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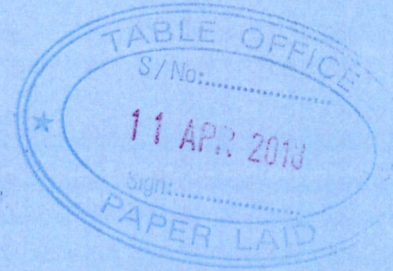
REPUBLIC OF KENYA



*Paper Laid*  
*By Lomp, Hon Bnakmp,*  
*on 11/4/2018*



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
CONSTITUENCY

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
WEST MUGIRANGO

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
CONSTITUENCY**

**Reports and Financial Statements**

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

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## I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

### (a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003 amended in 2007 and repealed by the CDF Act, 2013.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 Act, (NG-CDFA) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of National Government Development Agenda at Constituency level.

### (b) Key Management

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

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

### (c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	AIE Holder	Edwin Lecha
3.	Sub-County Accountant	Stanley Agoi

### (d) Fiduciary Oversight Arrangements

List the CDFC as gazetted

NO.	NAME	POSITION IN THE COMMITTEE
1.	Peter Ocharo	Chairman
2.	Deputy County Commissioner	National Government Official. Member



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
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3.	Fund Account Manager	Ex-Officio
4.	Loyce Mayaka	Member
5.	Stephen Monda Ooko	Secretary
6.	Lilian Kwamboka Mogaka	Member
7.	Alfayo Manyaga	Member
8.	Esther Banchiri Barake	Member
9.	Geoffrey Kebabe	Member
10.	George Odhiambo Olwal	Member

**(e) Entity Headquarters**

P.O. Box 425-40200  
Nyamira County Council Offices  
Opp Nyamira Bus Stage  
Nyamira, Kenya.

**(f) Entity Contacts**

Telephone: (254) 714 836 279  
E-mail: westmugirango@cdf.go.ke  
Website: www.cdf.go.ke

**(g) Entity Bankers**

Kenya Commercial Bank  
Nyamira Branch  
Ac No. 1103318764  
P.o Box 528  
Nyamira...

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

11. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPEMENT  
COMMITTEE (NG-CDFC)

West Mugirango National Government Constituency Development Fund Committee received Kshs **119,880,023.00** during financial year 2015/2016. The Constituency. The CDFC did its best to implement projects as per approved budgets which included projects for Financial year 2013/2014, 2014/2015 and 2015/16. We were able to implement projects to the tune of Kshs **108,670,029** ranging from schools, youth polytechnics, bursary, Overhaul of constituency Motor Vehicle, water , roads, health centres among others.

The implemented projects have had a major impact on the community. Over six Thousand college and university students have benefited from bursary. The CDFC was able to oversee completion of seven health centers which have greatly improved health care. Sixty five classrooms were completed and renovated during the financial period and close to fifty five others are on-going. Funds disbursed to Tea Buying Centres have helped improve services at the centres. Feeder roads in the constituency have been opened and rehabilitated hence easing transport. Protection of water springs has also helped in improving clean water supply. Projects that had stalled such as a multi-Purpose hall at Nyamira Technical School and Igena-Itambe Health Centre are now on course to completion. The Constituency now boasts of a new Constituency Motor Vehicle and also working on Construction of an Office among other achievements.

*Peter Ocharo*

.....Date.....

*30/6/2016*

Peter Ocharo  
Chairman – NG- CDFC



### III. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Fund Account Manager in charge of the West Mugirango NG-CDF is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the constituency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

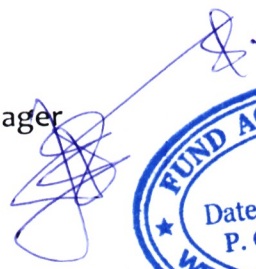
The Fund Account Manager in charge of the West Mugirango NG-CDFC accepts responsibility for the Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

The Fund Account Manager in charge of the West Mugirango NG-CDFC 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 West Mugirango NG-CDFC financial statements were approved and signed on 30/06  
2016.

  
Peter Ocharo  
Chairman – NG-CDFC

  
Edwin Lecha  
Fund Account Manager





# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituency Development Fund – West Mugirango Constituency set out on pages 6 to 28, which comprise the statement of financial assets as at 30 June, 2016, and the statement of receipts and payments, statement of cash flows and a summary statement of appropriation: recurrent and development 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 best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

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



considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Transfers from the NG CDF Board**

Included in the statement of receipts and payments are 2015/2016 financial year transfers from CDF Board totalling Kshs.119,880,023 against approved amount totaled Kshs.127,012,570 thus falling short of the budget for the year by Kshs.7,132,547.

Consequently, the citizens of West Mugirango may not have received all benefits due from budgeted services due to partial disbursement of the budgeted allocation.

#### **2. Use of Goods and Services**

Included in the statement of receipts and payments is use of goods and services balance of Kshs.9,133,217 which in turn includes imprests totalling Kshs.5,799,217 for the previous year. However, the surrender documents for the said imprests were not availed for audit review.

Consequently, the accuracy and validity of goods and services balance of Kshs.9,133,217 for the year ended 30 June 2016 cannot be confirmed.

#### **3. Committee Meeting Allowances and Expenses**

Included in the Committee meeting allowances and expenses balance of Kshs.22,978,246 are surrendered imprests totalling Kshs.13,988,000 for the previous year. However, details of how the said imprests were surrendered were not availed for audit review.

Consequently, the accuracy and validity of committee meeting allowances and expenses balance of Kshs.22,978,246 for the period ended 30 June 2016 cannot be confirmed.

#### **4. Other Grants and Transfers**

The other grants and transfers balance of Kshs.59,957,284 had the following anomalies:

##### **4.1 Bursaries**

Out of the bursary disbursed to tertiary institutions totalling Kshs.11,456,430 bursaries totalling Kshs.388,000 were disbursed to secondary schools and Kshs.35,000 to special schools. However the disbursements were not reflected in the financial statements.



## **4.2 Water Projects**

Out of water projects expenditure of Kshs.11,100,000, contracts worth Kshs.6,300,000 were awarded to Gatara Gets Joint suppliers Limited and Monyanger Auto Company Limited for spring rehabilitation in Bosamaro, Nyamaiya and township, piping and spring protection of Ramba Water Project and rehabilitation of Bogichora and Bonyamatuta water springs. However, the list of qualified contractors was not made available for audit review. As a result, it was not possible to confirm how the contractors were identified for quotations.

## **4.3 Emergency Projects**

Included in other grants and transfers balance of Kshs.59,957,284 are payments worth Kshs.10,001,332 relating to emergency projects. However, minutes from the CDF Board were not made available for audit review and therefore it is not possible to confirm that the projects met the criteria specified under Section 8(3) of National Government Constituencies Development Fund Act, 2015.

In view of these above facts, other grants and transfers balance of Kshs.59,957,284 for the year ended 30 June 2016 cannot be confirmed.

## **5. Cash and Cash Equivalents**

The cash and cash equivalents account reflects a balance of Kshs.59,448,701. However, the balance is not supported by updated cash book balance and bank reconciliation statements as at 30 June 2016.

Consequently, the accuracy and validity of cash and cash equivalents balance of Kshs.59,448,701 as at 30 June 2016 cannot be confirmed.

## **6. Statement of Appropriation – Recurrent and Development**

The summary statement of appropriation for recurrent and development expenditure includes the actual on comparable basis figure for transfers from NGCDF Board as Kshs.148,331,513 which, however, differs with the identical account of Kshs.148,331,513 shown in the statement of receipts and payments resulting to an unreconciled and unexplained difference of Kshs.28,451,490.

Further the statement of appropriation reflects a n adjustment of Kshs.86,331,513 in respect of transfers from the NGCDF Board and Kshs.106,118,730 with regards to payment items both made during the year under review. These adjustments have not been supported by relevant budget allocation estimates from the National Government Constituencies Development Fund Board.

Consequently, the accuracy of the summary statement of appropriation recurrent and development combined cannot be confirmed.

## Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - West Mugirango Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

## Other Matter

### 1. Budget Performance Analysis

Analysis of budget performance revealed that the Fund incurred expenditure on three unbudgeted items without approval namely, construction of buildings, overhaul of vehicles and other payments (strategic plan). The approved budget reflected that the constituency budgeted to spent Kshs.126,512,570 while the boards allocation for 2015/2016 disclosed Kshs.127,012,570 leading to a variance of Kshs.500,000. In addition there cases of over-expenditure without approval were noted in relation to goods and services, committee allowances and expenses and emergency fund.

Project name	Approved amount (Kshs)	Actual (Kshs)	Variance (Kshs)	Level of Absorption
Receipts	126,512,570	119,880,023	-6,632,547	
Admin & Recurrent Expenditure				
Employee Salaries	1,800,000	1,566,894	233,106	87%
Goods and Services	3,000,000	9,133,217	-46,133,217	304%
Purchase of Furniture and office Equipment	200,000	0	200,000	
Purchase of Computers	200,000	0	200,000	
Construction of Buildings	0	3,891,876	-3,891,876	
Overhaul of Vehicles	0	1,500,000	-1,500,000	
NSSF	45,000	59,744	-14,744	133%
NHIF	45,000	0	45,000	
Committee Allowances and Expenses	2,330,754	22,978,246	-20,647,492	985%
Emergency Fund	5,767,647	10,001,332	-4,233,685	173%
	<b>13,388,401</b>	<b>49,131,309</b>		
<b>Total</b>	<b>13,388,401</b>	<b>49,131,309</b>	<b>-35,742,908</b>	<b>366%</b>
Bursary	16,000,000	11,456,429	4,543,571	72%
M,E & capacity Building	3,810,377	0	3,810,377	
Environmental Activities	1,500,000	0	1,500,000	
Sports Activities	500,000	0	500,000	

Electricity	4,000,000	6,000,000	-2,000,000	150%
Roads and Bridges	22,400,000	20,999,522	1,400,478	94%
Water	12,000,000	11,100,000	900,000	93%
Agriculture	3,923,792	400,000	3,523,792	10%
Health	5,300,000	5,982,769	-682,769	113%
Secondary Schools	18,400,000	1,800,000	16,600,000	10%
Primary Schools	22,290,000	500,000	21,790,000	2%
Tertiary	1,700,000	400,000	1,300,000	24%
Security	1,300,000	0	1,300,000	
Other Payments (Strategic Plan)	0	900,000	-900,000	
Total	113,124,169	59,538,721	53,585,448	53%
<b>Grand Total</b>	<b>126,512,570</b>	<b>108,670,030</b>	<b>17,842,540</b>	<b>86%</b>

The actual total payment was less than the budgetary provisions since some amounts budgeted for were not received during the year of the budget.

### 1. Verification of projects

Fourteen (14) projects totaling Kshs.23,300,000 were verified during the audit. The status of the projects at the time of the audit was as analyzed below:

Project Details	Disbursement Kshs.	Level of completion	Remarks
Rehabilitation of Bonyamatuta and Bogichora Water Springs	2,500,000	90%	Placing water point done. Area not fenced
Rehabilitation of Bosamaro, Nyamaiya, Township Water Springs	2,500,000	90%	Placing of water points complete. Fencing incomplete
Rehabilitation of Bogichora and Bonyamatuta Water Spring	2,300,000	100%	Fencing spring area, placing water points & spring protection completed
Piping and Spring Protection of Ramba Water Project	1,100,000	70%	Piping completed
Construction of a Storey Building	1,100,000	60%	Fund used for construction of slab. Project is ongoing
Construction of Multipurpose Hall at St. Peters Nyaisa Sec	700,000	20%	Construction is in progress. Done to pillars and lintel



Electrification and transformers Installation in Bonyamatuta, Township, Nyamaiya, Bogichora and Bosamaro Wards	6,000,000	100%	Wiring and 13 transformers installed. 1 transformer in Senator Kebaso , 1 transformer in Nyaisa sec and 3 transformers in Nyagweta
Gekomoni-Kemasare-Erami Road	1,000,000	60%	Opening and gravelling done
Riobonyo-Rioigo-Riogao Road	1,000,000		Has been graveled by County government
Bondeni-Kianyabongere Road	1,000,000	60%	Opening and gravelling done
Nyabomite-Bundo-Ombaka Road	1,000,000	70%	Opening, grading and gravelling done
Nyamokeri-Ramba-Bosose-Erami Road	1,100,000	70%	Opening, grading and gravelling done
Nyamotoki-Egetongo-Nyamotentemi-Erami Road	1,000,000		Has been again graveled by County government
Riosongo-Rioigo-Riogaro Road	1,000,000	70%	Opening and gravelling done
<b>Total</b>	<b>23,300,000</b>		

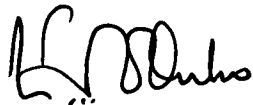
## 2. Unsupported Payables

The management did not maintain receivables and payables ledgers to show the build-up of Kshs.124,418,596 disclosed under annex 3 of the financial statements.

Consequently, it is not possible to confirm the correctness of the balance of Kshs.124,418,596.

## 3. Prior Year Matters

The Constituency did not indicate in the financial statements for the year under review the status and follow-up of audit issues reported in the previous year required by Public Sector Accounting Standards Board Reporting Template.



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

**12 March 2018**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	119,880,023	149,764,715
<b>TOTAL RECEIPTS</b>		<b>119,880,023</b>	<b>149,764,715</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	1,566,894	1,609,569
Use of goods and services	3	9,133,217	6,930,978
Committee meeting allowances and Expenses	4	22,978,246	8,917,070
Transfers to Other Government Units	5	8,682,769	62,126,055
Other grants and transfers	6	59,957,284	62,461,105
Social Security Benefits	7	59,744	35,840
Acquisition of Assets	8	5,391,876	4,964,800
Other Payments	9	900,000	-
<b>TOTAL PAYMENTS</b>		<b>108,670,029</b>	<b>147,045,416</b>
<b>SURPLUS/DEFICIT</b>		<b>11,209,994</b>	<b>2,719,299</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The West Mugirango NG-CDFC financial statements were approved on 30/06 2016 and signed by:

*Peter Ocharo*

Peter Ocharo  
Chairman – NG-CDFC

*Edwin Lecha*  
Edwin Lecha  
Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
CONSTITUENCY

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

IV. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10	59,448,701	28,451,490
Outstanding Imprests		-	19,787,217
<b>TOTAL FINANCIAL ASSETS</b>		<b>59,448,701</b>	<b>48,238,707</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	11	48,238,707	45,519,408
Surplus/Deficit for the year ( from stm of receipt & expenditure		11,209,994	2,719,299
<b>Sub-Total</b>		<b>59,448,701</b>	<b>48,238,707</b>
<b>NET ASSETS</b>			-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The West Mugirango NG-CDFC financial statements were approved on 30/6 2016 and signed by:

  
Peter Ocharo  
Chairman – NG-CDFC

  
Edwin Lecha  
Fund Account Manager






NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
CONSTITUENCY

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

V. CASH FLOW STATEMENT

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	119,880,023	149,764,715
<b>TOTAL RECEIPTS</b>		<b>119,880,023</b>	<b>149,764,715</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	1,566,894	1,609,569
Use of goods and services	3	9,133,217	6,930,978
Committee meeting allowances	4	22,978,246	8,917,070
Transfers to Other Government Units	5	8,682,769	62,126,055
Other grants and transfers	6	59,957,284	62,461,105
Social Security Benefits	7	59,744	35,840
Other Payments	9	900,000	-
<b>TOTAL PAYMENTS</b>		<b>103,278,153</b>	<b>142,080,616</b>
<b>Adjusted for:</b>			
Changes in receivables			
Changes in payables			
Adjustments during the year		-	-
<b>Net cashflow from operating activities</b>		<b>16,601,870</b>	<b>7,684,099</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	8	5,391,876	4,964,800
<b>Net cash flows from Investing Activities</b>		<b>5,391,876</b>	<b>4,964,800</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>11,209,994</b>	<b>2,719,299</b>
Cash and cash equivalent at BEGINNING of the year	11	48,238,707	45,519,408
Cash and cash equivalent at END of the year		59,448,701	48,238,707

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The West Mugirango NG-CDFC financial statements were approved on 30/06/2016 2016 and signed by:

  
Peter Ocharo  
Chairman - CDFC

Edwin Lecha  
Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
CONSTITUENCY

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

VI: SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & DEVELOPMENT

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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	127,012,570	86,331,513	213,344,083	148,331,513	65,012,570	70%
<b>TOTAL</b>	<b>127,012,570</b>	<b>86,331,513</b>	<b>213,344,083</b>	<b>148,331,513</b>	<b>65,012,570</b>	<b>70%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,395,432	675,432	3,070,864	1,566,893.80	1,503,970	51%
Use of goods and services	6,135,896	7,353,982	13,489,878	9,133,217	4,356,661	68%
Committee Meetings and Allowances	5,050,000	18,368,023	23,418,023	22,978,246.00	439,777	98%
Transfers to Other Government Units	34,856,513	24,966,513	59,823,026	8,682,769.00	51,140,257	15%
Other grants and transfers	74,494,729	28,754,780	103,249,509	59,957,283.50	43,292,226	58%
Acquisition of Assets	0	26,000,000	26,000,000	5,391,876.00	20,608,124	21%
Other Payments	4,000,000		4,000,000	900,000	3,100,000	23%
Social Security Benefits	80,000		80,000	59,744.00	20,256	75%
<b>TOTAL</b>	<b>127,012,570</b>	<b>106,118,730</b>	<b>233,131,300</b>	<b>108,670,029</b>	<b>124,461,271</b>	<b>47%</b>

The West Mugirango NG-CDFC financial statements were approved on 30/06/2016 2016 and signed by:

*P. Ocharo*  
Peter Ocharo  
Chairman – NG-CDFC

Edwin Lecha  
Fund Account Manager





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO  
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IV. TRIAL BALANCE AS AT 30TH JUNE 2016

		Kshs	Kshs
		DR	CR
Cash and Cash Equivalents			
	Bank Balances	59,448,701	
<b>TOTAL Cash and Cash Equivalents</b>		<b>59,448,701</b>	
<b>PAYMENTS</b>			
	Compensation of Employees	1,566,894	
	Use of goods and services	9,133,217	
	Committee meeting allowances	22,978,246	
	Transfers to Other Government Units	8,682,769	
	Other grants and transfers	59,957,284	
	Social Security Benefits	59,744	
	Acquisition of Assets	5,391,876	
	Other Payments	900,000	
<b>TOTAL PAYMENTS</b>		<b>108,670,029</b>	
<b>RECEIPTS</b>			
	Transfers from The Board		119,880,023
	Fund Balance B/f		48,238,707
<b>TOTAL</b>		<b>168,118,730</b>	<b>168,118,730</b>

The West Mugirango NG-CDFC financial statements were approved on 30/6/2016 2016 and signed by:

*Peter Ocharo*  
Peter Ocharo  
Chairman – NG-CDFC

*Edwin Lecha*  
Edwin Lecha  
Fund Account Manager





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY**

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For the year ended June 30, 2016**

**VI. SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Constituency. The accounting policies adopted have been consistently applied to all the years presented.

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

**b) Recognition of revenue and expenses**

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

**c) In-kind contributions**

In-kind contributions are donations that are made to the Constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Constituency includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY**

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**d) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**e) Receivables and payables**

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

**f) Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Constituency's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**g) Comparative figures**

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

**h) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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For the year ended June 30, 2016

GFS CODES	I. NOTES TO THE FINANCIAL STATEMENTS	Description	2015 - 2016		2014 - 2015	
			Kshs		Kshs	
1330400	1 TRANSFERS FROM CDF BOARD					
1330407	Normal Allocation	A750096	57,880,023.00			
		A820954	31,000,000.00			
		A825716	31,000,000.00			
			119,880,023.00			
1330408						24,535,867.50
1330407	Normal Allocation	A750257				
		A750265			17,629,023.00	
		A750403			6,230,878.00	
		A759647			41,488,923.00	
		A796945			29,940,011.50	
		A797134			29,940,011.50	
		<b>TOTAL</b>		<b>119,880,023.00</b>		<b>149,764,714.50</b>
2110000	2 COMPENSATION OF EMPLOYEES					



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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For the year ended June 30, 2016

		2015 - 2016	2014 - 2015
		Kshs	Kshs
	2110201	1,243,310	1,324,969
	2110202	122,100	125,000
	2110301	146,300	159,600
	2110314	-	-
	2110320	-	-
	2110326	-	-
	2120101	55,184	
		1,566,894	1,609,569
2200000	<b>3 USE OF GOODS AND SERVICES</b>	2015 - 2016	2014 - 2015
		Kshs	Kshs
	2210100	1,434,565.00	582,815.90
	2210104		
	2210200	843,215.00	1,513,780.80
	2210300	675,432.00	2,350,500.00
	2210500	876,543.00	
	2210600	-	
	2210700	675,432.00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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				156,754.00
2210800	Hospitality supplies and services	620,226.00		345,000.00
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services	567,543.00		1,576,000.00
2211200	Fuel ,oil & lubricants	1,543,765.00		171,560.00
2211300	Other operating expenses	666,743.00		234,567.00
2220100	Routine maintenance – vehicles and other transport equipment	675,432.00		
2220200	Routine maintenance – other assets	554,321.00		
	<b>Total</b>	<b>9,133,217.00</b>		<b>6,930,977.70</b>
<b>4 COMMITTEE EXPENSES</b>				
	<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>	<b>Kshs</b>
		<b>Kshs</b>		
2210802	Other committee expenses (M & e allowances and others)	15,798,246.00	7,729,070.00	
2210809	Committee allowance	7,180,000.00	1,188,000.00	
	<b>TOTAL</b>	<b>22,978,246.00</b>		<b>8,917,070.00</b>





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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2630200	5 TRANSFER TO OTHER GOVERNMENT ENTITIES	Description	2015 - 2016	2014 - 2015
			Kshs	Kshs
	2630204	Transfers to primary schools	500,000.00	27,950,000.00
	2630205	Transfers to secondary schools	1,800,000.00	23,600,000.00
	2630206	Transfers to Tertiary institutions	400,000.00	3,476,055.00
	2630207	Transfers to Health institutions	5,982,769.00	7,100,000.00
		<b>TOTAL</b>	<b>8,682,769.00</b>	<b>62,126,055.00</b>
2640000	6 OTHER GRANTS AND OTHER PAYMENTS		2015 - 2016	2014 - 2015
			Kshs	Kshs
	2640101	Bursary –Secondary	11,456,429.50	
	2640102	Bursary –Tertiary	-	10,025,047.00
	2640104	Bursary-Special schools		
	2640105	Mocks & CAT		
	10504	Water	11,100,000.00	2,400,000.00
		Agriculture(food security)	400,000.00	7,895,787.00
		*+v	6,000,000.00	1,600,000.00





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	2640507	Security	-	2,000,000.00
	2640508	Roads	20,999,522.00	23,999,222.00
	2640509	Sports	-	1,490,000.00
	2640510	Environment	-	400,000.00
	2640200	Emergency Projects	10,001,332.00	12,651,048.70
		<b>Total</b>	<b>59,957,283.50</b>	<b>62,461,104.70</b>
	<b>7</b>	<b>SOCIAL SECURITY</b>		
2120000		<b>BENEFITS</b>		
			2015 - 2016	2014 - 2015
			Kshs	Kshs
	2120101	Employer contribution to NSSF	59,744.00	35,840.00
		<b>Total</b>	<b>59,744.00</b>	<b>35,840.00</b>
		<b>ACQUISITION OF</b>		
		<b>Non Financial Assets</b>	2015 - 2016	2014 - 2015
			Kshs	Kshs
	2110102	Purchase of Buildings	-	-
	212	Construction of Buildings	3,891,876.00	-
		Refurbishment of Buildings	-	-
		Use of Vehicles	-	4,964,800.00





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	1,500,000.00	-
3111001	Purchase of office furniture and fittings	-	-
3111002	Purchase of computers ,printers and other IT equipments	-	-
3111005	Purchase of photocopier	-	-
3111009	Purchase of other office equipments	-	-
3111112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
	<b>Total</b>	5,391,876.00	4,964,800.00
		2015 -2016	2014 - 2015
<b>9. Other Payments</b>			
	Design and Formulation of Strategic Plan	900,000.00	-
	<b>Total</b>	900,000.00	-
<b>10 Bank Balances (cash book bank balance)</b>			
	<b>Name of Bank, Account No. &amp; currency</b>	2015 - 2016	2014 - 2015
	kenya commercial bank, nyamira branch	Kshs	Kshs
	AC NO. 1103318764	59,448,701.00	28,451,490.00









NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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	2015	
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	-	-
<b>12.2: PENDING STAFF PAYABLES (See Annex 2)</b>	<b>2015/16</b>	<b>2014/15</b>
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	132,169	160,137
Others (Casuals)	11,550	15,000
	<b>143,719</b>	<b>175,137</b>
<b>12.3: OTHER</b>	<b>2015/16</b>	<b>2014/15</b>





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY

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PENDING PAYABLES (See Annex 3)	Kshs	Kshs
Compensation of Employees	1,503,970	
Use of Goods and Services	4,356,661	
Committee Meetings & Allowances	439,777	
Amounts due to other Government entities (see attached list)	51,140,257	31,021,901
Amounts due to other grants and other transfers (see attached list)	43,292,226	55,200,000
Others (see schedule below)	3,100,000	4,200,000
Social Security Benefits	20,256	
Acquisition of Assets	20,608,124	
	124,461,271	90,421,901

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WEST MUGIRANGO CONSTITUENCY  
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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	Outstanding Balance	Comments
Construction of buildings	a	b	c	2,015	2,014	d=a-c
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						



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

ANNEX 2 - ANALYSIS OF  
PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Outstanding Balance	Comments
		a	b	c	2,015	2,014	d=a-c	
Senior Management								
1.								
2.								

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3.	Sub-Total								
	Middle Management								
4.									
5.									
6.									
	Sub-Total								
	Unionisable Employees								
7.	Dorcas Okong'o		24,618				24,618		31,285
8.	Alloys Nyabanga		21,579				21,579		27,338
9.	Nicholas Mageto		21,579				21,579		27,338
10.	Javan Mongare		21,579				21,579		27,338
11.	Richard Kemosi		14,505				14,505		18,300
12.	Florence Kemosi		21,579				21,579		27,338
	Employer Contribution to NSSF		6,728				6,728		1,200
	Sub-Total		132,169				132,169		160,137
	Others (Casual)								
13.	Samson Belle Gisore		11,550				11,550		15,000

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14.										
15.										
	Sub-Total							11,550	15,000	
	Grand Total					132,169		143,719	175,137	

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
Amounts due to other Government entities							
1. Transfers to Primary Schools		18,200,000			18,200,000	12,800,000	
2. Transfers to							



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Secondary Schools					32,500,000		32,500,000	13,000,000
3. Use of Goods and Services			2,921,901		2,921,901		2,921,901	2,921,901
4. Transfers to Health Institutions			2,500,000		2,500,000		2,300,000	0
<b>Sub-Total</b>			56,921,901		56,921,901		31,021,901	1
Amounts due to other grants and other transfers								-
4. Construction of NG-CDFC Office			26,000,000		26,000,000		30,000,000	0
5. Electricity			2,000,000		2,000,000		4,000,000	0
6. Water			13,200,000		13,200,000		10,200,000	0
6. Roads & Bridges			23,000,000		23,000,000		11,000,000	0
<b>Sub-Total</b>			64,200,000		64,200,000		55,200,000	0
Others (specify)								-

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7. Strategic Plan		900,000			900,000	1,800,000
8. Environment		400,000			400,000	400,000
9. Amount not yet approved by the board		2,000,000			2,003,305	2,000,000
<b>Sub-Total</b>		<b>3,303,305</b>			<b>3,303,305</b>	<b>4,200,000</b>
<b>Grand Total</b>		<b>124,418,596</b>			<b>124,418,596</b>	<b>90,421,901</b>

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

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land		
Buildings and structures	3,891,876	-
Transport equipment	8,764,800	7,264,800
Office equipment, furniture and fittings	999	999
ICT Equipment, Software and Other ICT Assets	200,000	200,000
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>12,857,675</b>	<b>7,465,799</b>