

REPUBLIC OF KENYA



*Paper hand
By hon. Hon.
Aden Dualla, MP
24/10/2018
Wednesday
Afternoon
Sitting*



OFFICE OF THE AUDITOR-GENERAL

PARLIAMENT
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REPORT

24 OCT 2018

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MAARA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



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

REPORTS AND FINANCIAL STATEMENTS

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



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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAARA
 CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II.FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT COMMITTEE (NG-CDFC).....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS	5
V. STATEMENT OF ASSETS	6
VI: STATEMENT OF CASHFLOW.....	7
VII: SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	9
IX. NOTES TO THE FINANCIAL STATEMENTS	11



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015. The Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National Government Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The Maara 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 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E Holder	Anthony Muchangi Kariuki
3.	Accountant	Titus Miriti Nabea

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of the NG-CDF Board provide overall fiduciary oversight on the activities of Maara Constituency. The reports and recommendations of ARMC when adopted by the NG-CDF Board are forwarded to the National Government Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guideline are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

(e) Maara NG-CDF Headquarters

P.O. Box 301-60401
Youth Empowerment Centre
Kieganguru kiraro road
chogoria, KENYA

(f) MaaraNG- CDF Contacts

E-mail: cdfmaara@cdf.go.ke

(g) Maara NG-CDF Bankers

1. Equity bank
Chuka branch
A/C NO. 0210261751645

(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 CONSTITUENCIES DEVELOPMENT FUND – MAARA
CONSTITUENCY**

• Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE(NG-CDFC)**

During the financial year Maara NG-CDF utilised Kshs 88,326,661 out of kshs 89,180,627 available for utilisation representing 99% absorption rate. This comprised compensation of employees at 84%, use of goods and services 96%, transfer to other government units 99%, other grants and transfers 99%

The constituency has greatly benefitted from NG-CDF notably in the sectors of Education, Health sports, environment conservation, rural electrification and security.

During implementation of the projects, the constituency has encountered numerous challenges including: lack of proper planning by project management committees, lengthy and cumbersome procurement procedures.

To address these challenges we recommend that: more funds be set aside for monitoring and evaluation to enable NG-CDFC train project management committees on project planning, the NG-CDF Board ensures the category of NG-CDF for procurement purposes is moved upwards and employment of procurement assistants at NG-CDFC level



Jasper Kiambi M'Rithaa
CHAIRMAN NG-CDFC
Maara constituency



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

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 agency shall prepare financial statements in respect of that agency. 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 Maara *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, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the constituency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the Maara *NG-CDF* accepts responsibility for the Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Maara *NG-CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2017, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Maara *NG-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 Maara *NG-CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager confirms that the Constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Maara *NG-CDF* financial statements were approved and signed on 24th July 2017.

Anthony M. Kariuki

Fund Account MANAGER

Signature..... *[Signature]*

DATE..... *24/7/2018*



Jasper Kiambi M'Rithaa

CHAIRMAN NG-CDFC

Signature..... *[Signature]*

DATE..... *24/7/2018*

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 – MAARA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Maara Constituency set out on pages 5 to 25 which comprise the statement of assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Maara Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

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

Basis for Qualified Opinion

1.0 Cash and Cash Equivalents

The financial statements reflects a cash and cash equivalents balance of Kshs.853,966 as at 30 June 2017. However, included in this balance were unrepresented cheques totaling to Kshs.1,268,972 which included forty (40) stale cheques totaling to Kshs.225,897 which had not been reversed in the cash book as at 30 June 2017 as analyzed below;

Payee	No of Cheques	Amount (Kshs)
Various Learning Institutions	23	114,500
NHIF	4	3,840
Commissioner of Income Taxes	13	107,557
Total	40	225,897

In view of foregoing, the accuracy and completeness of the cash and cash equivalents balance of Kshs.853,966 as at 30 June 2017 could not be ascertained.

2.0 Unaccounted for Bursary Funds

Note 7 to the financial statements reflects bursaries totaling to Kshs.14,800,750 comprising of Kshs.7,847,750; Kshs.6,804,000 and Kshs.149,000 disbursed to Secondary Schools, Tertiary Institutions and Special Schools respectively as at 30 June 2017. However, only bursaries totaling to Kshs.7,499,950 (51%) were acknowledged by the respective beneficiaries through letters of acknowledgement or issue of official receipts leaving a balance of Kshs.7,300,800 (49%) un acknowledged by the beneficiary institutions.

Under the circumstance, it has not been possible to ascertain whether the bursaries amounting Kshs.7,300,800 benefited the intended beneficiaries and were expended as appropriated as at 30 June 2017.

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

Key Audit Matters

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

Other Matter

Project Implementation Status

During the financial year under review, the Fund had an approved expenditure budget of Kshs.81,896,552 comprising of both Recurrent and Development expenditures of Kshs.6,707,586 (8%) and Kshs.75,188,966 (92%) respectively. The approved budget for 125 development projects of Kshs.75,188,966 was apportioned among various sectors within the Constituency namely; Bursary-Secondary & Tertiary Institutions,

Mocks/Cats, Primary schools, Secondary schools, Sports, Security, Emergency and Environmental.

Review of the project implementation status report revealed that 44 projects worth Kshs.27,614,138 were completed and 81 projects worth Kshs.47,574,828 were ongoing as shown below;

Sector	Project Status	Amount Allocated (Kshs)	Amount Disbursed (Kshs)	No. of projects
Education – Primary Schools	Complete	11,200,000	11,200,000	37
	Ongoing	20,900,000	20,900,000	61
		32,100,000	32,100,000	98
Bursary- Secondary Schools	Complete	8,000,000	7,847,750	1
Bursary – Tertiary institutions	Complete	6,474,138	6,474,138	1
		14,474,138	14,321,888	2
Mocks & CATS	Complete	6,000,000	6,000,000	1
Electrification	Ongoing	9,380,000	9,380,000	14
Sports	Complete	1,620,000	1,620,000	1
Security	Complete	700,000	700,000	3
	Ongoing	5,200,000	5,200,000	4
		5,900,000	5,900,000	7
Environmental activities	Complete	1,620,000	1,620,000	1
Emergency	Ongoing	4,094,828	4,094,828	1
Grand Total		75,188,966	75,036,716	125

The residents of Maara Constituency did not therefore get the promised and expected services equivalent to Kshs.47,574,828 being the budgeted, started but incomplete projects during the year.

In the circumstance, it was not possible to ascertain that the Fund implemented all its planned and budgeted projects as at 30 June 2017 for the benefit of its constituents.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless

the management either intends to liquidate the Fund's or to cease operations, or have no realistic alternative but to do so.

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

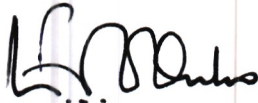
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

24 September 2018

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

**• Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	81,896,552	99,648,544
Proceeds from Sale of Assets	2		
Other Receipts	3	-	-
TOTAL RECEIPTS			
		81,896,552	99,648,544
PAYMENTS			
Compensation of employees	4	1,933,254	1,655,524
Use of goods and services	5	7,945,657	4,933,926
Transfers to Other Government Units	6	32,600,000	60,770,000
Other grants and transfers	7	45,487,750	49,977,000
Acquisition of Assets	8	360,000	-
TOTAL PAYMENTS		88,326,661	117,336,450
SURPLUS/DEFICIT		(6,430,109)	(17,687,906)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Maara NG-CDF financial statements were approved on 24th July 2017 and signed by:

Anthony M. Kariuki
Fund Account MANAGER
Signature.....

DATE..... 24/07/2018



Jasper Kiambi M'Rithaa
CHAIRMAN NG-CDFC
Signature.....

DATE..... 24/07/2018

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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	853,966	7,284,075
Cash Balances (cash at hand)	10B	-	-
Outstanding imprests	11		
TOTAL FINANCIAL ASSETS		853,966	7,284,075
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	7,284,075	24,971,981
Surplus/Deficit for the year (from stm of receipt & expenditure		(6,430,109)	(17,687,906)
Prior year adjustments	14	-	-
NET LIABILITIES		853,966	7,284,075

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Maara NG-CDF financial statements were approved on 24th July 2017 and signed by:

Anthony M. Kariuki
Fund Account MANAGER
Signature.....

DATE..... 24/07/2018



Jasper Kiambi M'Rithaa
CHAIRMAN NG-CDFC
Signature.....

DATE..... 24/07/2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAARA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

VI. CASHFLOW STATEMENT

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from NG-CDF Board	1	81,896,552	99,648,544
Other Receipts	3	—	—
		81,896,552	99,648,544
Payments for operating expenses			
Compensation of Employees	4	1,933,254	1,655,524
Use of goods and services	5	7,945,657	4,933,926
Transfers to Other Government Units	6	32,600,000	60,770,000
Other grants and transfers	7	45,487,750	49,977,000
		<u>(87,966,661)</u>	<u>(117,336,450)</u>
Adjustments during the year	14		
Net cash flow from operating activities		(6,070,109)	(17,687,906)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets	8	360,000	-
Net cash flows from Investing Activities		(360,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,430,109)	(17,687,906)
Cash and cash equivalent at BEGINNING of the year	13	7,284,075	24,971,981
Cash and cash equivalent at END of the year		853,966	7,284,075

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Maara NG-CDF financial statements were approved on 24th July 2017 and signed by:

Anthony M. Kariuki
Fund Account MANAGER
Signature.....

DATE..... 24/07/2018



Jasper Kiambi M'Rithaa
CHAIRMAN NG-CDFC
Signature.....

DATE..... 24/07/2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAARA CONSTITUENCY
Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

VII: SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	7,284,075	89,174,627	89,180,627	0	100%
Other receipts						
TOTAL	81,896,552	7,284,075	89,180,627	89,180,627	0	100%
PAYMENTS						
Compensation of Employees	1,674,000	639,406	2,313,406	1,933,254	380,152	84%
Use of goods and services	4,673,586	3,650,876	8,324,462	7,945,657	378,805	95%
Transfers to Other Government Units	32,100,000	506,861	32,606,861	32,600,000	6,861	100%
Other grants and transfers	43,088,966	2,486,932	45,575,898	45,487,750	88,148	100%
<i>Acquisition of Assets</i>	360,000	0	360,000	360,000	0	100%
TOTAL	81,896,552	7,284,075	89,180,627	88,326,661	853,966	99%

The Maara NG-CDF financial statements were approved on 24th July 2017 and signed by:

Anthony M. Kariuki
 Fund Account MANAGER
 Signature..... *[Signature]*

DATE..... 24/07/2018

Jasper Kiambi M'Rithaa
 CHAIRMAN NG-CDFC
 Signature..... *[Signature]*

DATE..... 24/07/2018



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *NG-CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

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.

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the NG-CDF at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-CDF’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 NG-CDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

I. NOTES TO THE FINANCIAL STATEMENTS				
GFS CODES				
1330400	1 TRANSFERS FROM CDF BOARD			
		Description	2016-2017	2015 - 2016
			Kshs	Kshs
1330407	Normal Allocation	AIE NO...A 855055/A724121	36,853,449	10,000,000
		AIE NO.....A 829902/A 769320	4,094,828	10,000,000
		AIE NO.....A 855675/.A 820603	40,948,275	10,000,000
		AIE NO.....A 820840		19,000,000
		AIE NO.....A 825659		25,000,000
		AIE NO.....A		25,648,544
		TOTAL	81,896,552	99,648,544
1400000	2 OTHER REVENUES			
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	1420601	Sale of tender documents	0	0



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

		Total	0	0
			2016 - 2017	2015 - 2016
			Kshs	Kshs
2110000	3 COMPENSATION OF EMPLOYEES			
	2110201	Basic wages of contractual employees	1428006	1,427,372
	2120101	Employer contribution to NSSF	24000	20,000
	2710120	gratuity	481248	208,152
		Total	1,933,254	1,655,524
2200000	4 USE OF GOODS AND SERVICES			
	2210100	Utilities, supplies and services	37500	54,000
	2210104	Office rent	0	
	2210200	Communication, supplies and services	232,755	165,000
	2210300	Domestic travel and subsistence	70600	152,400



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

		2210500	Printing, advertising and information supplies & services		
		2210700	Training	489000	339,000
		2210800	Hospitality supplies and services	100,340	-
		2210802	Other committee expenses	4,390,600	2,415,200
		2210809	Committee allowance	541,000	712,000
		2211000	Specialised materials and services	48600	16,000
		2211100	Office and general supplies and services	579,985	276,590
		2211200	Fuel ,oil & lubricants	451900	362,000
		2211300	Other operating expenses		-
		2220100	Routine maintenance – vehicles and other transport equipment	501,353	180,572
		2220200	Routine maintenance – other assets	318,340	77,400
		2210900	Insurance costs	183,684	183,764
			Total	7,945,657	4,933,926
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
			Description	2016 - 2017	2015 - 2016



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

			Kshs	Kshs
	2630204	Transfers to primary schools	32,600,000	29,370,000
	2630205	Transfers to secondary schools	-	12,100,000
	2630206	Transfers to Tertiary institutions	-	10,300,000
	2630207	Transfers to Health institutions	-	9,000,000
		TOTAL	32,600,000	60,770,000
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	2640101	Bursary -Secondary	7,847,750	5,314,897
	2640102	Bursary -Tertiary	6,804,000	3,735,500
	2640104	Bursary-Special schools	149,000	58,000
	2640105	Mocks & CAT	6,807,000	2,820,603
	2640504	water	-	11,400,000
	2640505	food security	-	2,100,000
	2640506	Electricity	9,380,000	4,500,000
	2640507	Security	5,900,000	2,050,000
	2640508	Roads	-	9,400,000
	2640509	Sports	1,620,000	1,500,000



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

	2640510	Environment	1,620,000	1,500,000
	2640200	Emergency Projects	5,360,000	5,598,000
		Total	45,487,750	49,977,000
3100000	9 ACQUISITION OF ASSETS			
		Non Financial Assets	2016 - 2017	2015 - 2016
			Kshs	Kshs
	3110701	Purchase of office equipments	360000	0
		Total	360000	0
	10 A Bank Balances (cash book bank balance)			
		Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
			Kshs	Kshs
		<i>Equity bank, chuka branch A/C NO 0210261751645</i>	853,966	7,284,075
		Total	853,966	7,284,075
	10 B CASH BALANCES (cash in hand)			
			2016 - 2017	2015 - 2016



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

			Kshs	Kshs
		cash for office use	0	0
		Total	0	0
11 BALANCES BROUGHT FORWARD				
			2016 - 2017	2015 - 2016
			Kshs	Kshs
		Bank accounts	7,284,075	24,971,981
		Total	7,284,075	24,971,981
13 PRIOR YEAR ADJUSTMENTS				
			2016 - 2017	2015 - 2016
			Kshs	Kshs
		Payables	0	0
		Total	0	0
15 OTHER IMPORTANT DISCLOSURES				
		15.4: PMC account balances (See Annex 5)		



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

			2016 - 2017	2015 - 2016
			Kshs	Kshs
		PMC account Balances (see attached list)	9,034,188	5,420,557
		Total	9,034,188	5,420,557



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

16. 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	Status: (Resolved / Not Resolved)	Timeframe
1.0	Cash and Cash Equivalent. No reversal of stale cheques of Kshs.183,340	The stale cheques have been reversed in the cashbook	Accountant	Resolved	
2.0	Project Implementation and Payments	Capacity to implement all projects as budgeted and planned to ensure service delivery to the constituents	PMCs and FAM	Resolved	

The Maara NG-CDF financial statements were approved on 24th July 2017 and signed by:

Anthony M. Kariuki
FUND ACCOUNT MANAGER

Signature:.....*[Signature]*.....

Date:.....*24/07/2018*.....



Jasper Kiambi M'Rithaa
CHAIRMAN NG-CDFC

Signature:.....*[Signature]*.....

Date:.....*24/07/2018*.....

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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

ANNEX 3: SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost 2016/2017 Kshs	Historical Cost 2015/2016 Kshs
Transport Equipment	4,279,939	4,279,939
Office equipments	360,000	
Total Kshs	4,639,939	4,279,939



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
GIAMPAMPO PRIMARY	EQUITY	0210272215609	1180	1180
RUGUTA PRIMARY	EQUITY	0210263450948	50	-80
KIINI PRIMARY	EQUITY	0210272264854	6515	6515
GIANKANJA PRIMARY	EQUITY	0210262508986	493.50	1273.50
IKAME PRIMARY	EQUITY	0210272189611	525	
MUGONA PRIMARY	EQUITY	0210272040744	475	
KARIMBA PRIMARY	EQUITY	0210263446851	940	11185
GITUNTU PRIMARY	EQUITY	0210268924124	80	
MUMBUNI PRIMARY	EQUITY	0210268915420	1282	
KAJIAMPAKI PRIMARY	EQUITY	0210269459361	770	
IKINDU PRIMARY	EQUITY	0210262205378	271.80	200
KAJIUNDUTHI PRIMARY	EQUITY	0210299737217	1515.75	400.75
ITARA PRIMARY	EQUITY	0210270717946	340	
MURAGA DAY & BOARDING PRIMARY	EQUITY	0210299739551	9220	2060
MURAGA PRIMARY	EQUITY	0210269108603	63990	
IRIGA DEB PRIMARY	EQUITY	0210299511998		610
GITUJA PRIMARY	EQUITY	0210269667969	30325	

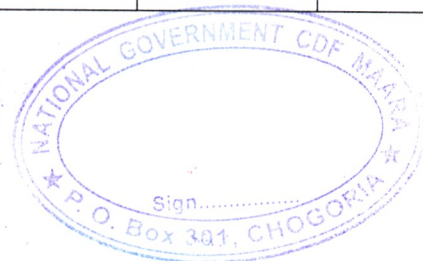


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
MBOGORI PRIMARY	EQUITY	0210261992946	402377.50	399792.50
WIRU PRIMARY	EQUITY	0210272471663	4835	
KARIANI PRIMARY	EQUITY	0210294545261		
KAGIRA PRIMARY	EQUITY	0210263628696	72343	165
UKURUNI PRIMARY	EQUITY	0210262600439	75	20
IKUMBO PRIMARY	EQUITY	0210263589301	72.50	77.50
NTUMU BOARDING	EQUITY	0210272465394	225	
NDUNGURI PRIMARY	EQUITY	0210299823037	2272	1842
NGAITA PRIMARY	EQUITY	0210262386107	300030	30
KAJIATHETU PRIMARY	EQUITY	0210297701682	91376.85	12.85
KAUNI SOCIAL HALL	EQUITY	0210264380290	6302	6302
MURUNGA PRIMARY	EQUITY	0210299763317	3687.85	1559.85
MBIRONI PRIMARY	EQUITY	0210292545243	400192	725
NDINTUNE PRIMARY	EQUITY	0210260573900	301590	401900
MAARA MIXED PRIMARY	EQUITY	0210270125470	4858	
KARUMBI PRIMARY	EQUITY	0210264414549	300493.25	-2200
NDAMANI PRIMARY	EQUITY	0210262604616	321720	1375
JEDIEL KIRAITHE PRIMARY	EQUITY	0210267219544	52925	375295
MAGUMA PRIMARY	EQUITY	0210262059073	300687.50	687.50



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
MAKENGI PRIMARY	EQUITY	0210297287747	284.40	402704.40
MAUTINI PRIMARY	EQUITY	0210299865639	65017.50	127.50
IRURI PRIMARY	EQUITY	0210295741290	34700	250
RUGONGONI PRIMARY	EQUITY	0210269056516	60395	
KIAIRUGU PRIMARY	EQUITY	0210161807275	88979	1070
MUGUMANGO CHIEFS OFFICE	EQUITY	0210269267308	100160	
KIRIGUNI ASS CHIEF OFFICE	EQUITY	0210269108209	22955	
KARIMBA CHIEFS OFFICE	EQUITY	0210272235566	51270	
GAKUI ASS CHIEF OFFICE	EQUITY	0210272892870	61230	
MIKUU ASS CHIEF OFFICE	EQUITY	0210272226410	62814	
KAARE POLICE POST	EQUITY	0210271596365	345	
GIANCHUNKU PRIMARY	KCB	1208810324	300000	
KIANJAGI PRIMARY	KCB	1207964921	129525	
CHOGORIA COMPLEX	KCB	1208081349	399435	
KITHITU PRIMARY	KCB	1198769130	71705	
KIURANI PRIMARY	KCB	1209470985	298870	
NKURURU PRIMARY	KCB	1136558713	20	
NDUMBINI PRIMARY	KCB	1183603169	300769	
MIKUU PRIMARY	KCB	1198576642	300884	

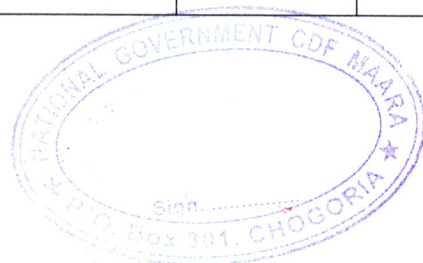


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
GITARE PRIMARY	KCB	1207678449	30000	
MAKURI PRIMARY	KCB	1197849149	126265	
ST AUGUSTINE MAJIRA	KCB	1149249155		
THIGAA PRIMARY	KCB	1164804782	39965	
KIEGANGURU PRIMARY	KCB	1147335958	2629	
NTURIRI PRIMARY	KCB	1139239813	390	
MUNGA PRIMARY	KCB	1197846778	5729	
KAARE PRIMARY	KCB	1165099756	300022	
KANINI PRIMARY	KCB	1182852076	143044	
MEKORANI PRIMARY	KCB	1165332388	47305	
IGAKIRAMBA PRIMARY	KCB	1149034394	21010	
KAMACHUKU PRIMARY	KCB	1197649212	300075	
GAKETHA PRIMARY	CO-OP	01139058441402	4825	1025
MINUGU PRIMARY	CO-OP	01139571636400	301263	
KIABIO PRIMARY	CO-OP	01139450875900	1023.50	51007.50
KATHANGAWA PRIMARY	CO-OP	01134572824200	00	00
NTAKANI PRIMARY	CO-OP	01139450148800	31480	31480
KANORO PRIMARY	CO-OP	01134058149300	2012.50	2012.50
MAATHA PRIMARY	CO-OP	01139058101401	1758	1758



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAARA
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)**

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
NKUNDI PRIMARY	CO-OP	01139571810700	1000	00
KARIGINI PRIMARY	CO-OP	01139571815400	1050	
KARIANI PRIMARY	CO-OP	01134057838101	91885	
ST ANSELIM MURURI	CO-OP	01134057104100	485	
RUREA PRIMARY	CO-OP	01139571078600	1002.5	1002.5
NTATUA PRIMARY	CO-OP	01139058148100	299325	
MARIMA PRIMARY	CO-OP	01139571811700	1145	
MUTHAMBI PRIMARY	CO-OP	01134571811600	61385	
MUTIIGURU PRIMARY	CO-OP	01129450252100	00	
MUTINDWA PRIMARY	CO-OP	01139057977300	301581.50	1329
KIMUCHIA PRIMARY	CO-OP	01139572894500	102450.50	22242.50
KAIRUNI PRIMARY	CO-OP	01139572155700	975	
KAIRUNI MENTALLY	CO-OP	01139572862100	317582.5	28682.50
KIRARO PRIMARY	CO-OP	01139450218200	373929.50	1294822.50
KATHARAKA PRIMARY	CO-OP	01139450955600	68190	1130
KARIAKOMO PRIMARY	CO-OP	01139450953300	302170	401970
KIRUMI PRIMARY	CO-OP	01139572808900	1622.50	1382.50
KIAMAOGO PRIMARY	CO-OP	01139572141001	42505	00
NGERU PRIMARY	CO-OP	01139572826300	160890.50	11940.5



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

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
NGERU ELITE	CO-OP	01134058156101	1060	
NKANGANI PRIMARY	CO-OP	01134058458900	345.50	100760.50
MUKUI PRIMARY	CO-OP	01139872822600	00	
KIANJUKI PRIMARY	CO-OP	01139450143100	401545.00	401000
KABAIKUBU PRIMARY	CO-OP	01134057057800	27780	400970
KIENI PRIMARY	CO-OP	01139572812900	80357.50	249622.50
NGURUKI PRIMARY	CO-OP	01139572824000	967	401066
IRUMA PRIMARY	CO-OP	01134057672600	769	400273
TOTAL			9,034,188	5,420,557

