***Issued 30th September 2024***





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**XXX CONSTITUENCY**

QUARTERLY REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED SEPTEMBER/DECEMBER/MARCH/JUNE, 20XX**

**Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)**

Table of Contents Page

[1. Acronyms and Definition of Key Terms i](#_Toc172619675)

[2. Key Constituency Information and Management ii](#_Toc172619676)

[3. NGCDF Committee vii](#_Toc172619677)

[4. Management Discussion and Analysis viii](#_Toc172619678)

[5. Statement Of Management Responsibilities x](#_Toc172619679)

[6. Statement of Financial Performance for the period ended Sept/Dec/March/June,20xx 1](#_Toc172619680)

[7. Statement Of Financial Position As At Sept/Dec/March/June,20xx 3](#_Toc172619681)

[8. Statement of Changes in Net Assets for the period ended Sept/Dec/March/June, 20xx 5](#_Toc172619682)

[9. Statement Of Cash Flows for The period ended Sept/Dec/March/June,20xx 6](#_Toc172619683)

[10. Statement of Comparison of Budget and Actual Amounts for Period Ended Sep/Dec/Mar/Jun xx, 20xx 8](#_Toc172619684)

[11. Budget Execution by Sectors And Projects For The Period Ended Sep/Dec/Mar/Jun xx, 20xx 11](#_Toc172619685)

[12. Notes to the Financial Statements 15](#_Toc172619686)

[13. Annexes 44](#_Toc172619687)

# Acronyms and Definition of Key Terms

1. **Acronyms**

AIE Authority to Incur Expenditure

AC Audit Committee

CAT Continuous Assessment Test

DCC Deputy County Commissioner

IPSAS International Public Sector Accounting Standards.

FAM Fund Account Manager

NG-CDFB National Government Constituencies Development Fund Board

NG-CDF National Government Constituencies Development Fund

NG-CDFC National Government Constituency Development Fund Committee

NSCA National Sub-County Accountant

PFM Public Finance Management

PMC Project Management Committee

PWD Persons With Disability

FY Financial Year

1. **Definition of Key Terms**

**Fiduciary Management -** Members of Management directly entrusted with the entity's financial resources.

*(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the quarterly report and financial statements prepared)*

# Key Constituency Information and Management

1. **Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDFis represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

**Mandate**

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

1. Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
2. Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
3. 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;
4. 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;
5. Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
6. Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
7. Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
8. Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
9. Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
10. Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
11. Create a harmonious relationship between citizens and the national government and its officers in local development;
12. Provide a platform for citizens’ participation in service delivery;
13. Build local accountability and transparency in the use of resources; and
14. 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.

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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

**Core Values**

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy For Citizen Participation

**Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

1. **Key Management**

The NGCDF XXX Constituency’s day-to-day management is under the following key organs:

1. National Government Constituencies Development Fund Board (NGCDFB)
2. National Government Constituency Development Fund Committee (NGCDFC)

**Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 20XX and who had direct fiduciary responsibility were:

| No | Designation | Name |
| --- | --- | --- |
|  | AIE holder | Name of FAM |
|  | National Sub-County Accountant | Name of NSCA |
|  | Chairman NGCDFC | Name of Chair |
|  | Member NGCDFC | Name of alternate signatory (operations bank account) |
|  | Member NG CDFC | Name of signatory (deposit bank account) |

1. **Fiduciary Oversight Arrangements**

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF XXX Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

1. **NGCDF XXX Constituency Headquarters**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

XXX (Indicate town) KENYA.

1. **NGCDF XXX Constituency Contacts**

P.O. Box XXXXX

Telephone: (254) XXXXXXXX

E-mail: XXXXXXXX.go.ke

Website: [www.go.ke](http://www.go.ke)

1. **NGCDF XXX Constituency Bankers**
2. Bank A. (Main Account). *Specify the constituency account banker details*.

Branch

P.O. Box xxx

1. Bank B. (Deposit account). *Specify the constituency account banker details*.

Branch

P.O. Box xxx

*(List all the banks where the fund has accounts)*

1. **Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

1. **Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

# NGCDF Committee

|  |  |
| --- | --- |
| **Name**  | **Details**  |
| *Insert each member’s passport-size photo and name.*    Chairman  | *Provide a concise description of each member’s date of birth, key academic and professional qualifications, and work experience.*  |
| Member 2  |   |
| Member 3  |   |
| Member 4  |   |
| Fund Account Manager |   |

#

# Management Discussion and Analysis

**SECTION A**

**The entity’s operational and financial performance**

*Per period the entity should provide an overview of performance as per its mandate in tandem with the National Government’s strategic objectives and policies. These include key performance indicators, observations with respect to the financial statements, profits, earnings, cash flows, and whether or not past performance may be indicative of future results) (In addition, under this section the entity should capture information pertaining to growth & strategy – touching on industry trends, financial flexibility, etc; challenges and opportunities – touching on key events, demands on the entity’s principal activities, etc).*

**SECTION B**

**Entity’s compliance with statutory requirements**

*(An entity should clearly indicate the extent of compliance and whether there are any major non-compliance that may expose the entity to potential contingent liabilities. Ongoing or potential court cases and defaults should be summarized here clearly indicating the total exposure).*

**SECTION C**

**Key projects and investment decisions the entity is planning/implementing.**

*The entity should include here in the viability of such projects and how they are facilitating the entity in delivery of its mandate in line with the National Government strategic objectives and policies). (The entity should also indicate how the projects and investments decisions are being financed ie are they being financed by equity/debt, internally generated revenue, grants from Government and Development partners, borrowings. A statement on sustainability of the same should be included).*

**SECTION D**

**Major risks facing the entity.**

*(The entity should include under this section the key risks facing the entity ranging from Operational Risks, Market Risks, Capital Risk, Credit risks, Liquidity risks etc). This should be emanating from the entity’s risk management framework.*

**SECTION E**

**Material arrears in statutory/financial obligations**

*(This should include but not limited to items such as loan default, pending bills, tax default, outstanding staff & pension obligations/actuarial deficit on pension schemes, non- payment of dividends & loan redemption to the National Exchequer etc).*

**SECTION F**

**The entity’s financial probity and serious governance issues**

(Under this section the entity should indicate whether there are any major financial improbity as reported by the internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight; and if there are serious governance issues among the Board or member of the Board and top management including conflict of interest).

# Statement Of Management Responsibilities

Section 83 of the Public Finance Management Act, 2012 requires the Accounting Officer for the National Government to prepare quarterly financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial period and the operating results of the *entity* for that period. The Accounting Officers for the National Government are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Directors are also responsible for safeguarding the assets of the *entity*.

The Accounting Officer in charge of the NGCDF-XXXX Constituency is responsible for the preparation and presentation of the entity’s financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial period ended on xxxxx. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; 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; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-XXXX Constituency accepts responsibility for the entity’s financial statements, which have been prepared on the Accrual 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 *constituency’s* financial statements give a true and fair view of the state of *entity’s* transactions during the financial period ended on xxxxx, and of the entity’s financial position as at that date. The Accounting Officer charge of the NGCDF- XXXX Constituency further confirms the completeness of the accounting records maintained for the *constituency,* which have been relied upon in the preparation of the entity’s financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF XXXX Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity’s funds received during the period 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 *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.

In preparing the financial statements, the Committee has assessed the Fund’s ability to continue as a going concern and disclosed as applicable*.* Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The NGCDF- XXXX Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_\_\_\_\_\_\_\_ 20XX.

|  |  |
| --- | --- |
| **……………………………………….** | **…………………………………** |
| **Name:** | **Name:** |
| **Chairman – NGCDF Committee** | **Fund Account Manager** |

# Statement of Financial Performance for the period ended Sept/Dec/March/June,20xx

|  |  |  |
| --- | --- | --- |
|   | **Note** | ***Period ended Sep\*/Dec\*/Mar\*/Jun\**** |
|   |  | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions** |  |  |
|  Transfers from the NGCDF Board  | 5 | xxx |
|  |  |  |
| **Revenue** **from** **exchange** **transactions** |  | xxx |
| Finance income | 6 | xxx |
| Miscellaneous income | 7 | xxx |
|  **Total revenue** |  | **xxx** |
| **Expenses**  |  |  |
| Employee costs | 8 | xxx |
| Committee expenses | 9 | xxx |
| Use of Goods and Services  | 10 | xxx |
| Other Government Units Certified Works | 11 | xxx |
| Other Grants and Transfers  | 12 | xxx |
| Depreciation and amortization expense | 13 | xxx |
| Digital Hubs Expenses | 14 | xxx |
|  **Total expenses** |  | **xxx** |
| **Other** **gains/(losses)** |  |  |
| Gain/Loss on Sale of Assets | 15 | **xxx** |
| Impairment loss | 16 | **(xxx)** |
|  **Surplus/(Deficit) for the year** |  | **xxx** |

The Constituency financial statements were approved by the NGCDFC on \_\_\_\_\_\_\_\_\_\_\_ 20XX and signed by:

|  |  |  |
| --- | --- | --- |
| **Chairman NG-CDF Committee** | **National Sub-County Accountant** | **Fund Account Manager** |
| **Name:** | **Name:** | **Name:** |
|  | **ICPAK M/No:** |  |
|  |  |  |

Notes:

*Sep\* -This relates to transactions undertaken from 1st July to 30th September.*

*Dec\* - This relates to transactions undertaken from 1st July to 31st December.*

*March\*- This relates to transactions undertaken from 1st July to 31st March.*

*June\* - This relates to transactions undertaken from 1st July to 30th June.*

# *(paragraph 79 of IPSAS 33 allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)*

# Statement Of Financial Position As At Sept/Dec/March/June,20xx

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | ***Period as at Sep\*/Dec\*/Mar\*/Jun\**** | ***Opening Statement 1st July 20XX*** |
|  |  | **Kshs** | **Kshs** |
| **Assets**  |  |  |  |
| **Current Assets** |  |  |  |
| Cash And Cash Equivalents  | 17 | xxx | xxx |
| Receivables from Exchange Transactions | 18 | xxx | xxx |
| Receivables from Non-Exchange Transactions | 19 | xxx | xxx |
| Prepayments  | 20 | xxx | xxx |
| **Total Current Assets**  |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-Current** **Assets** |  |  |  |
| Property, Plant and Equipment | 21 | xxx | xxx |
|  Intangible Assets  | 22 | xxx | xxx |
|  Right-of-use assets  | 23 | xxx | xxx |
|  **Total Non- Current Assets** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Total Assets (A)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Liabilities**  |  |  |  |
| **Current Liabilities** |  |  |  |
| Trade and Other Payables | 24 | xxx | xxx |
| Third-Party Deposits | 25 | xxx | xxx |
| Lease Liabilities | 26 | xxx | xxx |
| Employee Benefit Obligation | 27 | xxx | xxx |
|  **Total Current Liabilities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Non-Current Liabilities** |  |  |  |
| Lease Liabilities | 26 | xxx | xxx |
| **Total Liabilities (B)** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Net** **Assets (A-B)** |  | **xxx** | **xxx** |
| **Represented by:** |  |  |  |
| Reserves |  | xxx | xxx |
| Accumulated Surplus |  | xxx | xxx |
| **Total Net Assets** |  | **xxx** | **xxx** |
|  **Total Net Assets and Liabilities** |  | **xxx** | **xxx** |

The Constituency financial statements set out on pages xxx to xxx approved by NG CDFC on \_\_\_\_\_\_\_\_\_\_\_ 20XX and signed by:

|  |  |  |
| --- | --- | --- |
| **Chairman NG-CDF Committee** | **National Sub-County Accountant** | **Fund Account Manager** |
| **Name:** | **Name:** | **Name:** |
|  | **ICPAK M/No:** |  |
|  |  |  |

# Statement of Changes in Net Assets for the period ended Sept/Dec/March/June, 20xx

|  |  |  |  |
| --- | --- | --- | --- |
|  **Description**    | **Reserves**  | **Accumulated** **surplus/Deficit**  | **Total**  |
| **Kshs**  | **Kshs**  | **Kshs**  |
| **As at 30th June 2024 (cash basis)** |  | xxx | xxx |
| Adjustments: (to recognize assets and liabilities |  | xxx/(xxx) | xxx |
| **As at July 1, 20xx** | xxx  | xxx  | xxx  |
|  |  |  |  |
| Surplus/(Deficit) For the Period  | -  | xxx  | xxx  |
| Revaluation Gain/Loss  | xxx/(xxx)  | -  | xxx/(xxx)  |
| **As at xx Sep/Dec/March/June (current year)** | **xxx**  | **xxx**  | **xxx**  |

# Statement Of Cash Flows for the period ended Sept/Dec/March/June,20xx

|  |  |  |
| --- | --- | --- |
|  | **Notes** | ***Period ended Sep\*/Dec\*******Mar\*/Jun\**** |
|  |  | **Kshs** |
| **Cash** **flows** **from** **operating** **activities** |  |  |
| **Receipts** |  |  |
| Transfers from the NGCDF Board  |  | xxx |
| Finance income |  | xxx |
| Miscellaneous income |  | xxx |
|  **Total Receipts**  |  | **xxx** |
|  **Payments** |  |  |
| Employee costs |  | xxx |
| Committee expenses |  | xxx |
| Use of Goods and Services  |  | xxx |
| Other Government Units Certified Works |  | xxx |
| Other Grants and Transfers  |  | xxx |
| Digital Hubs Expenses |  | xxx |
| **Total Payments**  |  | **xxx** |
| **Net Cash Flows from/ (used in) Operating Activities** | 28 | **xxx** |
|  |  |  |
|  **Cash flows From Investing Activities**  |  |  |
| Purchase of PPE |  | (xxx) |
| Purchase of Intangible assets |  | (xxx) |
| Proceeds From Sale of PPE  |  | xxx |
| **Net Cash Flows from Investing Activities**  |  | **xxx** |
| **Net** **increase/(decrease)** **in** **cash** &**Cash equivalents** |  | xxx |
|  |  |  |
| **Cash Flows from Financing Activities** |  |  |
| Return to main account (Unutilized PMC funds) |  | (xxx) |
| **Net Cash Flows from Financing Activities** |  | **xxx** |
| Cash and cash equivalents at Period Start | 17 | **xxx** |
|  **Cash and cash equivalents at Period End** | 17 | **xxx** |

*(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)*

# Statement of Comparison of Budget and Actual Amounts for Period Ended Sep/Dec/Mar/Jun xx, 20xx

|  | **Original Budget** | **Adjustments** | **Final Budget** | **Actual on****comparable basis** | **Budget utilization****difference** | **% of Utilization** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |  |
|  | **a** | **b** | **C=(a+b)** | **d** | **e=(c-d)** | **f=d/c\*100** |
|  | ***Insert current FY*** | **Opening Balance (C/Bk) and AIA** | **Previous****Years’****Outstanding****disbursements** | ***Insert current FY*** | ***Insert current FY*** |  |  |
|  |  |  |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |  |  |
| Transfers From the NGCDF Board |  |  |  |  |  |  |  |
| Finance income |  |  |  |  |  |  |  |
| Miscellaneous income |  |  |  |  |  |  |  |
| **Totals** |  |  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |  |  |
| Employee costs |  |  |  |  |  |  |  |
| Committee expenses |  |  |  |  |  |  |  |
| Use of Goods and Services  |  |  |  |  |  |  |  |
| Other Government Units Certified Works |  |  |  |  |  |  |  |
| Other Grants and Transfers  |  |  |  |  |  |  |  |
| Digital Hubs Expenses |  |  |  |  |  |  |  |
| Funds Pending Approval\*\* |  |  |  |  |  |  |  |
| **Total Expenditure** |  |  |  |  |  |  |  |
| **Surplus for the period** |  |  |  |  |  |  |  |

*\*\*Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

***Explanatory Notes****.*

*[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]*

*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

|  |
| --- |
| **Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities** |
| **Description**  | **Amount** |
| Budget utilization difference totals | xxx |
| Less undisbursed funds receivable from the Board as at period xx, 20XX | (xxx) |
|  | xxx |
| Increase/(decrease) Accounts payable  | xxx |
| (Decrease)/Increase Accounts Receivable | (xxx) |
| Add/Less Prior Year Adjustments | xxx |
| Cash and Cash Equivalents at the end of the period xx, 20XX | **xxx** |

The Constituency quarterly financial statements were approved by NG CDFC on \_\_\_\_\_\_\_\_\_\_\_ 20XX and signed by:

|  |  |  |
| --- | --- | --- |
| **Fund Account Manager**  | **National Sub-County Accountant** | **Chairman NG-CDF Committee** |
| **Name:** | **Name:** | **Name:** |
|  | **ICPAK M/No:** |  |

# Budget Execution by Sectors And Projects For The Period Ended Sep/Dec/Mar/Jun xx, 20xx

| **Programme/Sub-programme** | **Original Budget** | **Adjustments** | **Final Budget** | **Actual on****comparable basis** | **Budget utilization****difference** |
| --- | --- | --- | --- | --- | --- |
|  |  | **Opening Balance (C/Bk) and AIA** | **Prior Period’s****Outstanding** **Disbursements** |  |  |  |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **1.0 Administration and Recurrent** |  |  |  |  |  |  |
| *(Itemize as per the code list)* |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **2.0 Monitoring and evaluation** |  |  |  |  |  |  |
| *(Itemize as per the code list)* |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| 1. **Emergency**
 |  |  |  |  |  |  |
| 3.1 Primary Schools |  |  |  |  |  |  |
| 3.2 Secondary schools |  |  |  |  |  |  |
| 3.3 Tertiary institutions |  |  |  |  |  |  |
| 3.4 Security projects  |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **4.0 Bursary and Social Security** |  |  |  |  |  |  |
| 4.1 Primary Schools |  |  |  |  |  |  |
| 4.2 Secondary Schools |  |  |  |  |  |  |
| 4.3 Tertiary Institutions |  |  |  |  |  |  |
| 4.4 Universities |  |  |  |  |  |  |
| 4.5 Social Security |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **5.0 Climate Change Mitigation** |  |  |  |  |  |  |
| 5.1 |  |  |  |  |  |  |
| 5.2 |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **6.0 Primary Schools Projects** **(List all the Projects)** |  |  |  |  |  |  |
| 6.1 |  |  |  |  |  |  |
| 6.2 |  |  |  |  |  |  |
| 6.3 |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **7.0 Secondary Schools Projects (List all the Projects)**  |  |  |  |  |  |  |
| 7.1 |  |  |  |  |  |  |
| 7.2 |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **8.0 Tertiary institutions Projects (List all the Projects)** |  |  |  |  |  |  |
| 8.1  |  |  |  |  |  |  |
| 8.2 |  |  |  |  |  |  |
| 8.3 |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **9.0 Security Projects** |  |  |  |  |  |  |
| 9.1 |  |  |  |  |  |  |
| 9.2 |  |  |  |  |  |  |
| 9.3 |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **10.0 Acquisition of assets** |  |  |  |  |  |  |
| 10.1 Motor Vehicles (including motorbikes) |  |  |  |  |  |  |
| 10.2 Construction of CDF office |  |  |  |  |  |  |
| 10.3 Purchase of furniture and equipment |  |  |  |  |  |  |
| 10.4 Purchase of computers |  |  |  |  |  |  |
| 10.5 Purchase of land |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **11.0 Digital Hubs** |  |  |  |  |  |  |
| *(Itemize as per the code list)* |  |  |  |  |  |  |
| **Sub total** |  |  |  |  |  |  |
| **12.0 Others** |  |  |  |  |  |  |
| 12.1 Strategic Plan |  |  |  |  |  |  |
| 12.2 |  |  |  |  |  |  |
| **Sub total** |  |  |  |  |  |  |
| **13.0 Funds pending approval\*\*** |  |  |  |  |  |  |
| 13.1 Unapproved projects |  |  |  |  |  |  |
| 13.2 AIA |  |  |  |  |  |  |
| 13.3 |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

 *(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity’s budgets which are program-based. This statement totals should tie to the totals of the statement in schedule 12)*

# Notes to the Financial Statements

1. **General information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity’s principal activity is xxx.

1. **Statement of Compliance and Basis of Preparation**

**Statement of compliance**

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012, NGCDF Act, and the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

*The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).*

These financial statements were authorized for issue by the accounting officer on xxxx

**Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The accounting policies adopted have been consistently applied to all the years presented.

**Reporting period**

The reporting period for these financial statements is for the period ended xxxx.

1. **Summary of Significant Accounting Policies**
2. **Revenue recognition**
3. **Revenue from non-exchange transactions**

 **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Recurrent grants are recognized in the statement of performance. Development/capital grants are recognized in the statement of performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfillment of the set conditions.

 Revenue shall be recognised after allocations have been approved by NG-CDF Board.

1. **Revenue from exchange transactions**

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity.*

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

1. **Budget information**

The original budget was approved by Parliament on xxx 20xx for the period xxx as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cashflows has been presented under section *xxx* of these financial statements.

1. **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

1. **Right of use asset**

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

1. **Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

1. **Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company’s financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1. **Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity’s management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss (‘ECL’) associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx.*

1. **Financial liabilities**

**Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

1. **Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

1. Raw materials: purchase cost using the weighted average cost method.
2. Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity.*

1. **Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

1. **Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

1. **Contingent liabilities**

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1. **Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset’s value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

1. **Employee benefits**

**Retirement benefit plans**

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

1. **Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

1. **Related parties**

The *Entity* regards a related party as a person or an Entity with the ability to exert control individually or jointly or to exercise significant influence over the *Entity*, or vice versa.

1. **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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

1. **Comparatives**

In preparing these financial statements the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial postion as at the time of first time adoption of the accrual basis of accounting.

1. **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, 20xx.

1. **Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

1. The condition of the asset is based on the assessment of experts employed by the Entity.
2. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
3. The nature of the processes in which the asset is deployed.
4. Availability of funding to replace the asset.
5. Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in *Note xxx.* Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

*(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

1. **Transfers from the NGCDF Board**

|  |  |
| --- | --- |
| **Description** | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| NGCDFB Transfers (Allocation for the FY) | xxx |
| **TOTAL**  | **xxx** |

1. **Finance income**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx***  |
|  | K**shs** |
| Interest Income on Bank Deposits  | xxx |
| **Total**  | **xxx** |

*(Provide a brief explanation for this revenue)*

1. **Miscellaneous income**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Rental Income | xxx |
| Income from sale of tenders | xxx |
| Hire of plant/equipment/facilities | xxx |
| Other Income Not Classified Elsewhere *(specify)* | xxx |
| **Total** | **xxx** |

1. **Employees cost**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| NG-CDFC Basic staff salaries | xxx |
| Personal allowances paid as part of salary | xxx |
| House Allowance | xxx |
| Transport Allowance | xxx |
| Leave allowance | xxx |
| Gratuity to contractual employees | xxx |
| Employer Contributions Compulsory national social security schemes | xxx |
| Employer Contributions Compulsory Housing levy | xxx |
| Employer contributions to National Industrial Training Authority | xxx |
| Other Specify | xxx |
| **Total** | **xxx** |

1. **Committee Expenses**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Sitting allowance | xxx |
| Other Committee expenses | xxx |
| **Total** | **xxx** |

1. **Use of Goods and services**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Utilities, supplies and services | xxx |
| Communication, supplies and services | xxx |
| Domestic travel and subsistence | xxx |
| Printing, advertising and information supplies & services | xxx |
| Office Rent | xxx |
| Training expenses | xxx |
| Hospitality supplies and services | xxx |
| Insurance costs | xxx |
| Specialized materials and services | xxx |
| Office and general supplies and services | xxx |
| Fuel, oil & lubricants | xxx |
| Bank Charges | xxx |
| Routine maintenance – vehicles and other transport equipment | xxx |
| Routine maintenance – other assets | xxx |
| Strategic plan expenses | xxx |
| Other operating expenses | xxx |
| **Total** | **xxx** |

1. **Other Government Units Certified Works**

|  |  |
| --- | --- |
| **Description** | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Primary Schools Certified works | xxx |
| Secondary Schools Certified works | xxx |
| Tertiary Institutions works | xxx |
| **Total**  | **xxx** |

1. **Other Grants and Other transfers**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Bursary – secondary schools  | xxx |
| Bursary – tertiary institutions  | xxx |
| Bursary – special schools  | xxx |
| Bursary - Education Support programmes | xxx |
| Social Security programmes (SHIF) | xxx |
| Security projects  | xxx |
| Climate change mitigation projects  | xxx |
| Emergency projects  | xxx |
| Roads projects  | xxx |
| Others specify | xxx |
| **Total** | **xxx** |

1. **Depreciation and Amortization Expenses**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Property Plant and Equipment  | xxx  |
| Intangible Assets  | xxx  |
| **Total**   | **xxx**  |

1. **Digital Hubs Expenses**

|  |  |
| --- | --- |
| **Description** | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
|  | **Kshs** |
| Construction/ renovation/Certified Works | xxx |
| Digital Hub utility costs Water, Electricity, | xxx |
| Maintenance of ICT equipment | xxx |
| Maintenance of building  | xxx |
| Others *(specify)* | xxx |
| **Total** | **xxx** |

1. **Gain/loss on Sale of Assets**

|  |  |
| --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx***  |
|  | **Kshs**  |
| Property, Plant and Equipment  | xxx  |
| Intangible Assets  | xxx  |
| Total Gain/loss on Sale of Assets | **xxx**  |

*(Provide brief explanation on gains on sale of fixed assets*)

1. **Impairment Loss**

|  |  |
| --- | --- |
| **Description** | ***Period ended Sep\*/Dec\*/March\*/June\* 20xx*** |
| **Kshs** |
| Property, Plant and Equipment | xxx |
| Intangible Assets | xxx |
| **Total** **Impairment** **Loss** | **xxx** |

*(Provide brief explanation on assets impairment loss*)

1. **Cash and Cash Equivalents**

|  |  |  |
| --- | --- | --- |
| **Name Of Bank and Account No.**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement*** ***1st July 20XX*** |
|   | **Kshs** | **Kshs** |
| **Bank Accounts (Cash Book Bank Balance)** |  |  |
| *Name Of Bank, Account No. (Operations account)* | xxx | xxx |
| *Operations account pending closure (Indicate name & account no.)* | xxx | xxx |
| *Name of Bank, account No. (Deposit account)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |
|  |  |  |
| **Cash Balances** |  |  |
| Location 1 | xxx | xxx |
| Location 2 | xxx | xxx |
| Other Locations (*Specify)* | xxx | xxx |
| **Total** | **xxx** | **xxx** |
| *[Provide Cash Count Certificates for Each]* |  |  |

1. **Receivables from Exchange Transactions**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement******1st July 20XX*** |
|   | **Kshs** | **Kshs** |
| **Total receivables**  |  |  |
| Other exchange debtors (*Specify*)  | xxx | xxx |
| Less: impairment allowance  | (xxx) | (xxx) |
| **Total** **receivables**  | **xxx** | **xxx** |
| 1. Current receivables
 | xxx | xxx |
| 1. Non-current receivables
 | xxx | xxx |
| **Total Receivables (a+b)**  | **xxx** | **xxx** |

1. **Ageing Analysis for Receivables**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement*** ***1st July 20XX***  |
| **Kshs**  | **Kshs**  |
|   | **Current FY**  | **% of the total**  | **Opening Balance**  | **% of the total**  |
| Less than 1 year  | xxx  | %  | xxx  | %  |
| Between 1- 2 years  | xxx  | %  | xxx  | %  |
| Between 2-3 years  | xxx  | %  | xxx  | %  |
| Over 3 years  | xxx  | %  | xxx  | %  |
| **Total (a+b)**  | **xxx**  | **%**  | **xxx**  | **%**  |

1. **Receivables from Non-Exchange Transactions**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement*** ***1st July 20XX***  |
| **Kshs**  | **Kshs**  |
| Transfers from NGCDFB  | xxx  | xxx  |
| **Total**  | **xxx**  | **xxx**  |
|   |   |   |
| **Ageing Analysis- Receivables from non-** **exchange transactions**  | **Insert Current FY**  | **% of the total**  | **Opening Balance**  | **% of the total**  |
| Less than 1 year  | xxx  | %  | xxx  | %  |
| Between 1-2 years  | xxx  | %  | xxx  | %  |
| Over 3 years  |      xxx  | %  | xxx  | %  |
| **Total**  | xxx  | %  | xxx  | %  |

1. **Prepayments**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement*** ***1st July 20XX***  |
| **Kshs**  | **Kshs**  |
| Prepaid Rent  | xxx  | xxx  |
| Prepaid Insurance  | xxx  | xxx  |
| Prepaid Electricity Costs  | xxx  | xxx  |
| Other Prepayments *(Specify*)  | xxx  | xxx  |
| **Total**   | **xxx**  | **xxx**  |

1. **Property, Plant and Equipment**

|  | **Land** | **Buildings** | **Motor vehicles** | **Infrastructure assets** | **Furniture and fittings** | **Computers & ICT Equipment** | **Heritage assets** | **Work in progress** | **Service concession assets** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Depreciation Rate** |  | **2-10%** | **10-16.67%** | **2-20%** | **12.5%** | **33.3%** | **x%** |  |  |  |
| **Cost** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Opening Bal as 1st July 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| Additions | xxx | xxx | xxx | xxx | xxx | - | xxx | xxx | xxx | **xxx** |
| Disposals | (xxx) | (xxx) | - | (xxx) | - | - | (xxx) | (xxx) | (xxx) | **(xxx)** |
| Transfer/Adjustments | (xxx) | (xxx) | xxx | xxx | xxx | (xxx) | (xxx) | xxx | xxx | **(xxx)** |
| **As At xx Sep/Dec/Mar/Jun 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Depreciation And Impairment** |  |  |  |  |  |  |  |  |  |  |
| Depreciation | - | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | (xxx) | - | - | **(xxx)** |
| Disposals | - | xxx | - | - | - | - | xxx | - | - | **xxx** |
| Impairment | - | (xxx) | (xxx) | (xxx) | - | - | (xxx) | - | - | **(xxx)** |
| Transfer/Adjustment | - | xxx | (xxx) | (xxx) | (xxx) | xxx | (xxx) | - | - | **xxx** |
| **As At xx Sep/Dec/Mar/Jun 20xx** | **-** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **-** | **-** | **xxx** |
| **Net Book Values** |  |  |  |  |  |  |  |  |  |  |
| **Opening Bal as at 1st July 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **As At xx, 20xx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

*The statement does not contain comparatives, as the entity has taken advantage of IPSAS 33 provisions on presentation for the first year of transition.*

**Valuation**

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at , PPE has been valued at the current operational value which is the amount the entity would pay for the remaining service potential of an asset at the measurement date.

**21 b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows**:**

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Cost**  | **Accumulated Depreciation**  | **NBV**  |
|   | **Kshs**  | **Kshs**  | **Kshs**  |
| Land  | xxx  | xxx  | xxx  |
| Buildings  | xxx  | xxx  | xxx  |
| Plant And Machinery  | xxx  | xxx  | xxx  |
| Motor Vehicles, Including Motorcycles  | xxx  | xxx  | xxx  |
| Computers And Related Equipment  | xxx  | xxx  | xxx  |
| Office Equipment, Furniture, And Fittings  | xxx  | xxx  | xxx  |
| **Total**  | **xxx**  | **xxx**  | **xxx**  |

Property plant and Equipment includes the following assets that are fully depreciated:

|  |  |  |
| --- | --- | --- |
|   | **Cost or valuation**  | **Normal annual depreciation charge**  |
| Plant and Machinery  | xxx  | xxx  |
| Motor Vehicles including Motorcycles  | xxx  | xxx  |
| Computers and Related Equipment  | xxx  | xxx  |
| Office Equipment, Furniture and Fittings  | xxx  | xxx  |
| **Total**  | **xxx**  | **xxx**  |

1. **Intangible Assets and goodwill**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement 1st July 20XX*** |
|   | **Kshs**  | **Kshs**  |
| **Cost**  |   |  |
| **Opening balance at the beginning of the Period** | xxx  | xxx  |
| Additions  | xxx  | xxx  |
| Disposal  | (xxx)  | (xxx)  |
| **At end of the Period** | xxx  | xxx  |
| Additions–internal development  | xxx  | xxx  |
| Disposal  | (xxx)  | (xxx)  |
| **At end of the Period** | xxx  | xxx  |
| **Amortization and impairment**  |   |   |
| **At beginning of the Period**  | xxx  | xxx  |
| Amortization  | xxx  | xxx  |
| **At end of the Period**  | xxx  | xxx  |
| Impairment loss  | xxx  | xxx  |
| **At end of the Period** | xxx  | xxx  |
| **NBV**  | xxx  | xxx  |

1. **Right-of use assets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description**  | ***Buildings*** | **Motor vehicles** | ***Plant and equipment*** | ***Total*** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Cost** |  |  |  |  |
| As at 1 July 20xx  | xxx | xxx | xxx | xxx |
| Additions  | xxx | xxx | xxx | xxx |
| As at 30 Sept/Dec/ March/June 20xx  | xxx | xxx | xxx | xxx |
|   |  |  |  |  |
| **Accumulated Depreciation** |  |  |  |  |
| As at 1 July 20xx  | xxx | xxx | xxx | xxx |
| Charge for the year  | xxx | xxx | xxx | xxx |
| As at 30 Sept/Dec/ March/June 20xx  | xxx | xxx | xxx | xxx |
|   |  |  |  |  |
| **Carrying Amount** |  |  |  |  |
| As at 30 Sept/Dec/ March/June 20xx  | **xxx** | **xxx** | **xxx** | **xxx** |

1. **Trade and Other Payables**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement 1st July 20XX*** |
| **Kshs** | **Kshs** |
| Trade payables  | xxx | xxx |
| Employee payables  | xxx | xxx |
| Other payables  | xxx | xxx |
| **Total** **trade** **and** **other** **payables**  | **xxx** | **xxx** |

1. **Third-Party Deposits**

|  |  |  |
| --- | --- | --- |
|  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement*** ***1st July 20XX***  |
|  | **Kshs** | **Kshs** |
| Retention as at start of the period (A) | xxx | xxx |
| Retention held during the period (B) | xxx | xxx |
| Retention paid during the period (C) | xxx | xxx |
| **Closing Retention as at period xx, D= A+B-C** | **xxx** | **xxx** |

1. **Lease Liabilities**

|  |  |  |
| --- | --- | --- |
| **Description** | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement******1st July 20XX*** |
|  | **Kshs** | **Kshs** |
| **Balance at the beginning of the period** | **xxx** | **xxx** |
| Discount interest on lease liability  | xxx | xxx |
| Paid during the period  | (xxx) | (xxx) |
| **At end of the period** | **xxx** | **xxx** |

**Analysed as:**

|  |  |
| --- | --- |
| **Description** | **Amount** |
| Current  | xxx |
| Non- Current  | xxx |
| Total  | xxx |

1. **Employee Benefit Obligation**

|  |  |  |
| --- | --- | --- |
| **Description**  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement*** ***1st July 20XX***  |
|   | **Kshs** | **Kshs** |
| Gratuity at the beginning of the period (A) | xxx | xxx |
| Gratuity held during the period (B) | xxx | xxx |
| Gratuity paid during the period (C)  | (xxx) | (xxx) |
| **Total** **Employee Benefits Obligation** **as at period xx** **D=(A+B-C)** | **xxx** | **xxx** |

**Retirement benefit Asset/ Liability**

The Entity operates a defined benefit scheme for all full-time employees from July 1, 20XX. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement. An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

|  |  |  |
| --- | --- | --- |
|   | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement 1st July 20xx*** |
|   |  |  |
| Discount Rates  | x% | x% |
| Future Salary Increases  | x% | x% |
| Future Pension Increases  | x% | x% |
| Mortality (Pre- Retirement)  | x% | x% |
| Mortality (Post- Retirement)  | x% | x% |
| Withdrawals  | xx | xx |
| Ill Health  | xx | xx |
| Retirement  | xx years | xx years |

**Recognition of Retirement Benefit Asset/ Liability**

1. Amounts recognised under other gains/ Losses in the statement of Financial Performance:

|  |  |  |
| --- | --- | --- |
|  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement 1st July 20xx*** |
| **Description** | **Kshs** | **Kshs** |
| The return on defined plan assets  | xxx | xxx |
| Actuarial gains/ losses arising from changes in demographic assumptions  | xxx | xxx |
| Actuarial gains/ losses arising from changes in financial assumptions  | xxx | xxx |
| Actuarial gains and losses arising from experience adjustments  | xxx | xxx |
| Others (specify)  | xxx | xxx |
| Adjustments for restrictions on the defined benefit asset  | xxx | xxx |
| Remeasurement of the net defined benefit liability (asset)  | xxx | xxx |

1. Amounts recognised in the Statement of Financial Position

|  |  |  |
| --- | --- | --- |
|   | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** | ***Opening Statement 1st July 20xx***  |
| **Description**  | **Kshs**  | **Kshs**  |
| Present value of defined benefit obligations(a)  | xxx  | xxx  |
| Fair value of plan assets(b)  | (xxx)  | (xxx)  |
| Funded status(=a-b)  | **xxx**  | **xxx**  |
| Restrictions on asset recognised  | xxx  | xxx  |
| Others  | xxx  | xxx  |
| Net asset or liability arising from defined benefit obligation  | **xxx**  | **xxx**  |

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity’s obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month.  Other than NSSF the Entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

1. **Cash Generated From Operations**

|  |  |
| --- | --- |
|  | ***Period ended Sep\*/Dec\* /March\*/June\* 20xx*** |
|  | **Kshs** |
| **Surplus for the period before tax** | **xxx** |
| **Adjusted for:** |  |
| Depreciation  | xxx |
| Non-cash grants received  | (xxx) |
| Contributed assets  | (xxx) |
| Impairment  | xxx |
| Gains and losses on disposal of assets  | (xxx) |
| Contribution to provisions  | xxx |
| Contribution to impairment allowance  | xxx |
| **Working capital adjustments** |  |
| Increase in inventory  | (xxx) |
| Increase in receivables  | (xxx) |
| Increase in deferred income  | xxx |
| Increase in payables  | xxx |
| Increase in payments received in advance  | xxx |
| **Net cash flow from operating activities** | **xxx** |

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

1. **Events after the Reporting Period**

There were no material adjusting and non-adjusting events after the reporting period**.**

1. **Ultimate And Holding Entity**

The xxx Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

1. **Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

# Annexes

**Annex: 1 Statement of Financial Performance For Each Quarter**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description**  | **Notes** | **Quarter 1** | **Quarter 2** | **Quarter 3** | **Quarter 4** | **Cumulative\*\*** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Revenue** **from** **non-exchange** **transactions**  |  |  |  |  |  |  |
| Transfers from the NGCDF Board | 5 | xxx | xxx | xxx | xxx | xxx |
|    |  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
| **Revenue** **from** **exchange** **transactions**  |  |  |  |  |  |  |
| Finance income | 6 | xxx | xxx | xxx | xxx | xxx |
| Miscellaneous income  | 7 | xxx | xxx | xxx | xxx | xxx |
| **Total** **revenue**  |  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |  |  |
| **Expenses**  |  |  |  |  |  |  |
| Employee costs | 8 | xxx | xxx | xxx | xxx | xxx |
| Committee expenses | 9 | xxx | xxx | xxx | xxx | xxx |
| Use of Goods and Services  | 10 | xxx | xxx | xxx | xxx | xxx |
| Transfers To Other Government Units  | 11 | xxx | xxx | xxx | xxx | xxx |
| Other Grants and Transfers  | 12 | xxx | xxx | xxx | xxx | xxx |
| Depreciation and amortization expense | 13 | xxx | xxx | xxx | xxx | xxx |
| Digital Hubs Expenses | 14 | xxx | xxx | xxx | xxx | xxx |
| **Total** **expenses**  |  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |
|  |  |  |  |  |  |  |
| **Other** **gains/(losses)**  |  |  |  |  |  |  |
| Gain/Loss on Sale of Assets | 15 | xxx | xxx | xxx | xxx | xxx |
| Impairment loss | 16 | xxx | xxx | xxx | xxx | xxx |
| **Net Surplus for the period**  |  | **xxx** | **xxx** | **xxx** | **xxx** | **xxx** |

**Annex: 2 Analysis of Pending Accounts Payable**

| **Supplier of Goods or Services** | **Original Amount** | **Date Contracted** | **Amount Paid To-Date** | **Outstanding Balance for the period** | **Comments** |
| --- | --- | --- | --- | --- | --- |
|  | a | b | c | d=a-c |  |
| **Construction of buildings** |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |
| **Construction of civil works** |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |
| **Supply of goods** |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |
| **Supply of services** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |
| **Grand Total** |  |  |  |  |  |

**Annex 3 - Analysis of Pending Staff Payables**

| **Name of Staff** | **Designation** | **Date employed** | **Outstanding Balance****30th June 20xx** | **Comments** |
| --- | --- | --- | --- | --- |
| **NG-CDFC Staff** |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

**Annex 4 – Unutilized Fund**

| **Name** | **Brief Transaction Description** | **Outstanding Balance****For the period** | ***Opening Statement 1st July 20xx*** | **Comments** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| Compensation of employees |  |  |  |  |
| Use of goods & services |  |  |  |  |
| Amounts due to other Government entities *(list projects)* |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Sub-Total** |  |  |  |  |
| Amounts due to other grants and other transfers *(list projects)* |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Sub-Total** |  |  |  |  |
| Acquisition of assets |  |  |  |  |
|  |  |  |  |  |
| **Sub-Total** |  |  |  |  |
| Digital Hubs Expenses (*specify*) |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Sub-Total** |  |  |  |  |
| Others (*specify*) |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Sub-Total** |  |  |  |  |
| Funds pending approval |  |  |  |  |
| **Grand Total** |  |  |  |  |

**Annex 5 – Summary of Asset Register**

| **Asset class** | **Historical Cost balance brought forward****(Kshs)** | **Additions during the period (Kshs)** | **Disposals during the period (Kshs)** | **Historical Cost****(Kshs)****At Year/period End** |
| --- | --- | --- | --- | --- |
| Land |  |  |  |  |
| Buildings and structures |  |  |  |  |
| Transport equipment |  |  |  |  |
| Office equipment, furniture, and fittings |  |  |  |  |
| ICT Equipment and Other ICT Assets |  |  |  |  |
| Other Machinery and Equipment |  |  |  |  |
| Intangible assets |  |  |  |  |
| **Total**  |  |  |  |  |

**Annex 6 –PMC Bank Balances As At Period 20xx**

| **PMC** | **Bank** | **Account number** | **Bank Balance****Current period** | ***Opening Statement 1st July 20xx***  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total**  |  |  |  |  |