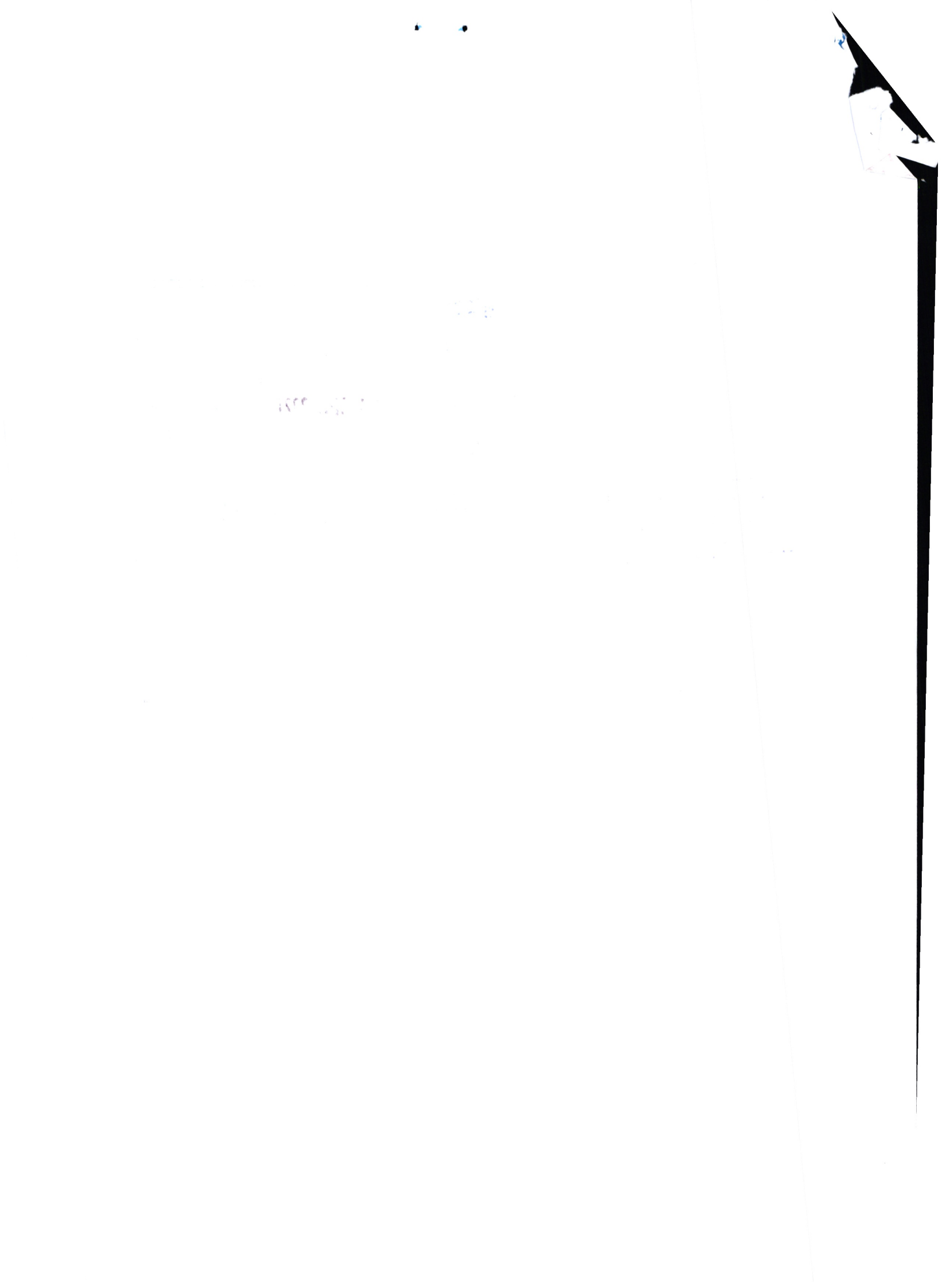
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -MUHORONI
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY**

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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF MUHORONI Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Henry Samson Juma Opilo
2.	Sub-County Accountant	Isabella S. N Omoke
3.	Chairman NGCDFC	Benard Ogutu Del
4.	Member NGCDFC	Hilda Atieno

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Muhoroni Constituency Headquarters

P. O. Box 60,
CDF Building, Chemelil
MUHORONI Sub-County Headquarters
Muhoroni, KENYA



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
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(f) NGCDF Muhoroni Constituency Contacts

Telephone: (254) 721967624

E-mail:

Website: www.cdf.go.ke

(g) NGCDF Muhoroni Constituency Bankers

Kenya Commercial Bank

KCB Bank

Muhoroni Branch

Account No.1104058669

P. O. Box 62, Chemelil

(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

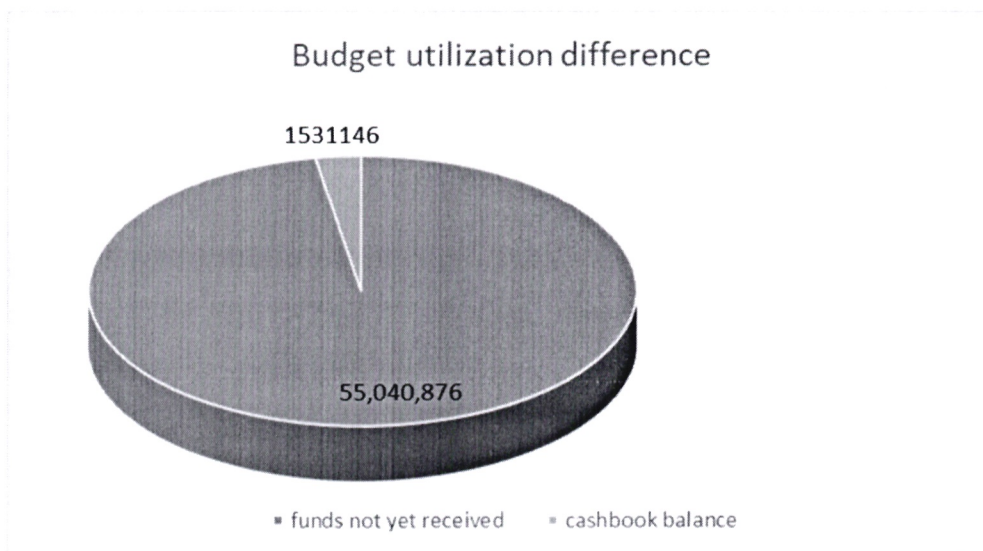
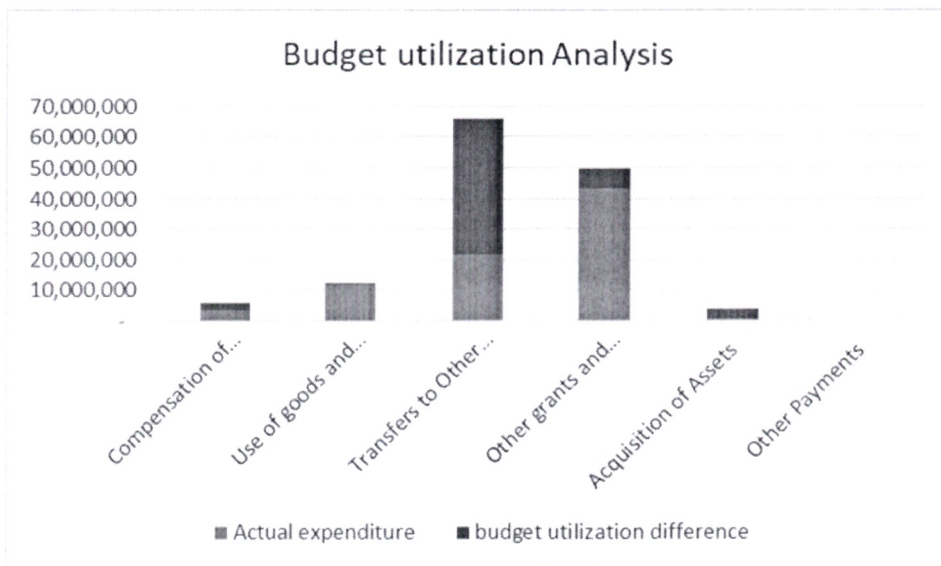
Nairobi, Kenya



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
 MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Once again, I present our constituency Annual Report and Financial Statements for the year ended 30th June 2019. The actual receipt from the NGCDF board for the year 2018/2019 was Kshs. 54,000,000 against the annual budget (allocation) of Kshs 109,040,876.00 An additional Kshs. 11,379,310 was received in relation to the previous financial years. By the closure of the financial year, a balance of Kshs. 56,572,022 of the allocated fund including balances not received from previous years had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization). The absorption rate is not impressive with a utilization rate of over 58.9% overall as indicated by the appropriation analysis summary due to the delay in fundings from the Board (see the graphs below). This is a decrease of 14.7% from last year absorption rate.





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
Reports and Financial Statements
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Our commitment to achieve our dream of being the model constituency in Kenya by bringing all the essential services to the people has been our main motivation for the continued good performance under the difficult operating environment.

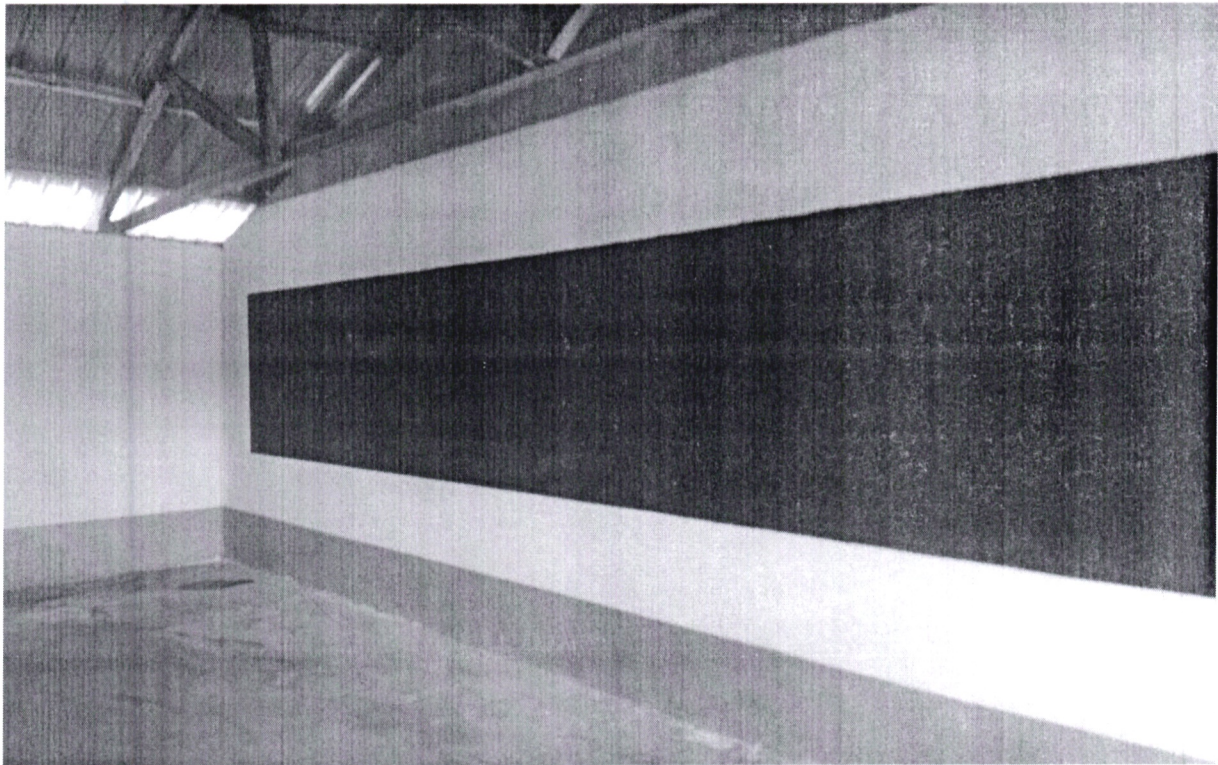
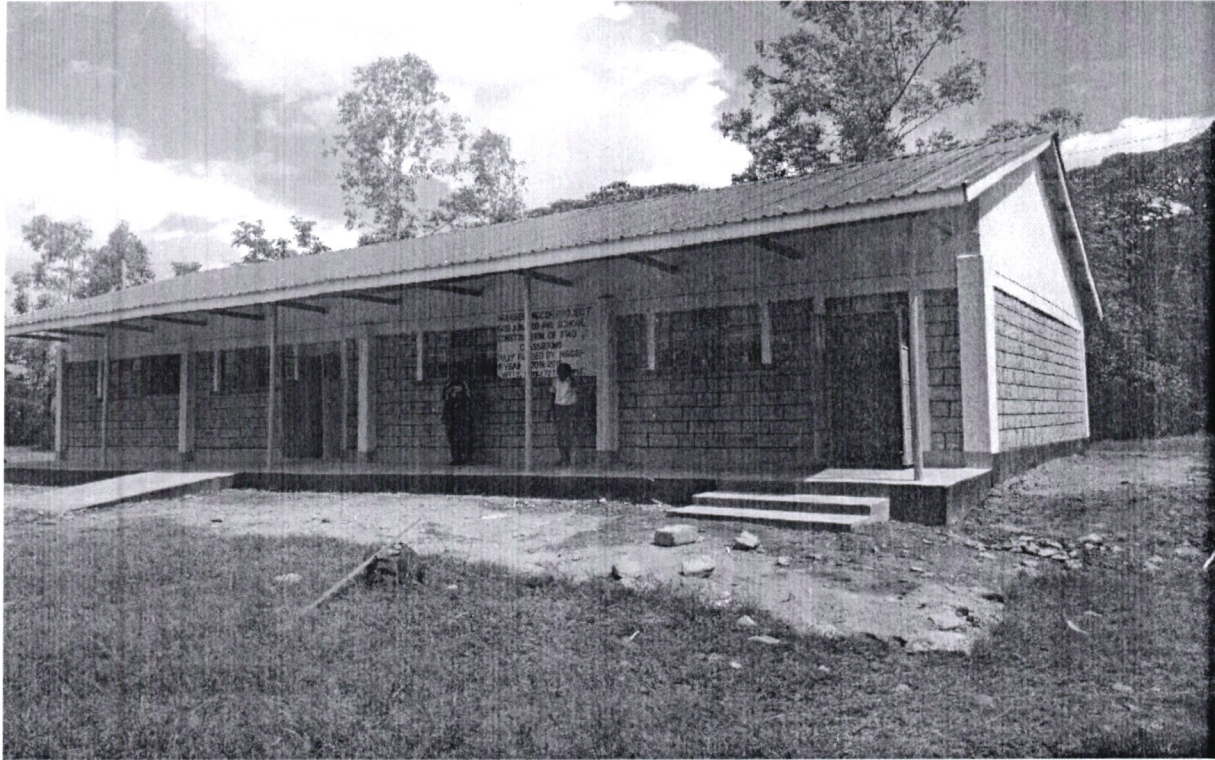
Some of the key achievements during this financial year included disbursement of funds to different government agencies; Ksh. 33,800,000 was for primary schools and Ksh. 22,200,000 to secondary schools. We were also able to disburse a total of Kshs 9,000,000.00 to various secondary schools and tertiary institutions benefitting about 3,000 students thus indicating how education wise the NG-CDF fund is impacting on lives of the Kenyans with specific reference to Muhoroni constituents.

The following sample photos portrays the projects that were achieved in the just ended FY 18/19;





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
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Sign.....*B. Antuolel*
Constituency Chairman

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

III. STATEMENT OF ENTITY 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 the Public Sector Accounting Standards Board of Kenya from time to time.

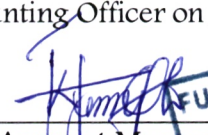
The Accounting Officer in charge of the NGCDF-Muhoroni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

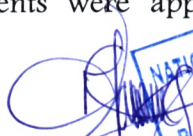
The Accounting Officer in charge of the NGCDF-Muhoroni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-MUHORONI Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-MUHORONI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 entity'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

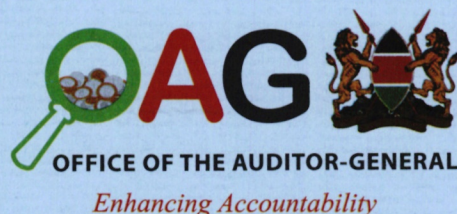
The NGCDF-Muhoroni Constituency financial statements were approved and signed by the Accounting Officer on 25th 3. 2020


**FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60 - 40116
CHEMELIL**
Name: Henry Samson Juma Opiyo


**NATIONAL SUB-COUNTY ACCOUNTANT
MUHORONI
P.O. BOX 27 - 40116, CHEMELIL**
Sub-County Accountant
Name: Isabella S.N. Omoke
ICPAK Member Number: 20941

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

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 8 to 43, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the 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 effects 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, 2019, 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 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.1,531,146. However, the bank reconciliation statement for the month of June, 2019 reflected unpresented cheques totalling Kshs.2,207,635 out of which cheques totalling Kshs.484,644 were stale as at 30 June, 2019.

Consequently, the accuracy and validity of the cash and cash equivalents balance of Kshs.1,531,146 could not be confirmed.

2. Presentation of the Financial Statements

The net financial position of Kshs.1,531,146 is erroneously shown as net liabilities in the statement of assets and liabilities.

In the circumstances, the financial statements are not presented in accordance with the financial reporting guidelines issued by the Public Sector Accounting Standards Board.

3. Inconsistencies in the Financial Statements

Note 15.3 to the financial statements reflects a comparative unutilized funds balance of Kshs.17,325,417 which differs with the balance of Kshs.28,704,727 reflected under Annex 3 by Kshs.11,379,310. The difference has not been explained or reconciled.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Muhoroni Constituency Management in accordance with ISSAI 130 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. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.137,745,603 and Kshs.82,704,727 respectively, resulting to an under-funding of Kshs.55,040,876 or 40% of the budget. The Fund's expenditure was limited to the receipts realized.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the constituents.

2. Unresolved Prior Year Audit Matters

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2019. Management has not provided satisfactory reasons for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unconfirmed Land Ownership - Mutwala Girls Secondary School

The balance of Kshs.6,850,000 reflected under Note 6 to the financial statements for transfers to secondary schools, includes an amount of Kshs.1,500,000 paid to Mutwala Girls Secondary School for purchase of land. Information available indicates that the School signed an agreement with the vendor on 01 March, 2016 for the purchase of the land parcel measuring approximately 1.82ha. at a cost of Kshs.1,956,500. The transaction was to be completed in ninety (90) days. A subsequent valuation of the land parcel indicated that the land had appreciated to a value of Kshs.2,000,000 as at 08 December, 2017. As at the time of audit in March 2020, the School had paid Kshs.1,500,000 to the vendor and it was not clear when the balance would be settled. The ownership documents for the land were also not provided for audit and no evidence was provided as to how the school had safeguarded its interest in the land.

In the circumstances, ownership of the land parcel could not be confirmed. In addition, delay in completing the purchase transaction may lead to cost escalations.

2. Delay in Transfer of Land Ownership - St. Rita Ramula Girls

Included in the transfers to secondary schools balance of Kshs.6,850,000 as disclosed at Note 6 to the financial statements, is an amount of Kshs.1,500,000 disbursed to St. Rita Ramula Girls Secondary School for the purchase of land.

However, audit inspection in March 2020, revealed that although the School was in custody of the title deeds for the three (3) parcels of land that were bought in 2018, the parcels were yet to be registered in the name of the School. No reason was provided for the delayed registration of the land parcels in the School's name.

3. Poor Workmanship - Construction of Classrooms in Homaline Primary School

Included in the transfers to primary schools balance of Kshs.14,883,964 as disclosed at Note 6 to the financial statements, is an amount of Kshs.850,000 disbursed to Homaline Primary School for construction of two (2) classrooms. However, audit inspection in March, 2020, revealed that although the classrooms were complete and in use, the floors had cracks and holes indicating poor workmanship.

Consequently, the residents of Muhoroni Constituency did not get value for money from the Kshs.850,000 incurred on the classrooms.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the Management is aware of the intention to liquidate the Fund or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective manner.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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.
- 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 as a going concern or 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi


16 November, 2021

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	65,379,310	86,810,344
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		65,379,310	86,810,344
PAYMENTS			
Compensation of employees	4	3,443,520	2,891,640
Use of goods and services	5	11,797,498	6,918,652
Transfers to Other Government Units	6	21,733,964	20,180,000
Other grants and transfers	7	43,485,079	43,242,301
Acquisition of Assets	8	713,520	-
Other Payments	9	-	-
TOTAL PAYMENTS		81,173,581	73,232,593
SURPLUS/DEFICIT		(15,794,271)	13,577,751

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Muhoroni Constituency financial statements were approved on 25th.3. 2020 and signed by:


Fund Account Manager
Name: Henry Samson Juma Opilo

ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60 - 40116
CHEMELIL


Sub-County Accountant
Name: Isabella S.N. Omoke
ICPAK Member Number: 20941

SUB-COUNTY ACCOUNTANT
MUHORONI
P.O. BOX 27 - 40116, CHEMELIL

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
 MUHORONI CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019**

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,531,146	17,325,417
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		1,531,146	17,325,417
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,531,146	17,325,417
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		1,531,146	17,325,417
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	17,325,417	3,251,367
Surplus/Deficit for the year		(15,794,271)	13,577,751
Prior year adjustments	14	-	496,299
NET LIABILITIES		1,531,146	17,325,417

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Muhoroni Constituency financial statements were approved on 25th 3rd 2020 and signed by

Fund Account Manager
 Name: Henry Samson Juma pho

Sub-County Accountant
 Name: Isabella S.N. Omoke
 ICPAK Member Number: 20941

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
MUHORONI CONSTITUENCY
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For the year ended June 30, 2019**

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	65,379,310	86,810,344
Other Receipts	3	-	-
Total Receipts		65,379,310	86,810,344
Payments			
Compensation of Employees	4	3,443,520	2,891,640
Use of goods and services	5	11,797,498	6,918,652
Transfers to Other Government Units	6	21,733,964	20,180,000
Other grants and transfers	7	43,485,079	43,242,301
Other Payments	9	-	-
Total Payments		80,460,061	73,232,593
Total Receipts Less Total Payments		(15,080,751)	13,577,751
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	496,299
Net Adjustments		-	-
Net cash flow from operating activities		(15,080,751)	14,074,050
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	713,520	-
Net cash flows from Investing Activities		(713,520)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(15,794,271)	14,074,050
Cash and cash equivalent at BEGINNING of the year	13	17,325,417	3,251,367
Cash and cash equivalent at END of the year		1,531,146	17,325,417

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF MUHORONI Constituency financial statements were approved on 25th 2020 and signed by:

Fund Account Manager
Name: Henry Samson Juma Opilo

Sub-County Accountant
Name: Isabella S. N. Omoke

ICPAK Member Number: 20941

Reports and Financial Statements

For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

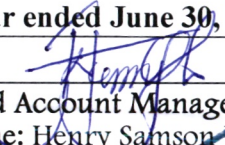
Receipt/Expense Item	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	RECEIPTS						
Transfers from CDF Board	Transfers from CDF Board	109,040,876	28,704,727	137,745,603	82,704,727	55,040,876	60.0%
Proceeds from Sale of Assets	Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	Other Receipts	-	-	-	-	-	
TOTAL RECEIPTS	TOTAL RECEIPTS	109,040,876	28,704,727	137,745,603	82,704,727	55,040,876	60.0%
PAYMENTS	PAYMENTS						
Compensation of Employees	Compensation of Employees	4,911,863	1,083,500	5,995,363	3,443,520	2,551,843	57.4%
Use of goods and services	Use of goods and services	4,901,817	7,010,986	11,912,803	11,797,498	115,305	99.0%
Transfers to Other Government Units	Transfers to Other Government Units	56,000,000	10,243,964	66,243,964	21,733,964	44,510,000	32.8%
Other grants and transfers	Other grants and transfers	39,238,993	10,366,277	49,605,270	43,485,079	6,120,192	87.7%
Acquisition of Assets	Acquisition of Assets	3,988,203	-	3,988,203	713,520	3,274,683	17.9%
Other Payments	Other Payments	-	-	-	-	-	0.0%
TOTAL	TOTAL	109,040,876	28,704,727	137,745,603	81,173,581	56,572,022	58.9%

At the end of the financial year 2018/2019 underutilization was due to delay of funds from the board.

The NGCDF-MUHORONI Constituency financial statements were approved on 25th 3. 2020 and signed by:




Reports and Financial Statements
For the year ended June 30, 2019


Fund Account Manager

Name: Henry Samson

FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60 - 40116
CHEMELIL


Sub-County Accountant

Name: Isabella SN Omoke

ICPAK Member Number: 20941

MUHORONI SUB-COUNTY ACCOUNTANT
MUHORONI
P.O. BOX 27 - 40116 CHEMELIL



Reports and Financial Statements

For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,911,863	1,083,500	5,995,363	3,443,520	2,551,843
1.2 Committee allowances	1,248,000		1,248,000	4,251,000	-3,003,000
1.3 Use of goods and services	382,589	2,167,021	2,549,610	2,956,000	-406,389
1.4 Acquisition of assets			-		0
2.0 Monitoring and evaluation			-		0
2.1 Capacity building	1,271,226		1,271,226	1,174,629	96,597
2.2 Committee allowances	1,000,000		1,000,000	1,164,000	-164,000
2.3 Use of goods and services	1,000,000	4,253,965.00	5,253,965	3,386,499	1,867,466
3.0 Emergency			-		0.00
Emergency projects	5,738,994	3,099,965.51	8,838,959	4,899,012	3,939,947
3.2 Secondary schools			-		0
3.4 Security projects			-		0
4.0 Bursary and Social Security			-		0
4.1 Primary Schools			-		0
4.2 Secondary Schools	20,000,000	2,266,379	22,266,379	22,262,851	3,529
4.3 Tertiary Institutions	12,000,000	2,000,000	14,000,000	14,000,000	0
4.4 Universities			-		0
4.5 Social Security			-		0
5.0 Sports			-		0
5.1-Sports projects	1,500,000	725,300	2,225,300	1,492,550	732,750
6.0 Environment			-		0



Reports and Financial Statements

For the year ended June 30, 2019

6.1 Environment projects	-		-		0
7.0 Primary Schools Projects			-		0
Mikiria Primary School		240,000	240,000	240,000	0
Muhoroni factory primary school	1,650,000		1,650,000	-	1,650,000
Keyo Primary School		1,650,000	1,650,000	1,650,000	0
Jaber Primary School		50,000	50,000	50,000	0
Homalime Primary School		850,000	850,000	850,000	0
Cheptuiyet Primary	1,650,000		1,650,000		1,650,000
Ogwodo Primary School		850,000	850,000	850,000	0
Kigoche Primary School	2,450,000		2,450,000	-	2,450,000
Pawteng Primary school	1,650,000	850,000	2,500,000	850,000	1,650,000
Nyakok primary school	1,650,000		1,650,000	-	1,650,000
Ogwedhi Primary School		350,000	350,000	350,000	0
Ramula primary School	1,650,000		1,650,000	-	1,650,000
Wagai Primary School		350,000	350,000	350,000	0
Ombeyi Primary School		290,000	290,000	290,000	0
Nyang Primary school	1,650,000		1,650,000		1,650,000
Nyalenya Primary School	1,650,000		1,650,000	1,150,000	500,000
Waware Primary School	1,650,000		1,650,000	1,150,000	500,000
Yago Primary School	1,650,000		1,650,000	1,150,000	500,000
Rangombe Primary School	1,650,000		1,650,000	1,150,000	500,000
Bacho Primary	1,650,000		1,650,000	-	1,650,000
God Abuoro Primary	1,650,000		1,650,000	1,150,000	500,000
Nyakunguru Primary	1,650,000		1,650,000		1,650,000
Kibigori Railways Primary School	1,650,000		1,650,000	1,100,000	550,000
Kibigori Primary School		50,000	50,000	-	50,000
Karunga Primary School	1,650,000		1,650,000	1,100,000	550,000
Kiliti Primary School	1,650,000		1,650,000	1,150,000	500,000



Reports and Financial Statements

For the year ended June 30, 2019

Sauset Primary School	1,650,000		1,650,000	-	1,650,000
Kipturi Primary School	1,650,000		1,650,000	-	1,650,000
Tamu Primary school	1,650,000		1,650,000	-	1,650,000
8.0 Secondary Schools Projects			-		0
St. Rita Rangala Girls High School		1,500,000	1,500,000	1,500,000	0
Mutwala Girls High School		1,500,000	1,500,000	1,500,000	0
Arch Bishop Okoth Ochoria Sec School	700,000		700,000	700,000	0
Ngeny Sec. School	1,650,000		1,650,000	1,150,000	500,000
Achego Girls Secondary School		303,964	303,964		303,964
St. Boniface Magare Sec. School		2,000,000	2,000,000	2,000,000	0
Our lady of peace	2,450,000		2,450,000	-	2,450,000
God Abuoro Secondary	2,450,000		2,450,000	-	2,450,000
Ngere Kagoro Sec School	5,000,000		5,000,000	-	5,000,000
Kibigori Secondary school	2,450,000		2,450,000	-	2,450,000
St Stephens Menara	2,500,000		2,500,000	-	2,500,000
Miwani Sec	5,000,000		5,000,000	-	5,000,000
9.0 Tertiary institutions Projects			-		0
10.0 Security Projects			-		0
10.1			-		0
11.0 Acquisition of assets			-		0
11.1 Motor Vehicles			-		0
11.2 Construction of CDF office	3,988,203		3,988,203	713,520	3,274,683
11.3 Purchase of furniture and equipment			-		0
11.4 Purchase of computers			-		0

Reports and Financial Statements

For the year ended June 30, 2019

12.0 Roads			-		0
12.1 Strategic Plan		2,274,632.00	2,274,632		2,274,632
12.2 Innovation Hub			-		0
12.2 TIVET			-		0
TOTAL	109,040,876	28,704,727	137,745,602	81,173,581	56,572,021

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
MUHORONI CONSTITUENCY
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IX. 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 Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-MUHORONI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
MUHORONI CONSTITUENCY
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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. 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.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. 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 Entity 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.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
MUHORONI CONSTITUENCY
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For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. 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 30th June 2019.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
 MUHORONI CONSTITUENCY
 Reports and Financial Statements
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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
A 855945	1		5,500,000
A 892844	2		37,905,172
A 896893	3		43,405,172
A 855974	1	11,379,310	
B 030104	2	10,000,000	
B 006466	3	8,000,000	
B 005419	4	12,000,000	
A 724485	5	11,000,000	
B 042809	6	13,000,000	
TOTAL		65,379,310	86,810,344

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
 MUHORONI CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	3,132,480	2,775,000
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Employer contribution to NSSF	311,040	116,640
Gratuity – paid	-	-
- accrued	-	-
Other personnel payments	-	-
Total	3,443,520	2,891,640



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
 MUHORONI CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	1,356,000	3,216,538
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	164,000	-
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	5,415,000	3,255,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	1,600,000	400,000
Other operating expenses	3,155,567	-
Bank service commission and charges	106,931	47,114
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	-	-
TOTAL	11,797,498	6,918,652

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
 MUHORONI CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	14,883,964	10,080,000
Transfers to Secondary schools	6,850,000	10,100,000
Transfers to Tertiary institutions	-	-
TIVET	-	-
TOTAL	21,733,964	20,180,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	25,998,851	33,851,955
Bursary -Tertiary	10,264,000	1,613,000
Bursary-Special schools	-	370,000
Mocks & CAT	-	-
Security	-	-
Roads and Bridges	-	260,482
Sports	1,492,550	1,396,664
Environment	-	1,842,000
Emergency Projects	5,729,678	3,908,200
TOTAL	43,485,079	43,242,301

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	713,520	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	713,520	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
Bank charges	104,465	-
specify	-	-
specify	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
 MUHORONI CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
KCB Bank	A/C No.1104058669	1,531,146	17,325,417

10B: CASH IN HAND)		
	2018-2019	2017 - 2018
	Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2019)
	Date imprest taken	Kshs	Kshs	Kshs
		-	-	-
		-	-	-
		-	-	-

12A. RETENTION

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
		-	-
TOTAL		-	-

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	17,325,417	3,251,367
Cash in hand	-	-
Imprest	-	-
Total	17,325,417	3,251,367

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	-	496,299.00
Cash in hand	-	-
Imprest	-	-
Total	-	496,299.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	2,551,843	-
Use of goods and services	115,305	-
Amounts due to other Government entities (see attached list)	44,510,000	-
Amounts due to other grants and other transfers (see attached list)	6,120,192	-
Acquisition of assets	3,274,683	-
Others (<i>specify</i>)	-	-
	56,572,022	17,325,417

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
	2,529,098	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	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					
7.	-	-	-	-	
8.	-	-	-	-	
9.	-	-	-	-	
Sub-Total	-			-	
Supply of services					
10.	-	-	-	-	
11.	-	-	-	-	
12.	-	-	-	-	
Sub-Total	-			-	
Grand Total	-			-	

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		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.	-	-	-	-	-	
12.	-	-	-	-	-	
Sub-Total		-			-	
Grand Total		-			-	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		2,551,843	1,083,500	
Use of goods & services		115,305	7,010,986	
Amounts due to other Government entities		44,510,000	10,243,964	
Sub-Total		47,177,148	18,338,450	
Amounts due to other grants and other transfers		6,120,192	10,366,277	
Sub-Total		6,120,192	10,366,277	
Acquisition of assets		3,274,683	-	
Others (specify)				
Sub-Total		3,274,683	-	
Grand Total		56,572,023	28,704,727	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	17,000,000	713,520	-	17,713,520
Transport equipment	18,005,520	-	-	18,005,520
Office equipment, furniture and fittings	3,070,109	-	-	3,070,109
ICT Equipment, Software and Other ICT Assets	217,000	-	-	217,000
Other Machinery and Equipment	95,000	-	-	95,000
Heritage and cultural assets	-	-	-	0
Intangible assets	-	-	-	0
Total	38,387,629	713,520	-	39,101,149

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/1 8
JAGIR SINGH PRIMARY SCHOOL	CO-OP BANK	01139012934001	8,477	-
KEYO PRIMARY SCHOOL	CO- OPERATIVE BANK	01139015130901	2,373	-
NYALENYA PRIMARY SCHOOL	CO- OPERATIVE BANK	01139015034702	1,732	-
HOMALIME PRIMARY SCHOOL	KCB	1211329232	670	-
MENARA PRIMARY SCHOOL	KCB	1232722243	44	-
OGEN PRIMARY SCHOOL	KCB	1211126684	750	-
MIWANI SEC. 3 PRIMARY SCHOOL	KCB	1110152299	719	-
KORE PRIMARY SCHOOL	KCB	1226388256	159,324	-
OGWEDHI PRIMARY SCHOOL	KCB	1114067865	1,278	-
YAGO PRIMARY SCHOOL	KCB	1168488575	21	-
GOD ABUORO PRIMARY SCHOOL	KCB	1116529750	1,646	-
WAWARE PRIMARY SCHOOL	KCB	1251382231	2,049	-
CHEPTUIYET PRIMARY SCHOOL	KCB	1252394543	824	-
NGENY PRIMARY SCHOOL	KCB	1253177104	790	-
MUHORONI FACTORY PRIMARY SCHOOL	KCB	1109557817	37,050	-
KILITI PRIMARY SCHOOL	KCB	1255038055	275	-
KIGOICHE PRIMARY SCHOOL	KCB	1253172927	775	-
ST.BONIFACE MAGARE SEC. SCHOOL	KCB	1243365765	6,244	-
KARUNGA PRIMARY SCHOOL	KCB	1255463198	49,975	-
ST.STEPHENS MENARA SEC. SCHOOL	KCB	1104075717	2,251,096	-
KIBIGORI SECONDARY SCHOOL	KCB	1111796386	2,985	-
Total			2,529,097	-

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	1.0 Fixed Assets Register				
	<p>Included in the financial statements under annex 4 is summary of fixed assets with a total figure Kshs. 43,706,629 which includes building and structures of Kshs. 17,000,000 on land not valued, grader cat 140H GH A608V Kshs. 18,005,520 and Toyota Hilux GKB 074C Kshs. 4,900,000 all totalling to Kshs. 39,905,520.</p> <p>However, the Fund did not avail the ownership documents for the land where the registered office is and the log books for the Fund vehicle and grader for Audit verification. The grader is no longer in use and it is under the custody of Muhoroni Sugar Company where the security is not assured. However, contrary to section 143. (1) of the Public Finance Management National Government Regulation, 2015 stipulate that the Accounting Officer shall be responsible for maintaining a register of stipulate that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as</p>	<p>We availed documents. The grader and the pick-up were registered in the name of Board, logbooks were not given.</p>	<p>NGCDFC</p>	<p>PENDING CLEARANCE</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	prescribed by the relevant laws. Consequently, the ownership of the Fund assets could not be established as it has not been supported by the necessary documentation.				
	<p>2.0. Unsupported Expenditure – Other Grants and Other Payments.</p> <p>Included in the financial statements under note 7 is other grants and other payments of Kshs. 43,242,301 which includes bursary to secondary school of Kshs. 33,851,955 and environment projects of Kshs. 1,842,000. However, expenditure totalling to Kshs. 866,990 under both items were not supported with payment vouchers. There were no ledgers to support the individual class of transactions under other grants and other payments despite the fact that the financial statements indicated that the same had been attached. However, contrary to section 99(3) of Public Finance Management National Government Regulation 2015 stipulate that every entry in the accounts shall be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narrations and particulars of the item or items to</p>	The said payment vouchers had been availed to the auditors for review.		PENDING CLEARANCE	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	which it relates. Consequently, the propriety of the bursary to secondary school and environment projects of Kshs. 866,990 could not be confirmed.				
	<p>1.0. Expenditure on Emergency Included in the financial statements under note 7 is other grants and other payments of Kshs. 43,242,301 which includes emergency projects of Kshs. 3,908,200. The amount was used to purchase some relief food for residents of Muhoroni Constituency who had been affected by floods in the month of April 2018. However, the following observations were noted.</p> <p>i. A copy of the report to the CDF Board was not made available for audit review.</p> <p>ii. A request for relief food from the Ministry of Interior and Co-ordination was made on 16 April 2018 but minutes approving the same were not made available for audit review.</p> <p>iii. The list of beneficiaries was not signed contrary to section 99(3) of Public Finance Management National Government Regulation 2015 stipulate that every entry in the accounts shall be supported by a voucher or</p>	<p>A report to the Board has been availed.</p> <p>A minute of the same availed to the Board.</p> <p>The list of beneficiaries availed to the Board.</p>	NGCDFC	PENDING CLEARANCE	



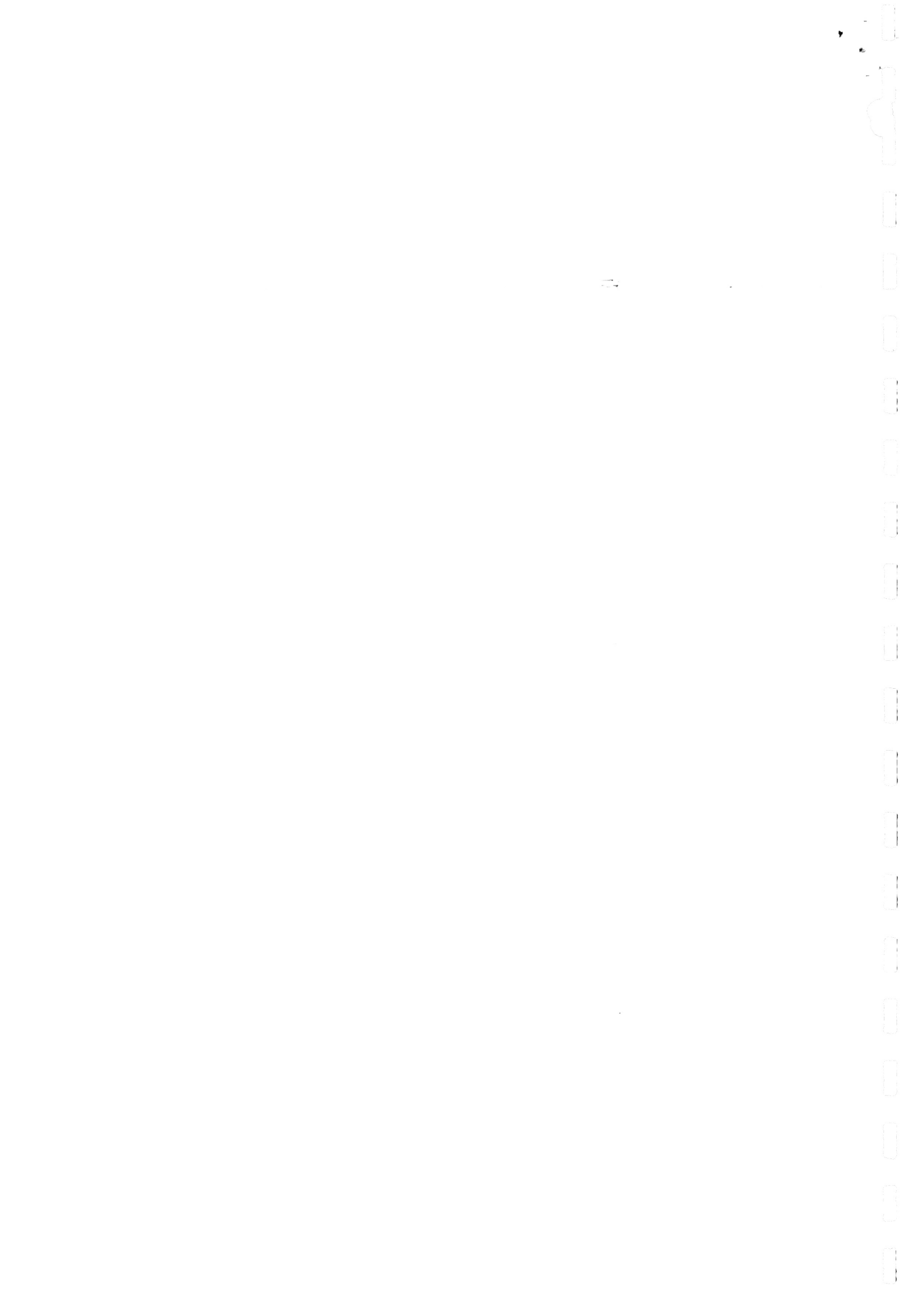
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	not be confirmed.				
	<p>5.0. Summary Statement of Appropriation Included in the financial statements under annex VII is an adjustment receipt of Kshs. 14,630,677 composed of opening bank balance of Kshs. 3,251,367 the difference of Kshs. 11,379,310 representing receipts is not explained nor supported. However, contrary to section 6(2) and section 7(1) of National Government Constituency Development Funds Act, 2015 stipulate that unutilized funds are balance available for use in the year under review to fund projects approved in the respective prior financial years. As a result, the accuracy and Validity of the statement of appropriation and the source of Kshs. 11,379,310 receipts could not be confirmed as at 30 June 2018</p>	The 11,379,310 was an additional fund from the Board.		PENDING CLEARANCE	
	<p>Emphasis of Matter 1. Budget Performance 1.1. Statement of Appropriation Unabsorbed Amount Analysis of the approved budget of Kshs. 101,441,021 revealed that the fund received Kshs. 90,061,711 out of which Kshs. 73,232,593 was spent on the various budgeted items resulting to under – absorption of Kshs.</p>	Just due to delay of fund by the Board		PENDING CLEARANCE	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>28,208,498 which is 26% as summarized below: -</p> <ol style="list-style-type: none"> 1. Compensation of Employees Approved Budget for 2017/2018 Kshs. 3,536,379 Actual Expenditure 2017/2018 Kshs. 2,891,640 Under Absorption Kshs. 644,739 Under Absorption in % 18 2. Use of goods and services Approved Budget for 2017/2018 Kshs. 13,500,229 Actual Expenditure 2017/2018 Kshs. 6,918,652 Under Absorption Kshs. 6,581,647 Under Absorption in % 49 3. Transfers to other Government Units Approved Budget for 2017/2018 Kshs. 31,600,000 Actual Expenditure 2017/2018 Kshs. 20,180,000 Under Absorption Kshs. 11,420,000 Under Absorption in % 36 4. Other grants and transfers Approved Budget for 2017/2018 Kshs. 52,804,413 Actual Expenditure 2017/2018 Kshs. 				



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>43,242,301 Under Absorption Kshs. 9,562,112 Under Absorption in % 18</p> <p>Total Approved Budget for 2017/2018 Kshs. 3,536,379 Actual Expenditure 2017/2018 Kshs. 101,441,021 Under Absorption Kshs. 73,232,593 Under Absorption in % 26 Consequently, failure to utilize all funds as budgeted/ disbursed is an indication that programs and activities are not being implemented as planned hence not achieving the intended objective of improving delivery of goods and services to the residents of Muhoroni Constituency.</p>				
	<p>Basis for Conclusion 1) Verification of Projects Included in the financial statements under note 6 is transfer to other government entities of Kshs. 20,180,000 which includes transfer to primary schools of Kshs. 10,080,000 out of which Menara Primary School received Kshs. 1,650,000 and Ogen Primary Schools Kshs. 1,650,000 for construction of two classrooms per school. Physical verification to the schools revealed that the floors, though in</p>	<p>Cracks at Menara and Ogen are due to the Black cotton soil the building is structurally sound.</p>		<p>PENDING CLEARANCE</p>	



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	<p>use had not been properly done to the extent that the floor had cracks and peeling off. Hence poor workmanship was noted. However, contrary to section 139. (1)(a) of Public Finance Management National Government Regulation, 2015 stipulate that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses. Wastage and misuse.</p> <p>Consequently, Menara and Ogen Primary Schools did not achieve value for money for Kshs. 3,300,000 expenditures for the year ended 30 June 2018</p> <p>2. Change of Names for Bursary Beneficiaries</p> <p>Included in the financial statements under note 7 is other grants and other payment of Kshs. 43,242,301 which includes bursary to secondary school of Kshs. 33,851,955 out of which Achego Girls Secondary School was paid Kshs. 700,000 vide cheque No. 8449 on 14 June 2018 for 69 students and Kshs. 40,000 vide cheque No. 8156 for 2 students. The following observations were noted:</p>	<p>We wrote to the school for the same to show cause why awaiting their response.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>i. Nine students from the approved list of 69 students were substituted with five students who were not on the approved list.</p> <p>ii. One student (Cecilia Akoth) allocated Kshs. 20,000 was given a receipt of Kshs. 10,000</p> <p>iii. Kshs. 30,000 remained unaccounted for as only 67 students benefited with Kshs. 10,000 each.</p> <p>iv. Two students were supposed to benefit from the Kshs. 40,000 disbursed by allocating Kshs. 20,000 to each but instead the school added 2 more students and instead allocating Kshs. 10,000 to each.</p> <p>However, contrary to section 39. (1) of the Constituency Development Fund Act of 2013 stipulate that an accurate record of all disbursements to be made for projects to every constituency shall be kept and updated every month by the Board.</p> <p>Consequently, the propriety of the expenditure of Kshs. 740,000 could not be confirmed.</p>	<p>Copy of the letter sent to the institution is attached.</p>			



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>other approved documents gazetted by the Cabinet Secretary containing the full details, clear narrations and particulars of the item or items to which it relates and 104. (1) All receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation. Consequently, the propriety of Kshs. 3,908,200 could not be confirmed as at 30 June 2018</p>				
	<p>4.0. Unsupported Prior Year Adjustments. Included in the financial statements under note 14 is prior year adjustments of Kshs. 496,299 which was not supported. However, contrary to section 99(3) of the Public Finance Management (National Government) Regulations 2015 stipulate that every entry in the accounts shall be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narrations and particulars of item or items to which it relates. Consequently, the accuracy and validity of Kshs. 496,229 could</p>	<p>The breakdown was provided to the Board.</p>	<p>NGCDFC</p>	<p>PENDING CLEARANCE</p>	

