

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

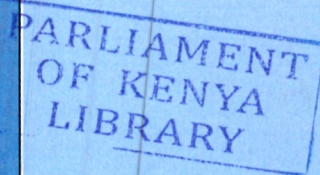
OF

THE AUDITOR-GENERAL

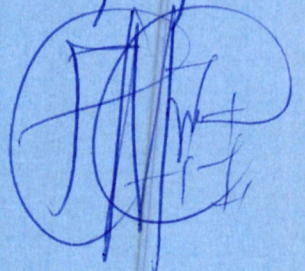
ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KAJIADO NORTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



*Paper laid on the
Table of the House
by the ^{Deputy} Speaker of the
Majority Party on
Tuesday 28/08/2018*





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KAJIADO NORTH 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 CONSTITUENCY DEVELOPMENT FUND – KAJIADO
NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013 and again replaced by NG-CDF Act 2015. The *National Government 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 to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *Kajiado North 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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Kenneth Oltetia Lemein
3.	Accountant	Rufus Mburu
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Kajiado North Constituency. The reports and recommendation 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 guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) KAJIADO NORTH CDF Headquarters

P.O. Box 78-02008
NGONG NG-CDF OFFICES
SUB-COUNTY HQS NGONG
NGONG HILLS, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**

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

(f) KAJIADO NG-CDF Contacts

Telephone: (254) 0727943846
E-mail: kajiadonorth@cdf.go.ke
Website: www.cdf.go.ke

(g) KAJIADO NORTH NG- CDF Bankers

1. Equity Bank
Ngong Branch
P.O. Box 170-00208
Ngong Hills,
Kenya.

(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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**

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

**II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND
COMMITTEE (CDFC)**

The NGCDFs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes.

The NGCDF have improved the Education and Security infrastructures of Kajiado North. The NGCDFC have 6(six) secondary school's flagship projects from the year 2013 to date. The primary schools have also greatly improved in terms of infrastructure as well as the overall performance.

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals and reallocations and issues like land acquisition

CHAIRMAN NG-CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**

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

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

The Accounting Officer in charge of the Kajiado North National Government Constituency Development Fund is responsible for the preparation and presentation of the Kajiado North NG-CDF financial statements, which give a true and fair view of the state of affairs of the Kajiado North NG-CDF for and as at the end of the financial year (period) 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 CDF; (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 NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The Accounting Officer in charge of the Kajiado North NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NG-CDF'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 NG-CDF's financial statements were approved and signed by the Accounting Officer on _____ 2017.

Chairman – CDFC



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KAJIADO NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Kajiado North Constituency set out on pages 6 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 and 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 discussed 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- Kajiado North Constituency as at 30 June 2017, and 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, except for the matters described in the Basis for Qualified Opinion and Other Matters sections of my report, nothing else 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. Bank Balance

The statements of assets and liabilities as at 30 June 2017 reflects a bank balance of Kshs. 2,899,324. However, both the cash book and bank reconciliation statement reflects a balance of Kshs. 2,307,268 as at that date, thus resulting in an unexplained difference of Kshs. 592,056. The bank reconciliation as at 30 June 2017 includes unrepresented cheques totalling Kshs. 4,708,447 out of which cheques amounting to Kshs. 2,291,144 had gone stale as at 30 June 2017 but had not been reversed in the cash book. Consequently, the accuracy of the bank balance of Kshs. 2,899,324 as at 30 June 2017 cannot be confirmed.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
– Kajiado North Constituency for the Year Ended 30 June 2017*

2. Outstanding Imprests

The statements of assets and liabilities also reflects outstanding imprests totalling Kshs.2,188,100 as detailed below:

Name of the Officer	Date of Issue of Imprest	Amount-Kshs.
Jane Wairimu	19/10/2016	358,000
Jane Wairimu	19/12/2016	867,500
Jane Wairimu	03/1/2017	812,200
Jane Wairimu	03/1/2017	104,400
Peter Ngugi	19/03/2017	46,000
Total		2,188,100

The above analysis indicate that one officer was issued with multiple imprests prior to accounting for the previous ones contrary to regulation 93 of Public Financial Management (County Government) Regulations, 2015. No action has been taken to recover the outstanding imprests as provided for under the said regulations. Consequently, full recoverability of outstanding imprests balance of Kshs. 2,188,100 as at 30 June 2017 cannot be confirmed.

3. Net Financial Position

The statements of assets and liabilities as at 30 June 2017 reflects incorrectly net liabilities instead of net financial position of Kshs.5,087,424, being the difference between the brought forward fund balance of Kshs.20,197,911, prior year adjustment of Kshs.562,321 and the deficit for the year of Kshs.15,672,808. In addition, the nature of prior year adjustment of Kshs.562,321 which is disclosed also at Note 14 to the financial statements has not been fully explained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Kajiado North Constituency management 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 judgement, were of most significance to the audit of the financial statements for the current year. Except for 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

1. Budgetary Performance and Disclosures

(i) Contrary to the requirements of regulation 130 of the Public Finance Management Regulations 2015, no disclosures have been provided by way of footnotes to explain material differences between the budget and actual amounts as detailed below:

Audit Component	Final Budget(Kshs)	Actual expenditure (Kshs.)	Budget Utilisation Difference (Kshs.)	% Utilization
	c=a+b	d	e=c-d	f=d/c%
Receipts				
Transfer from CDF Board	154,176,925	93,030,739	61,146,187	60%
Payments				
Compensation of employees	3,751,991	2,124,298	1,627,694	57%
Other grants and transfers	100,642,651	60,391,916	40,250,736	60%

(ii) The statement of receipts and payments and summary statement of appropriation for the year ended 30 June 2017 reflects total actual receipts of Kshs. 93,030,738 from the National Government Constituency Development Fund (NGCDF) Board against budgeted receipts of Kshs. 154,176,925 in the year under review. The total actual receipts includes Kshs. 52,082,462 for projects budgeted in 2015/2016 as shown in Note 1 to the financial statements, implying that Kshs. 40,948,277 only was received in respect of projects for 2016/2017 financial year. Consequently, the underfunding by the National Government Constituencies Development Fund Board affected projects implementation resulting in failure by the residents of Kajiado North to enjoy benefits that would have accrued from those projects.

2. Project Implementation

The following projects were physically verified and observations made as indicated against each project:

Projects Physically Verified In Kajiado North Constituency								
	Project Name	Description	Start date	Expected Completion Date	Budget (Kshs)	Actual (Kshs)	% of completion	Auditor's comments
1	Kiserian secondary school	Construction of a classroom with slab and procurement of 80 lockers	31/8/2016	30/6/2017	2,000,000	2,000,000	100	Completed and in use

2	Embulbul secondary school	Construction of 3 classrooms and purchase of 120 lockers	27/10/2016	30/6/2017	4,675,000	5,675,000	100	Completed and in use. The extra Kshs. 1 million was used to clear outstanding debt for a project of 2013/2014 financial year
3	Embulbul secondary school	Construction of toilets under emergency funds	7/12/2015	30/6/2017	1,000,000	400,000	100	Complete and in use. The balance was disbursed in 2016 financial year,
4	Embulbul Primary school	Renovation of seven classrooms	1/3/2016	30/6/2017	2,900,000	2,892,520	100	project complete and in use
5	Olekasasi primary school	Construction of Administration office	27/10/2016	30/6/2017	2,000,000	2,000,000	100	Complete and in use
6	Ngong Technical Training Institute	Construction of lecture halls	10/10/2016	30/6/2017	10,000,000	10,000,000	100	Complete but not in use awaiting equipment from National Government
7	Arap Moi Primary school	Construction of 8 set of toilets	27/10/2016	30/6/2017	2,000,000	2,000,000	100	Complete and in use. 1 disbursed from emergency funds
8	Nkoroi secondary school	Construction of a laboratory	27/10/2016	30/6/2017	1,000,000	1,000,000	100	Complete and in use
9	Kiserian police station	Purchase of land for construction of police station	13/7/2016	30/6/2017	16,000,000	16,000,000	100	Land was procured as per valuer's report
10	Matasia police post	Construction of police post	2/3/2016	30/6/2017	6,881,430	6,881,430	100	Complete and in use
					48,456,430	48,848,950		

Responsibility 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends 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:

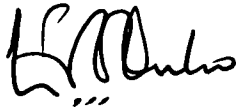
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 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 sustaining 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 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

18 July 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	93,030,739	101,505,346
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	176,000
TOTAL RECEIPTS		93,030,739	101,681,346
PAYMENTS			
Compensation of employees	4	2,124,298	1,837,382
Use of goods and services	5	9,478,097	6,129,287
Transfers to Other Government Units	6	35,409,483	29,690,013
Other grants and transfers	7	60,391,916	50,001,810
Acquisition of Assets	8	-	1,048,542
Other Payments	9	1,299,754	86,995
TOTAL PAYMENTS		108,703,547	88,794,029
SURPLUS/DEFICIT		-15,672,808	12,887,317

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KAJIADO NORTH NG- CDF financial statements were approved on _____ 2017 and signed by:



Chairman – NG-CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**


Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2016 - 2017	2015- 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,899,324	19,914,211
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	2,188,100	283,700
TOTAL FINANCIAL ASSETS		5,087,424	20,197,911
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	20,197,911	6,819,877
Surplus/Defict for the year		(15,672,808)	12,887,317
Prior year adjustments	14	562,321	490,715
NET LIABILITIES		5,087,424	20,197,909

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kajiado North NG-CDF financial statements were approved on _____ 2017 and signed by:



Chairman - CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KAJIADO NORTH
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	93,030,739	101,505,346
Other Receipts	3	0	176,000
		93,030,739	101,681,346
Payments for operating expenses			
Compensation of Employees	4	2,124,298	1,837,382
Use of goods and services	5	9,478,097	6,129,287
Transfers to Other Government Units	6	35,409,483	29,690,013
Other grants and transfers	7	60,391,916	50,001,810
Other Payments	9	1,299,754	86,995
		108,703,547	87,745,487
Adjusted for:			
Adjustments during the year			
Net cash flow from operating activities		(15,672,808)	13,935,859
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(1,048,542)
Net cash flows from Investing Activities		-	(1,048,542)
NET INCREASE IN CASH AND CASH EQUIVALENT		(15,672,808)	12,887,317
Cash and cash equivalent at BEGINNING of the year	13	20,197,911	6,819,877
Prior years Adjustment	14	562,321	490,715
Cash and cash equivalent at END of the year		5,087,424	20,197,909

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kajiado North NG- CDF financial statements were approved on _____ 2017 and signed by:



Chairman CDFC



Fund Account Manager

Final Report
For the year ended June 30, 2017

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
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	72,280,373	154,176,925	93,030,739	61,146,187	60%
Proceeds from Sale of Assets				-		
Other Receipts				-		
PAYMENTS						
Compensation of Employees	2,614,517	1,137,474	3,751,991	2,124,298	1,627,694	57%
Use of goods and services	4,470,601	5,053,816	9,524,418	9,478,097	46,321	100%
Transfers to Other Government Units	7,222,789	30,935,540	38,158,329	35,409,483	2,748,846	93%
Other grants and transfers	67,588,644	33,054,007	100,642,651	60,391,916	40,250,736	60%
Acquisition of Assets	-	899,536	899,536	-	899,536	0%
Other Payments	-	1,200,000	1,200,000	1,299,754	-99,754	108%
TOTALS	81,896,552	72,280,373	154,176,925	108,703,547	45,473,378	

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

N/A

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

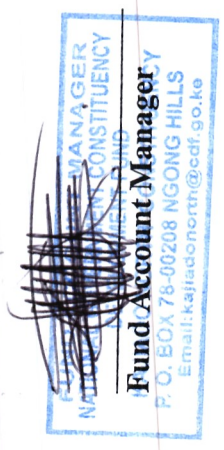
For the year ended June 30, 2017

- i. Some Funds remained unutilized as at the end of the year due delays in tendering but these were utilized in July 2017, after the close of the financial year, to construct CDF office latrines and elevated water tanks.

The KAJIADO NORTH NG-CDF financial statements were approved on 4/9/17 2017 and signed by:



Chairman NG-CDF



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 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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *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.

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IX. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM CDF BOARD

Description		2016 - 2017	2015 - 2016CCC
		Kshs	Kshs
AIE NO	A825855	52,082,462	24,752,673
AIE NO	A829576	4,094,828	24,752,673
AIE NO	A855025	36,853,449	10,000,000
			20,000,000
			10,000,000
			12,000,000
TOTAL		93,030,739	101,505,346

2. PROCEEDS FROM SALE OF ASSETS

		2016-2017	2015-2016
		KSHS	KSHS
3510202	Receipts from the Sale of Buildings	-	-
3510601	Receipts from the Sale of Vehicles and Transport Equipment	-	-
3510801	Receipts from the Sale Plant Machinery and Equipment	-	-
3510803	Receipts from the Sale of office and general equipment	-	-
TOTALS		-	-

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3. OTHER RECEIPTS

1400000	Description	2016 - 2017	2015-2016
		Kshs	Kshs
1410107	Interest Received	-	-
1410405	Rents	-	-
1420601	Sale of tender documents	-	176,000.00
1450207	Other Receipts Not Classified Elsewhere (specify)	-	-
	Total	-	176,000

4 COMPENSATION OF EMPLOYEES

2110000	Description	2016 - 2017	2015-2016
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,701,937	1,576,896
2110202	Basic wages of casual labour	-	82,500
	Personal allowances paid as part of salary	-	-
2110301	House allowance	-	-
2110314	Transport allowance	-	-
2110320	Leave allowance	-	12,000
2110320	Employer contribution to NSSF	-	-
2110326	Other personnel payments	-	-
2710120	gratuity	422,361	165,986
	Total	2,124,298	1,837,382

5. USE OF GOODS AND SERVICES

	Description	2016 - 2017	2015-2016
		Kshs	Kshs
2210100	Utilities, supplies and services	67,546	219,038
2210104	Office rent	-	-
2210200	Communication, supplies and services	424,504	337,990
2210300	Domestic travel and subsistence	-	-

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2210500	Printing, advertising and information supplies & services	-	
2210600	Rentals of produced assets	-	
2210700	Training expenses	-	682,860
2210802	Other committee expenses	-	
2210809	Committee allowance	7,545,369	3,572,205
2210800	Hospitality supplies and services	123,000	69,600
2210900	Insurance costs	-	
2211000	Specialised materials and services	-	
2211100	Office and general supplies and services	503,041	199,360
2211200	Fuel ,oil & lubricants	150,000	250,000
2211300	Other operating expenses	153,500	205,000
2220100	Routine maintenance – vehicles and other transport equipment	509,958	401,254
2220200	Routine maintenance – other assets	-	191,980
	Total	9,478,097	6,129,287

6. TRANSFER TO OTHER GOVERNMENT UNITS

2630200	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2630204	Transfers to primary schools	10,537,560	12,437,931
2630205	Transfers to secondary schools	14,871,923	12,635,172
2630206	Transfers to Tertiary institutions	10,000,000	1,203,825
2630207	Transfers to Health institutions	-	3,413,085
	TOTAL	35,409,483	29,690,013

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 OTHER GRANTS AND OTHER PAYMENTS

2640000	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2640101	Bursary -Secondary	13,923,160	9,098,440
2640102	Bursary -Tertiary	7,741,745	5,980,000
2640104	Bursary-Special schools	10,000	-
2640105	Mocks & CAT	1,229,050	
2640504	water		
2640505	Agriculture (market /boda boda sheds)		
2640506	Electricity projects		
2640507	Security	23,511,887	11,700,000
2640508	Roads	-	14,080,000
2640509	Sports	3,345,700	2,923,711
2640510	Environment	1,564,200	1,975,174
2640510	Other capital grants and transfer		
2640200	Emergency Projects (specify)	9,066,174	4,244,485
	Total	60,391,916	50,001,810

8 ACQUISITION OF ASSETS

3100000	Non-Financial Assets	2016 - 2017	2015 - 2016
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	-
3110302	Refurbishment of Buildings	-	1,048,542
3110701	Purchase of Vehicles	-	-
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
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	-	-

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3111112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
		-	-
	Total	-	1,048,542

9. OTHER PAYMENTS

		2016 - 2017	2015 - 2016
		Kshs	Kshs
	Retention	99,754	
	Strategic plan	1,200,000	
	Bank Charges		86,995
	TOTAL	1,299,754	86,995

10A: Bank Balances (cash book bank balance)

	Name of Bank, Account No. & currency	2016- 2017	2015 - 2016
		Kshs	Kshs
	EQUITY BANK. NGONG BRANCH A/C NO 073094643739	2,899,324	19,914,211
	Total	2,899,324	19,914,211

10B: CASH IN HAND)

	2016 - 2017	2015 - 2016
	Kshs (30/6/2016)	Kshs (30/6/2015)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
	-	-
Total	-	-
	<i>[Provide cash count certificates for each]</i>	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Jane Wairimu	19/10/2016	358,000		358,000
Jane Wairimu	19/12/2016	867500		867500
Jane Wairimu	3/1/2017	812,200		812,200
Jane Wairimu	3/1/2017	104,400		104,400
Mr Peter Ngugi	19/03/2017	46,000		46,000
Total				2,188,100
				0

12. RETENTION

		2016 - 2017	2015 - 2016
		Kshs	Kshs
	Supplier 1	-	-
	Supplier 2	-	-
	Supplier 3	-	-
	Total	-	-

13. BALANCES BROUGHT FORWARD

		2016 - 2017	2015 - 2016
		Kshs	Kshs
	Bank accounts	19,914,211	6,819,877
	Cash in hand	-	-
	Imprest	283,700	-
	Total	20,197,911	6,819,877

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2016- 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	562,321.00	490,715.00
Cash in hand		-
Imprest		-
Total	562,321	490,715

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015- 2016 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	<u>xxx</u>	<u>xxx</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	<u>xxx</u>	<u>xxx</u>

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	xxx	xxx
Amounts due to other grants and other transfers (see attached list)	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	<u>xxx</u>	<u>xxx</u>

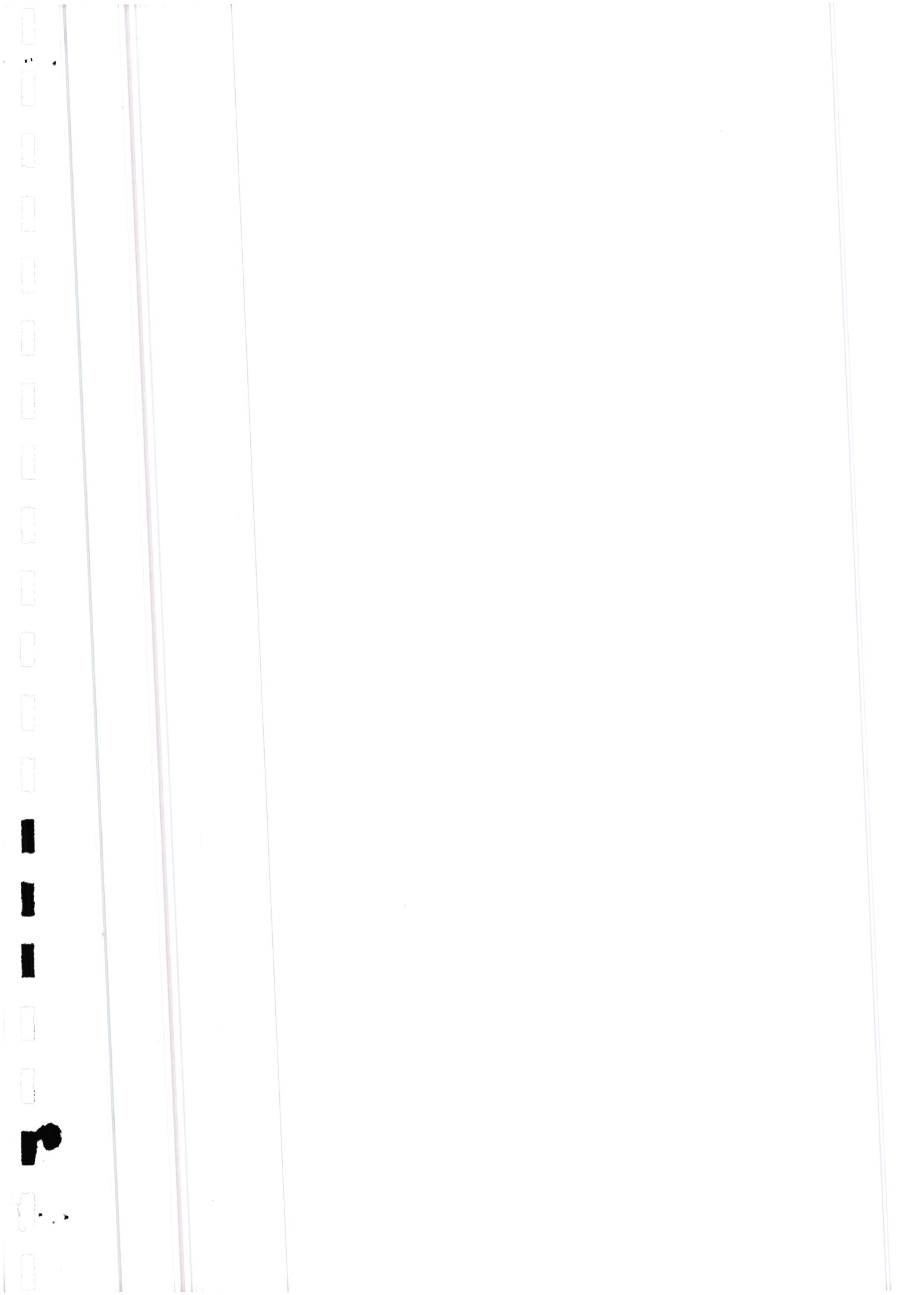
15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	4,700,000.00	xxx
	<u>4,700,000.00</u>	<u>xxx</u>

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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 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						







ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	N/A	N/A
Buildings and structures	9,626,214	9,626,214
Transport equipment	4,494,676	4,494,676
Office equipment, furniture and fittings	1,806,950	1,806,950
ICT Equipment, Software and Other ICT Assets	842,500	842,500
Other Machinery and Equipment	2,850	2,850
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	16,773,190	16,773,190



ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	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 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						