

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY
PAPERS LAY

DATE: 17 SEP 2019

TUESDAY

REPORT

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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
NJORO CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

Revised Template 30TH June 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
NJORO CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NJORO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	5
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	8
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	9
V. STATEMENT OF ASSETS	10
VI. STATEMENT OF CASHFLOW	11
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	12
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	13
IX. NOTES TO THE FINANCIAL STATEMENTS	15

CONSTITUENCIES DEVELOPMENT FUND - NJORO CONSTITUENCY

Reports and Financial Statements For the year ended June 30, 2018

I. 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
JORO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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 NJORO 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Samuel Kimani Rukwaro
3.	Sub-County Accountant	Damaris Ikiara
4.	Chairman NGCDFC	Joseph Ndungu Njoroge

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -NJORO 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) NJORO NG-CDF Headquarters

P.O. Box 531,
Njoro.
KENYA

(f) NJORO NG-CDF Contacts

Telephone: (254) 0721-619843
E-mail: njoro@cdf.go.ke
Website: www.cdf.go.ke

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
JORO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

(g) NJORO NG-CDF Bankers

KCB
Njoro Branch
A/c no 1148982442
P.O Box 531
Njoro

(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 – JORO CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2018**

II. FOWARD BY THE CHAIRMAN NJORO NATIONAL GOVERNMENT CONSTITUECY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

The Njoro National Government Constituency Development Fund in the 2017-2018 financial year had a total receipt of Ksh. 143,219,593.90 During the financial year Ksh 110,191,018.95 was spent. This left a balance of Ksh 33,028,574.95 as balance. Our utilization budget was therefore 71%. In the exercise of NG-CDF Act 2015, Njoro NG-CDF has concentrated on National projects.

The principle that the Committee believes on, is funding all the projects in one phase that is funding the project from the start to completion.

We look forward to better performance in the next financial year 2018/2019.

KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2017/2018



FIG 1.1: construction of Njoro NG-CDF offices to improve service delivery

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
JORO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**



FIG 1.2 Construction of an OCPD Njoro office to improve service delivery at the Njoro Sub County. The office also has Criminal Investigation Department and the Deputy OCPD offices.



FIG 1.3: Construction of an AP camp at Subuku Location in Kihingo Ward.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
JORO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

Sign

CHAIRMAN NGCDF COMMITTEE



Joseph Njoroge Ndung'u

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
JORO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II. 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 NG-CDF shall prepare financial statements in respect of that NG-CDF. 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.

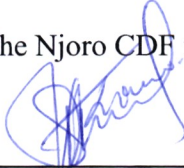
The Fund Account Manager in charge of the Njoro *NG-CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2018. This responsibility 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 Njoro *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 Njoro *NG-CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2018, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the NJORO *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.

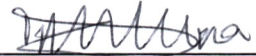
The Fund Account Manager in charge of the Njoro *NG-CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted 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 Njoro CDF financial statements were approved and signed on 30th June 2018.



Fund Account Manager
Samuel Kimani



Sub-County Accountant
Damaris Ikiara

REPUBLIC OF KENYA

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E-Mail: oag@oagkenya.go.ke
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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - NJORO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Njoro Constituency set out on pages 9 to 20, which comprise the statement of financial position as at 30 June 2018, and the statement of Receipts and Payments, Statement of Assets and Liabilities, Statement of cash flows for the year then ended, Statement of Appropriation 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, the financial statements were presented fairly, in all material respects, the financial position of National Government Development Fund – Njoro Constituency as at 30 June 2018, , and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis).

In addition, as required by Article 229(6) of the constitution, 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.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund-Njoro Constituency in accordance with ISSAI 30 on Code of Ethics and with 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 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.

Report of the Auditor-General on the Financial Statements of National Government Constituency Development Fund - Njoro Constituency for the year ended 30 June 2018

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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 governance were not effective.

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 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, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the 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.

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 way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 audit is planned and performed to express a conclusion about 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 and that public resources are applied in an effective way, 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.

Further, in planning and performing the audit of the financial statements and audit 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 policies and procedures may deteriorate.

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.

- 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 CDF'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 CDF to cease to continue as a going concern or 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 NG-CDF Njoro 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

08 August 2019

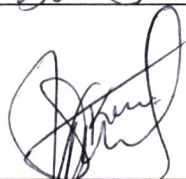
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
 JORO CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	143,219,593.90	107,278,129.60
Other Receipts	2	114,000.00	72,000.00
TOTAL RECEIPTS		143,333,593.90	107,350,129.60
PAYMENTS			
Compensation of employees	3	1,666,705	1,346,324
Use of goods and services	4	8,647,682.00	7,124,998.72
Transfers to Other Government Units	5	62,986,613.00	38,100,000.00
Other grants and transfers	6	33,662,501.95	56,058,927.23
Acquisition of Assets	7	3,000,000.00	2,200,000.00
Other Payments	8	227,517.00	216,174.00
TOTAL PAYMENTS		110,191,018.95	105,046,423.95
SURPLUS/DEFICIT		33,142,574.95	2,303,705.65

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Njoro NG-CDF financial statements were approved on

20th June 2018 and signed by:



**Fund Account Manager
 Samuel Kimani**



**Sub-County Accountant
 Damaris Ikiara**

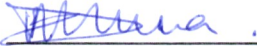
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
 JORO CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

II. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9	41,046,055.20	7,903,480.25
TOTAL FINANCIAL ASSETS		41,046,055.20	7,903,480.25
FINANCIAL LIABILITIES			
		-	-
NET FINANCIAL ASSETS		41,046,055.20	7,903,480.25
REPRESENTED BY			
Fund balance b/fwd 1st July 2017	10	7,903,480.25	5,599,774.60
Surplus/Deficit for the year		33,142,574.95	2,303,705.65
NET FINANCIAL POSITION		41,046,055.20	7,903,480.25

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Njoro NG-CDF financial statements were approved on 30th June 2018 and signed by:


 Fund Account Manager
 Samuel Kimani


 Sub-County Accountant
 Damaris Ikiara


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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
NJORO CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

III. STATEMENT OF CASHFLOW

		2017-2018	2016-2017
Receipts for operating income			
Transfers from CDF Board	1	143,219,593.90	107,278,129.60
Other Receipts (Sale of Tender)	2	114,000.00	72,000.00
TOTAL RECEIPTS FROM OPERATING INCOME		143,333,593.90	107,350,129.60
Payments for operating expenses			
Compensation of Employees	3	1,666,705.00	1,346,324.00
Use of goods and services	4	8,647,682.00	7,124,998.72
Transfers to Other Government Units	5	62,986,613.00	38,100,000.00
Other grants and transfers	6	33,662,501.95	56,058,927.23
Other Payments	8	227,517.00	216,174.00
TOTAL PAYMENTS FROM OPERATING ACTIVITIES		107,191,018.95	102,846,423.95
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		36,142,574.95	
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	3,000,000.00	2,200,000.00
Net cash flows from Investing Activities		(3,000,000.00)	2,200,000.00
NET INCREASE IN CASH AND CASH EQUIVALENT		33,142,574.95	2,303,705.65
Cash and cash equivalent at BEGINNING of the year	10	7,903,480.25	5,599,774.60
Cash and cash equivalent at END of the year	9	41,046,055.20	7,903,480.25

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Njoro NG-CDF financial statements were approved on _____ 2018 and signed by


Fund Account Manager
Samuel Kimani


Sub-County Accountant
Damaris Ikiara

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
NJORO CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

IV. STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c%
RECEIPTS						
Transfers from CDF Board	86,810,344.80	67,312,729.35	154,123,074.15	143,219,593.90	10,903,480.25	98
Balance b/f				7,903,480.25	(7,903,480.25)	
Other Receipts	-	114,000.00	114,000.00	114,000.00	114,000.00	0
TOTAL	86,810,344.80	67,426,729.35	154,237,074.15	151,237,074.15	3,114,000.00	98
PAYMENTS						
Compensation of Employees	1,832,000.00	1,500,000.00	3,332,000.00	1,666,705.00	1,665,295.00	50
Use of goods and services	5,878,531.03	4,370,689.50	10,249,220.53	8,647,682.00	1,601,538.53	84
Transfers to Other Government Units	29,050,000.00	37,283,164.00	66,333,164.00	62,986,613.00	3,346,551.00	95
Other grants and transfers	46,947,413.77	20,938,154.60	67,885,568.37	33,662,501.95	34,223,066.42	50
Acquisition of Assets	-	3,000,000.00	3,000,000.00	3,000,000.00	0	100
Other Payments	102,400.00	220,721.25	323,121.25	227,517.00	95,604.25	70
unapproved fund	3,000,000.00	114,000.00	3,114,000.00	-	3,114,000.00	
TOTALS	86,810,344.80	67,426,729.35	154,237,074.15	110,191,018.95	44,046,055.2	71
Surplus/Deficit				41,046,055.20		

The Njoro NG-CDF financial statements were approved on 30th June 2018 and signed by:



**Fund Account Manager
Samuel Kimani**



**Sub-County Accountant
Damaris Ikiara**

V. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. 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 thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

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

b) 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.

c) 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.

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 Central Bank of Kenya and 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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

e) Pending bills

Pending bills consist of unpaid liabilities at the end of financial year arising from contracted goods or services during the year or 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.

f) Budget

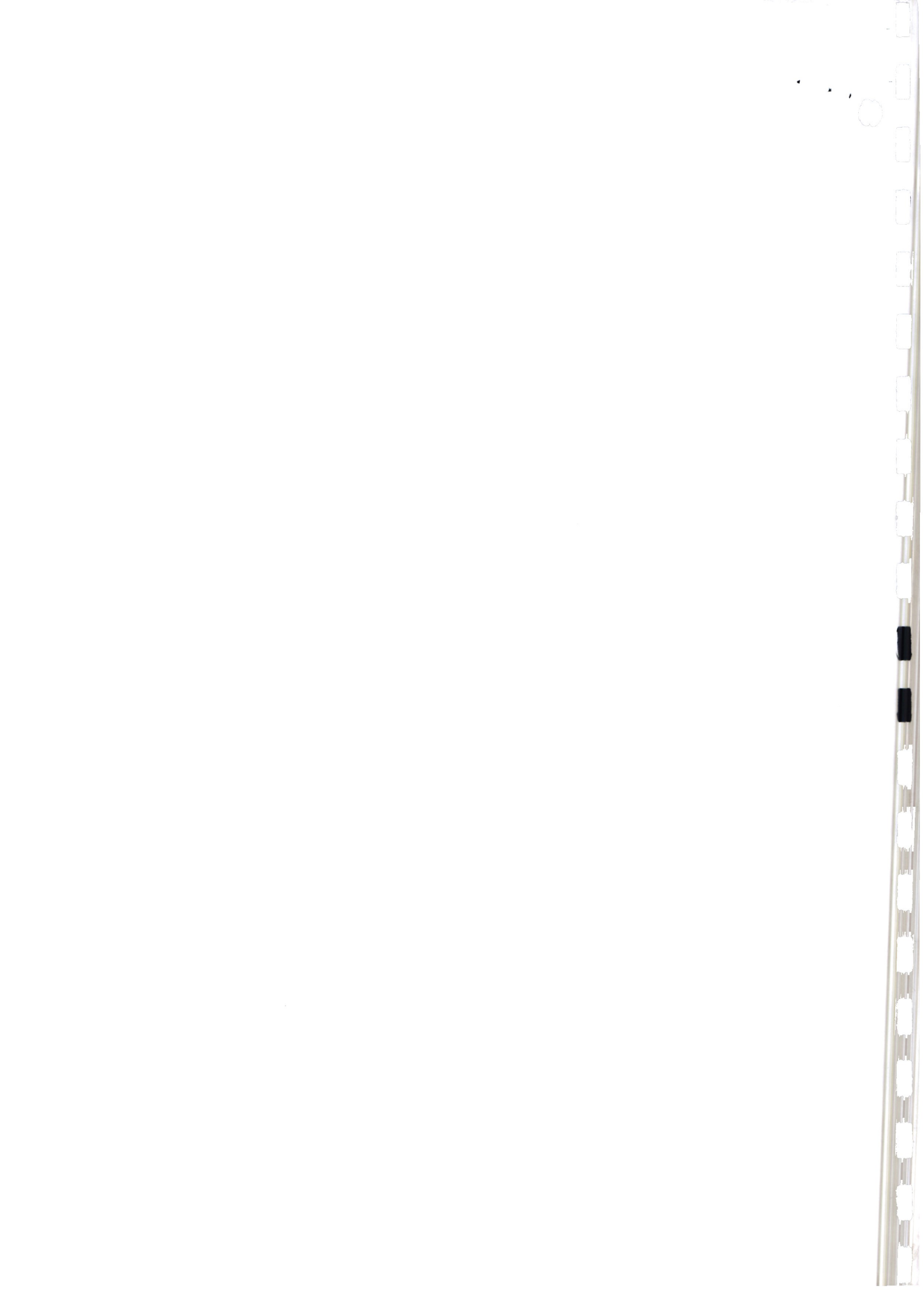
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-CDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment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

g) Comparative figures

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

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, 2018.

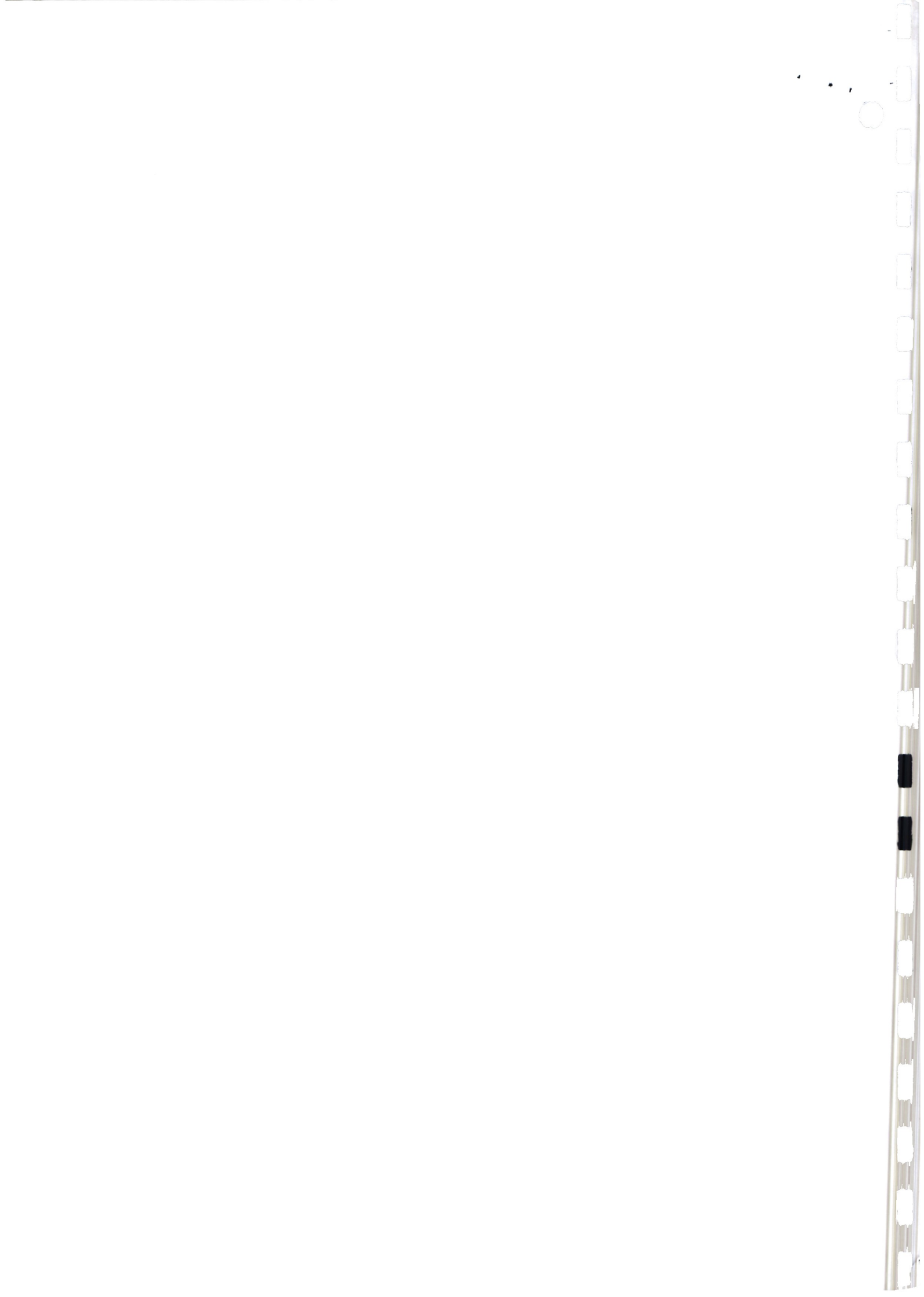


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2017-2018	2016-2017
			Kshs	Kshs
1330407	Normal Allocation	A825885		58,329,853.00
		A855071		36,853,449.00
		A829965		4,094,827.60
		A839740		8,000,000.00
		A825885	5,500,000.00	
		A892899	37,905,172.00	
		A892610	32,948,275.10	
		A896987	40,405,172.80	
1330408	Conditional grants			
1330409	Receipt from other Constituency	Transfer from molo Account	26,460,974.00	
	TOTAL		143,219,593.90	107,278,129.60

2 .OTHER RECEIPTS				
	Description		2017-2018	2016-2017
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of tender documents		114,000.00	72,000.00
1450207	Other Receipts Not Classified Elsewhere (specify)			
	Total		114,000.00	72,000.00



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

2110000	3 .COMPENSATION OF EMPLOYEES		
	Description	2017-2018	2016-2017
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,209,986.00	1,083,331.00
2110202	Basic wages of casual labour	0	0
2120101	Employer contribution to NSSF	125,808.00	54,016.00
			-
	Personal allowances paid as part of salary	-	-
2110301	House allowance	-	-
2110314	Transport allowance	-	-
2110320	Leave allowance	-	-
2110326	Other personnel payments	-	-
2710120	gratuity	330,911.00	208,977.00
	Total	1,666,705.00	1,346,324.00

2200000	4 .USE OF GOODS AND SERVICES		
	Description	2017-2018	2016-2017
		Kshs	Kshs
2210100	Utilities, supplies and services	450,000.00	856,960.00
2210104	Office rent		180,000.00
2210802	Other commitee expenses	504,182.00	178,000.00
2210809	Commitee allowance	5,271,000.00	3,790,900.00
2210200	Communication, supplies and services		
2210300	Domestic travel and subsistence		
2210500	Printing, advertising and information supplies & services		
2210600	Rentals of produced assets		
2210700	Training expenses	1,381,500.00	1,065,000.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

2210800	Hospitality supplies and services		
2210900	Insurance costs		152,445.00
2211000	Specialised materials and services		
2211100	Office and general supplies and services		
2211200	Fuel ,oil & lubricants	600,000.00	600,000.00
2211300	Other operating expenses(kplc)		
2220100	Routine maintenance – vehicles and other transport equipment	441,000.00	
2220200	Routine maintenance – other assets		301,693.72
	Total	8,647,682.00	7,124,998.72

2630200	5 .TRANSFER TO OTHER GOVERNMENT ENTITIES		
	Description	2017-2018	2016-2017
		Kshs	Kshs
2630204	Transfers to primary schools	43,281,440.00	26,200,000.00
2630205	Transfers to secondary schools	19,705,173.00	11,900,000.00
2630206	Transfers to Tertiary institutions		
2630207	Transfers to Health institutions		
	TOTAL	62,986,613.00	38,100,000.00

2640000	6. OTHER GRANTS AND OTHER PAYMENTS		
	Description	2017-2018	2016-2017
		Kshs	Kshs
2640101	Bursary -Secondary	9,194,437.00	11,757,636.00
2640102	Bursary -Tertiary	5,687,200.00	6,526,915.00
2640104	Bursary-Special schools	370,000.00	285,000.00
2640105	Mocks & CAT		1,000,000.00

*** NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

2640504	water		
2640505	Agriculture (food security)		
2640506	Electricity projects		
2640507	Security	17,400,000.00	8,700,000.00
2640508	Roads	1,010,864.95	18,137,762.23
2640509	Sports		4,832,649.00
2640510	Environment		818,965.00
2640200	Emergency Projects (specify)		4,000,000.00
	Total	33,662,501.95	56,058,927.23

3100000	7 .ACQUISITION OF ASSETS		
	Non Financial Assets	2017-2018	2016-2017
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	3,000,000.00	
3110302	Refurbishment of Buildings		
3110701	Purchase of Vehicles		
3110704	Purchase of Bicycles & Motorcycles		
3110801	Overhaul of Vehicles		
3111001	Purchase of Office furniture and fittings		900,000.00
3111002	Purchase of computers ,printers and other IT equipments		1,300,000.00
3111005	Purchase of photocopier		
3111009	Purchase of other office equipments		
3111112	Purchase of soft ware		
3130101	Acquisition of Land		
	Total	3,000,000.00	2,200,000.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

8. Other Payments			
	N.H.I.F (Employers & own)	182,767.00	41,400.00
	PAYE	-	166,349.00
	Bank Charges	44,750.00	8,425.00
		227,517.00	216,174.00

9: Bank Balances (cash book bank balance)			
	Name of Bank, Account No. & currency	2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
	KCB- NJORO branch NO.1148982442	41,046,055.20	7,903,480.25
	Total	41,046,055.20	7,903,480.25

10. BALANCES BROUGHT FORWARD/OPENING BALANCE			
		2017-2018	2016-2017
		Kshs (1/7/2017)	Kshs (1/7/2016)
	Bank accounts	7,903,480.25	5,599,774.60
	Cash in hand		
	Imprest		
	Total	7,903,480.25	5,599,774.60

10. OTHER IMPORTANT DISCLOSURES

10.1: UNUTILIZED FUNDS

	Kshs	Kshs
Compensation of employees	1,665,295.00	0.00
Use of goods and services	1,601,538.53	0.00
Committee Expenses& Capacity Building	0.00	0.00
Amounts due to other Government entities (see attached list)	3,346,551.00	0.00
Amounts due to other grants and other transfers (see attached list)	34,223,066.42	0.00
Other payments	95,604.25	0.00
Unapproved Fund	114,000.00	0.00
	41,046,055.20	0.00

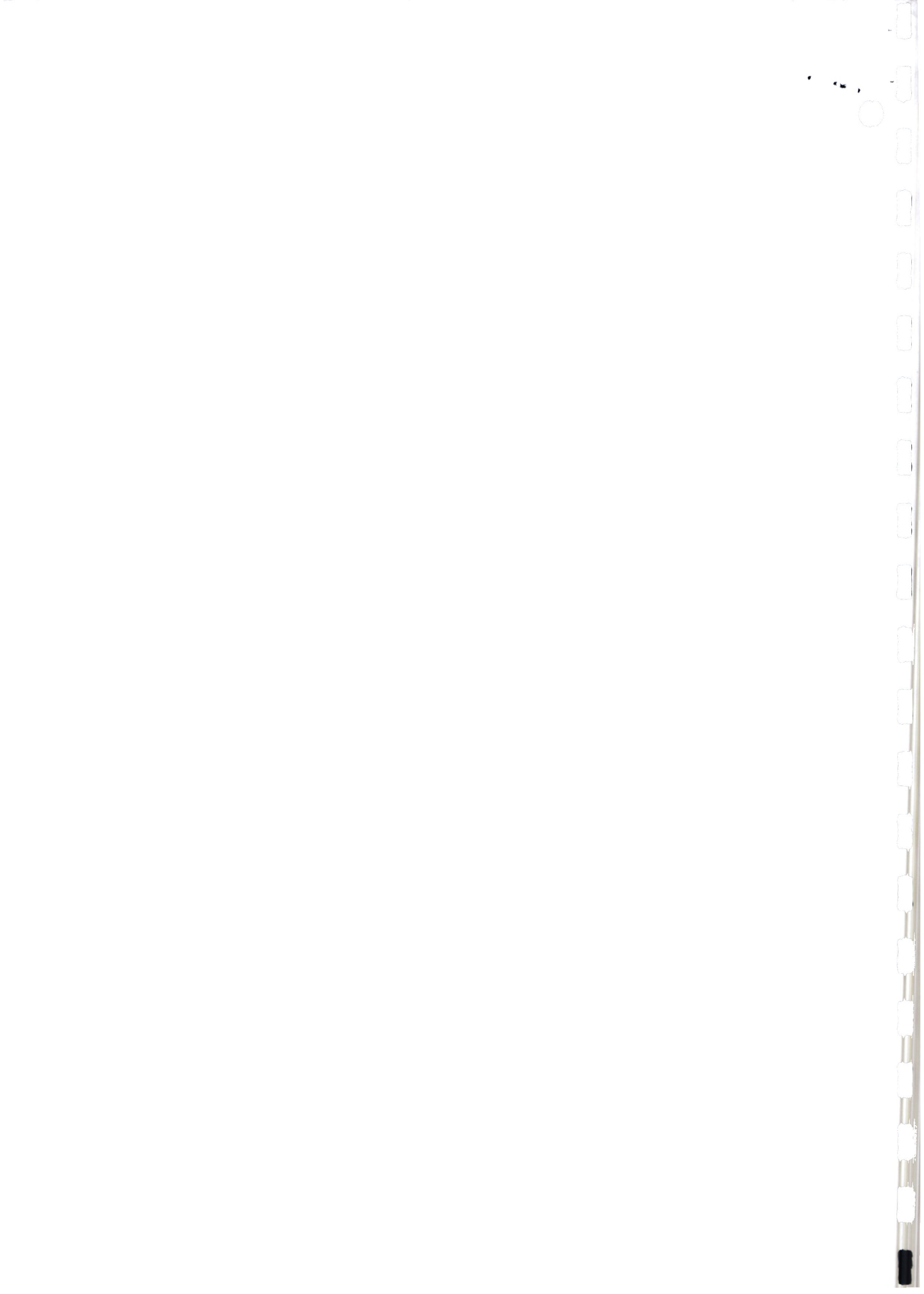
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

10.2: PMC account balances (See Annex 2)

	2017- 2018	2016- 2017
PMC account Balances (see attached list)	Kshs	Kshs
	315,852	120,000
	315,852	120,000



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX-1-SUMMARY OF FIXED REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs) 2017/18	(Kshs) 2016/17
Building and structures	17,500,000.00	14,500,000.00
Transport Equipment	4,981,000.00	4,981,000.00
Office equipment, furniture and fittings	987,500.00	987,500.00
ICT equipment, software and ICT Assets	477,500.00	477,500.00
Other machinery and equipment	1,293,000.00	1,293,000.00
Heritage and culture		
Intangible Assets		
Total	25,239,000.00	22,239,000.00

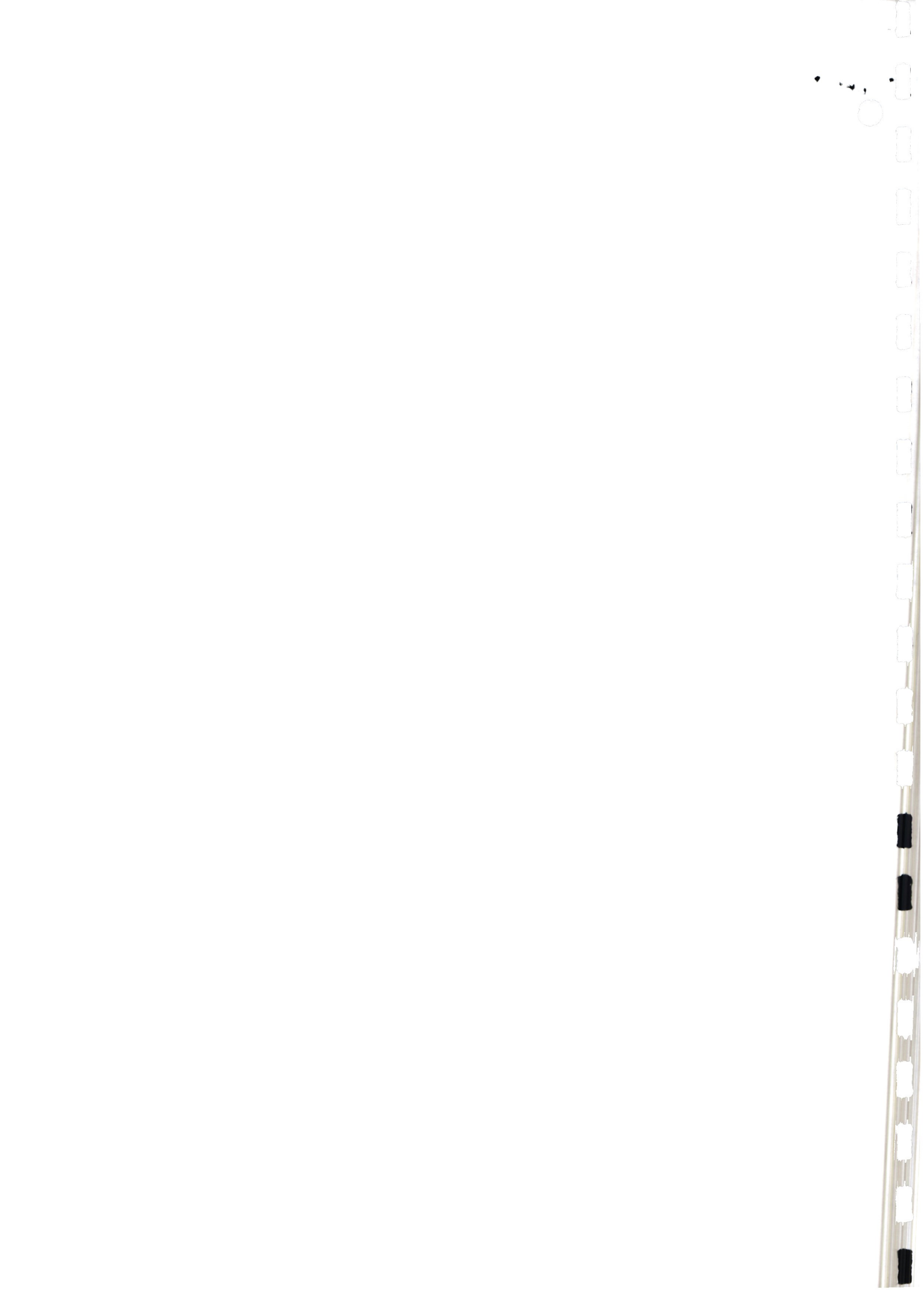


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

ANNEX 2: PMC ACCOUNT BALANCES AS AT 30TH JUNE 2018

NO	NAME OF THE PROJECT	ACCOUNT NUMBER	BALANCE
1	AMANI SEC	1233339044	2,342
2	BAGARIA SEC. SCHOOL	1162947128	0.00
3	BIDII MAU PRY SCHOOL	1229066926	3,550
4	BONDET PRIMARY	1233362976	600
5	CHEPTOROI PRIM SCHOOL	1157862675	90,120
6	CHESOEN	1233365592	300
7	DAVISION	1230923810	0.00
8	EWAAT SEC. SCHOOL	1148978208	100
9	GATIMU PRIM. SCHOOL	1161632549	120
10	GATIMU SEC. SCHOOL	1152037706	450
11	GICHOBO PRIM. SCHOOL	1206675144	0.00
12	KAPLELACH Primary	1160984999	200
13	KAPTICH PRIM. SCHOOL	1162857544	0.00
14	KAPYEMIT PRY SCHOOL	1142876632	2,000
15	KENANA PRIM SCHOOL	1151307726	550
16	KERIKO PRIM. SCHOOL	1228529841	600
17	KIANJOYA AP CAMP	1233399012	3,000
18	KIANJOYA CHIEF AP HOUSE	1233399012	100
19	KIANJOYA PRIM. SCHOOL	1177851822	100
20	KILO PRIMARY	1229061428	350
21	KIMUGUL PRIM SCHOOL	1233681427	250
22	KIRIRI CHIEFS OFFICE	1233407945	300
23	LIKIA PRIMARY	1233340271	200,000
24	LUSIRU CHIEF OFFICE	1228548625	400
25	MAHIGA CHIEFS OFFICE	1209023970	100
26	MAHIGA SEC. SCHOOL	1233481886	100
27	MAJI MINGI PRY SCHOOL	1229066012	530
28	MAU NAROK ASS	1208677713	530
29	MAUCHE PRIM SCHOOL	1207091243	0.00
30	MUGUMO SEC. SCHOOL	1158530609	300
31	MUTAMAIYO PRIM. SCHOOL	1207201944	0.00
32	MUTHIGA SEC. SCHOOL	1169609961	0.00
33	MUTIRIMA PRIM SCHOOL	1233470485	300
34	MWENYERE PRIM. SCHOOL	1162320680	0.00
35	MWISHO WA LAMI CHIEF OFFICE	1233577190	0.00
36	NAISHI POLICE STATION	1208786881	400
37	NAISHI PRIM. SCHOOL	1161908668	400
38	NAISHI SECONDARY SCHOOL	1228505551	70
39	NATU PRIMARY SCHOOL	1169621686	1,000
40	NDEMI PRIM. SCHOOL	1169614272	0.00



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NJORO CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2018**

41	NESSUIT SECONDARY SCH	1169623573	0.00
42	NGURIGA PRIM. SCHOOL	1150744189	0.00
43	NGWATANIRO PRIMARY	1158584059	400
44	NGWATANIRO SEC. SCHOOL	1150724072	600
45	NJOKERIO CHIEF OFFICE	1233585320	2,000
46	NJORO CENTRAL SEC. SCHOOL	1169867820	300
47	NJORO DEB PRI. SCHOOL	1229058281	400
48	NJORO SALVATION ARMY	1229062211	1000
49	NJORO TOWNSHIP	1178104273	0.00
50	OGIEK NESSUIT SEC. SCH	1149194766	400
51	SERTONOK PRIMARY	1233349228	500
52	SIGAON PRIM. SCHOOL	1169620957	100
53	SINENDET SECONDARY	1177792532	200
54	SIRYAT SECONDARY	1226912249	0.00
55	SUBUKU SEC SCHOOL	1177716534	20
56	TAITA PRY SCHOOL	1233482424	310
57	TARAKUET SECONDARY SCHOOL	1233562673	60
58	TENGECHA PRIM. SCHOOL	1207080047	300
59	TERET PRIM. SCHOOL	1147337020	50
60	TIPIS CHIEF OFFICE	1233579258	80
61	TUIYOTICH CHIEF OFFICE	1233549634	200
62	UTAFITI PRIM. SCHOOL	1182092691	400
63	LARMUDIAC PRIMARY SCHOOL	1233471597	400

Total **315,852.00**

ANNEX 3: PROGRESS ON FOLLOW-UP ON AUDITORS RECOMMENDATION REPORT (2016/2017 OAG REPORT).

The following is the summary of issue raised by the external auditor, and management comments that were provided to the auditor.

Reference No. On the external audit report	Issues/Observation from auditor	Management comment	Focal point – Person to resolve the issue(Name and designation)	Status (Resolved or not resolved	Time frame(Put a date when you expect the issue to be resolved0
	There was no audit issues				

10