


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	DATE: 23 FEB 2022 DAY: Wed.
TABLED BY:	The Majority Whip Hon. E. Wangwe, MP.
CLERK-AT THE-TABLE:	Benson Inzofu.

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KAPSERET CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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



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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NGCDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NGCDF Act, 2015. At cabinet level, NGCDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)-
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Reports for the year ended June 30, 2020

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. ~~**Sustainable development** – we promote development activities that meet the needs of the~~
present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF Kapseret Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mamka J. Sainare
2.	Sub-County Accountant	Lucas O.Oketch
3.	Chairman NGCDFC	Sammy K.Ruto
4.	Member NGCDFC	Lilian Jepkemboi

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Kapseret Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDFKAPSERET Constituency Headquarters

P.O. Box 2449-30100
NGCDF Office Building
Outspan
Eldoret, KENYA

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Reports for the year ended June 30, 2020

(f) NGCDFKAPSERET Constituency Contacts

Telephone: (254) 725411354
E-mail: cdfKapseret@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDFKAPSERET Constituency Bankers

1.Co Operative Bank
P.O Box 2928-30100
Eldoret, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

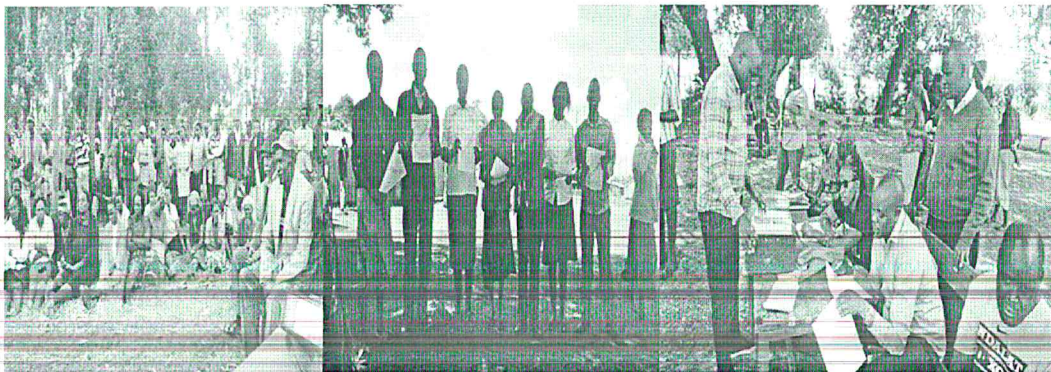
In financial year 2019/2020, it was another wonderful year for Kapseret NGCDF in undertaking a number of projects. Despite challenges brought up with the outbreak of Covid-19 in March, we managed to execute a number of projects, bursary disbursement and emergency to this date we have received half of our allocation. In Kapseret there are five (5) wards, there of which are predominantly rural while two are urban. Upon reception of funds, the NGCDF gave priorities to administration, bursaries, ongoing projects and emergency.

Bursary 2019/2020 Kapseret NGCDF has disbursed all bursary cheques. Bursary vetting was done at the grass root whereby the members of the public through the help of NGCDF members, village elders and chief to identify needy cases from various villages. This is to enhance transparency and accountability.

In secondary category a total of 2225 beneficiaries benefited from the bursary while tertiary and university education a total of 1773 beneficiaries.

NGCDF also gave a priority to special needs learners whereby a total of 40 beneficiaries benefited from the bursary.

Kapseret NGCDF also gave full scholarship to fifteen students who performed well in KCPE and are from humble need background, who joined National and extra county schools. This was done as a way of promoting the government as their agenda in the big 4 agenda, we also gave scholarship to students to various vocational technical institutions which will in turn promote manufacturing and housing in courses such as electrical, building, plumbing etc.

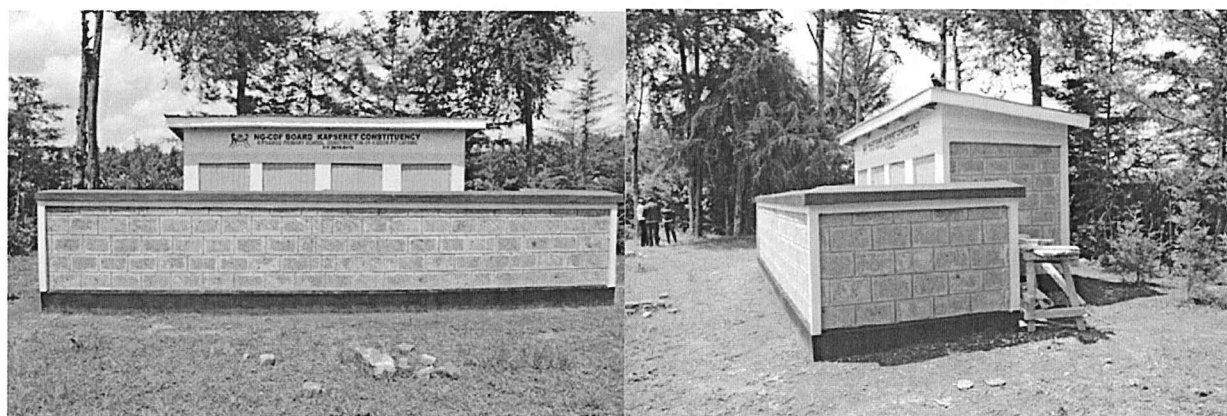


In emergency our main focus was to improve sanitation in our schools. The following schools build good and standard toilets.

BARNOTIK PRIMARY SCHOOL TOILET



KIPSAMOO PRIMARY SCHOOL TOILET



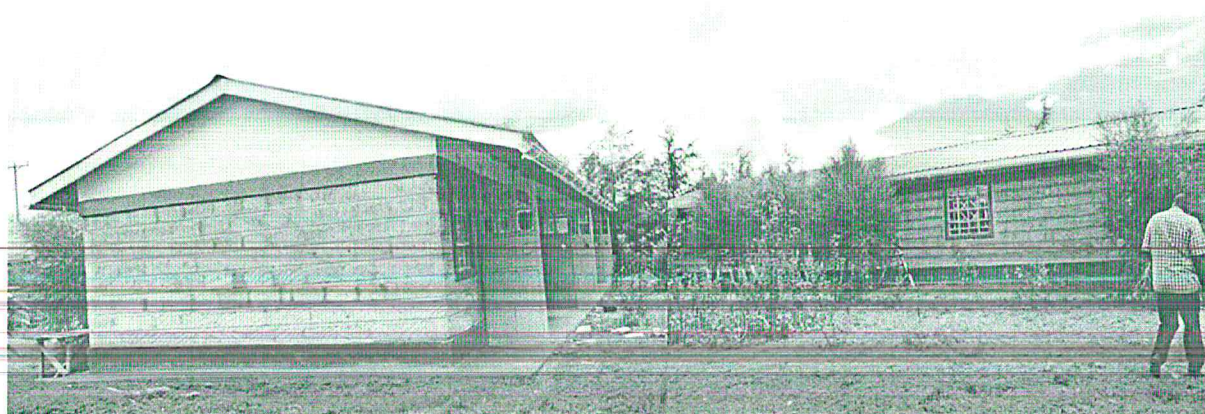
In security NGCDF Kapseret managed to complete the ongoing project of Ngeria chief's office which will enhance service delivery to the people of Ngeria location.

NGERIA LOCATION CHIEF'S OFFICE



Megun chief's office 5 staff houses will go a long way in enhancing security within the region. The region is adjacent to institution such as Moi University, Ngeria technical training institute and enroute to Airport which requires security.

MEGUN CHIEF'S STAFF HOUSES



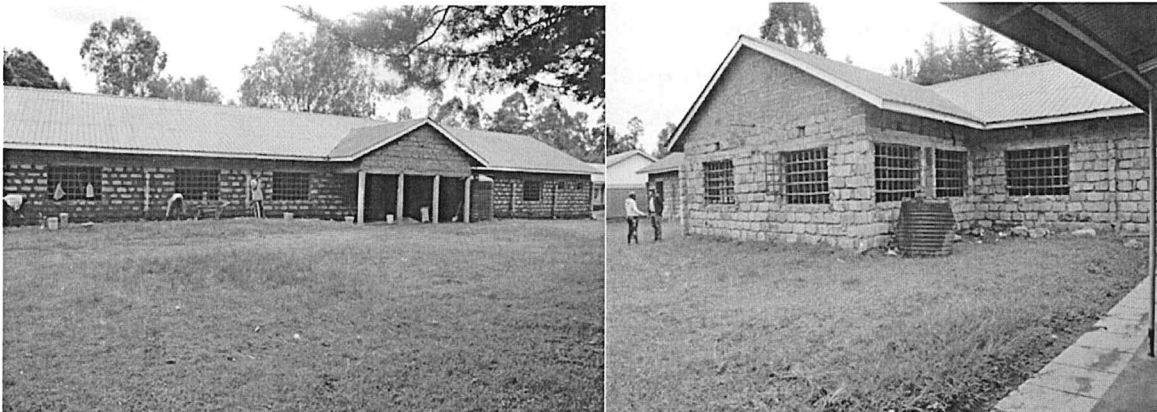
***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)-
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Nganiat primary school completion of 4 classrooms and the CSR project- Thanks to the NGCDF board for the complete CSR project.



In secondary project which were ongoing from the previous financial year. Kapseret NGCDF funded the completion of the projects from the following school:
Completion of a co-funded administration block of Songoliet secondary school.

SONGOLIET SECONDARY SCHOOL ADMINISTRATION BLOCK



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NGARAFALLS SECONDARY SCHOOL GIRLS DORMITORY



The above notable projects which translate to better access to education and good performance in general because of improved infrastructure.

In sports we were not able to undertake any activity despite funding due to Covid-19 pandemic which lead to the closure of all learning institutions.

I wish also to acknowledge the good work of all stakeholders in Kapseret Constituency. Teamwork, dedication and diligence.

I also appreciate the leadership of area Member of Parliament , NGCDFc, Pmc's, Principals and Head teachers of all public institution, committed staff, village elders , chiefs and parents for their tireless effort in ensuring better and quality service delivery to the good people of Kapseret.

The following are major challenges encountered in financial year 2019/2020;

- Delay in the disbursement of funds from NGCDF Board.
- Outbreak of Covid-19 pandemic which slowed down the implementation of projects.
- Heavy rain which made it impossible to execute emergency projects in marshy and swampy areas.
- Inability to train the PMC's due to the pandemic in order to enhance their capacity building.

Finally I wish to most sincerely thank the NGCDF Board for the continued funding and guidance through various circular which as enable us to work within the stipulated laws and regulations

As NGCDF Kapseret we pledge to continue working to better the lives of our people and improve the livelihoods.

Sign

Sammy K. Rutto

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)-
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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-Kapseret Constituency's *2018-2022* plan are to:

NO.	Strategic issue	Strategic objective	strategies
1	Education	To ensure access to quality education in the constituency	<ul style="list-style-type: none"> • Providing necessary infrastructural facilities. • Provision of bursary to needy and deserving Students. • Engaging other development partners in education.
2	Security	To foster security and safety of the constituents	<ul style="list-style-type: none"> • Acquisition and provision Of facilities. • Encouraging community Policing.
3	Youth& Sports	To harness and promote youth talent development	<ul style="list-style-type: none"> • Promotion of sports in the Constituency. • Sensitizing the youth on Drug use and abuse. • HIV/AIDS prevalence
4	Environment	To promote environmental conservation programmes	<ul style="list-style-type: none"> • Establishing tree planting programme • Support establishment of nurseries • Water harvesting
5	Project Implementation capacity	To strengthen the PMC capacity in project implementation	<ul style="list-style-type: none"> • Capacity building • Developing a consistent Technical support system.
6	ICT and Communication	To enhance public information on constituency development projects	<ul style="list-style-type: none"> • Provide a platform for utilisation of information technology and dissemination of Information.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified

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for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
ICT and Communication	To enhance public information on constituency development projects	Increased public awareness on constituency development projects. Increase dissemination of information among the public.	Number of people interacting with the website and Online feedbacks On the developments projects. Number of computers and quality of system installed.	Number of computers in Kapseret NGCDF office was Increased 8. Availability of internet services.
Education	To ensure access to quality education in the constituency.	Develop and enhance schools infrastructure facilities. Increase enrolment and number of students completing Schools and tertiary colleges.	Number of usable physical infrastructure built in primary and secondary. Number of students completed school on bursary both secondary and tertiary.	Number of classrooms both primary and secondary constructed increased to 36 Number of renovated classrooms increased 32. Number of desks purchased in primary and secondary schools increased to 1795. Number of science laboratories constructed increased to 3.
Security	To foster security and safety of the constituents.	To acquire and improve facilities.	Number of pieces of land purchased. Number of sub-chiefs offices constructed.	Number of land purchased total to 2. Number of sub-chiefs offices constructed totalled to 6.
Project Implementation capacity	To strengthen the PMC capacity in project	To establish training for PMCs and	Establishment of feedback from PMCs.	Number of feedback from PMCs increased.

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Constituency Program	Objective	Outcome	Indicator	Performance
	implementation	improve capacity building for projects implementation.	Reduced outcomes of cases with non-compliance to policies.	
Environment	To promote environmental conservation programmes.	To establish tree planting programmes in schools and identify tree planting days.	Number of tree planting days. Number of schools established with nurseries.	Number of days for tree planting programme were 2 days.
Sports	To harness and promote youth talent development	To equip and provide logistics needed and landscaping of playing grounds.	Number of schools with playing ground landscaped.	Number of schools benefitting from sports programme increased to 5.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The NGCDF Kapseret is lobbying for an increased funding from the NGCDFB through the parliament and Ministry of devolution and planning, the NGCDFC, will explore other strategies of mobilising resources. These strategies include:

- Establishing project co-funding partnership with development partners
- Scouting and wooing donors to support projects in line with their aspiration and vision
- ~~Identifying cooperate institutions such as banks, businesses and companies to partners on~~
Cooperate social responsibility (CSR)
- Collaborating with county government on projects deemed beneficial to the local community

The Kapseret NGCDF has identified eight social sectors committed to build a just and cohesive society. These sectors include: Education and training; health; water and sanitation; environment; housing and urbanisation; as well as gender, youth and vulnerable groups.

In support of this, NGCDF is committed to improve access and standard of education through Improving school infrastructure and facilities, and provision of bursary to needy and deserving students. Moreover, the funds also intend to support environmental conservation programmes through establishing tree planting programme and supporting establishment of tree nurseries in schools.

In sports, the fund will support by harnessing and promoting youth talent development in the constituency

1. SUSTAINABILITY STRATEGY AND PROFILE

The Kapseret NGCDF committee identified six strategic issues along with their objectives and strategies to pursue in this, they had to set some existing policy guidelines to help in focusing on the service delivery and better performance. The relevance was outline in our vision, mission and core values as provided in the strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	A leading public institution in the utilisation of public resources for Socio-economic development.	The identification of strategic direction achieved by the constituency.
Mission	To ensure effective and efficient utilisation of funds for equitable Sustainable development and poverty reduction at community level.	The office ensures there is awareness and sustainability of the funds at the community level.
Core Values	Professionalism and integrity. Transparency and Accountability. Neutrality and Objectivity. Timelines and excellence. Advocate citizen participation. Commitment and teamwork.	For proper operations the office had to put guidelines and principals to be followed and adhered to.

2. ENVIRONMENTAL PERFORMANCE

The committee recognises the significance of protecting and conserving the environment. Kapseret Constituency does not live in isolation and therefore acknowledges the need to promote sustainable development. The NGCDFC hopes to collaborate with learning institutions to establish nurseries and initiate tree planting programme in the constituency. The aim is to increase the 10% national green cover as well as contributing towards global agenda of combating climate change.

Our Environmental Policy and Action Plan

In this policy statement Kapseret NGCDF commits to:

- Ensure there is well sanitation through improving schools infrastructure facilities like pit latrine and toilets are in good standards in the constituency.
- Comply with all relevant environmental legislation, regulations and approved codes of practice and carry monitoring with in line ministries to ensure environmental standards are adhered to and kept by the community.
- Support environmental conservation programmes through establishing tree planting programme and establishment of tree nurseries in schools.
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources.
- Providing training for our NGCDFC and staff so that we all work in accordance with this and within an environmentally aware culture.
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- Indiscriminate cutting of trees for charcoal which threatens the local agricultural activities.

Impact Area and Approach

1. Conservation of Energy and Resources.

- To maximize on rain water harvesting in various schools.

2. Capacity Building.

- To encourage PMCs, NGCDFC and staff through training and seminars on the importance of environmental conservancy.
- To maximize use of available technologies to remove the need to use paper in the offices.

3. Environmental Protection and Conservation

- To encourage tree planting in the constituency to improve the forest cover and discourage tree cutting.
- To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires.

3. EMPLOYEE WELFARE

The success of this strategic plan depends upon competent and skilful staff at the Kapseret NGCDF offices. Therefore, appropriate staffing level is important and should be achieved through proper selection, recruitment and training. However, it should be noted that successful implementation of this plan relies upon the collective effort of everyone at the constituency. Some of these staffs include; the fund manager, clerk of works, assistant accountant, secretaries, support staff and drivers.

The office has been concern with employee welfare like best employee recognition and award during each year with accordance with work performance and service delivery.

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TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NGCDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Kapseret NGCDFC offers only categories of employment, which are

Contract employees who are employed for 3 years or 2 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies within the office through the NGCDFC and human resource officer of Kapseret Sub-County, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the Kapseret Sub-County Human Resource Officer is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NGCDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

4. Market place practices-

Through economic pillar Kapseret NGCDF endeavours to support some of the sectors like business process outsourcing, manufacturing, wholesale and retail trade expected to push 10% economic growth rate annually to achieve our objectives.

NGCDFC through funded projects in the constituency aims at improving infrastructures in learning and security institutions hence providing job opportunities to citizen in terms of procurement services and construction. Whereby the office aids in identifying the qualified suppliers and contractors by carrying out prequalification of tenders.

The NGCDF will ensure to implement the 30% procurement services to the youths as well as inclusion of the women. People living with disability are also factored in at every recruitment stage both in the office and at the PMCs level.

5. Community Engagements-

NGCDFC ensures public participation is carried out within the first year of commencement of a new parliament and at least once every two years thereafter convene open forum meetings in every ward in the constituency to deliberate on development matters. The public forums include members of the community and the key stakeholders in order to carry out project identification as well sustainability of the implemented projects. The committee take into cognisance by acknowledging the role of community participation in the constituency development.

The NGCDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NGCDFC to the Board.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs.

The stakeholder's participation is important since it ensures the expectations of NGCDF are met as summarised as follows:

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NO.	Name of stakeholder	NGCDFC Expectation	Stakeholder expectation
1	PMC	<ul style="list-style-type: none"> • Delivery of projects • Compliance to the procedures and policies • Accountability and transparency 	<ul style="list-style-type: none"> • Support and facilitation • Availing funds • Capacity building
2	NGCDFB	<ul style="list-style-type: none"> • Accountability and transparency • Compliance to procedures and policies • performance 	<ul style="list-style-type: none"> • Timely fund allocation • Support and cooperation
3	Parliament	<ul style="list-style-type: none"> • Goodwill • Support 	<ul style="list-style-type: none"> • Delivery on the outcome • Accountability and transparency
4	Contractors & Suppliers	<ul style="list-style-type: none"> • Timely availing of supply • Provision of realistic cot of service • Compliance to contract 	<ul style="list-style-type: none"> • Equal opportunity for tenders and services • Support and cooperation
5	County Government of Uasin Gishu	<ul style="list-style-type: none"> • Goodwill • Partnership in funding projects 	<ul style="list-style-type: none"> • Implementation
6	Public	<ul style="list-style-type: none"> • Cooperation • Good working environment • Supporting project implementation 	<ul style="list-style-type: none"> • Proper utilisation of funds • Public involvement
7	Line ministries	<ul style="list-style-type: none"> • Support and technical assistance 	<ul style="list-style-type: none"> • Adherence to policy, law and regulation • cooperation
8	Development partners	<ul style="list-style-type: none"> • Funding projects • Collaboration of technical assistance 	<ul style="list-style-type: none"> • Accountability and transparency • Collaboration
9	Non-Government actors	<ul style="list-style-type: none"> • Funding • Cooperation 	<ul style="list-style-type: none"> • Proper utilisation of fund • Accountability and transparency
10	Employees	<ul style="list-style-type: none"> • Delivery of service • Professionalism • Integrity 	<ul style="list-style-type: none"> • Good working environment • Motivations • Equal treatment • Social security programmes

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-KAPSERET 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 year (period) ended on June 30, 2020. 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 entity; (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 entity; (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 NGCDF-Kapseret Constituency accepts responsibility for the entity'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 NGCDF-Kapseret financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kapseret Constituency further confirms the completeness of the accounting records maintained for the NGCDF Kapseret 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-Kapseret Constituency confirms that the entity has complied fully with applicable Government Regulations and that NGCDF Kapseret 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 NGCDF KAPSERET 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 NGCDF-KAPSERET Constituency financial statements were approved and signed by the Accounting Officer on 21/04/ 2021.



Fund Account Manager
Name: Mamka Sainare



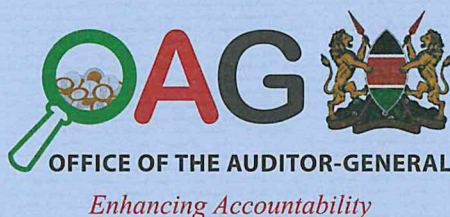
Sub-County Accountant
Name: Jackline Jepkemoi

DISTRICT ACCOUNTANTS
WARENG DISTRICT



REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPSERET CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kapseret Constituency set out on pages 1 to 32, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kapseret Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Understatement of Bank Balances – Stale Cheques

The statement of assets and liabilities as at 30 June, 2020 reflects a bank balance figure of Kshs.9,076,069. A review of the bank reconciliation statement for the month of June, 2020 indicated unpresented cheques amounting to Kshs.6,033,835 out of which cheques amounting to Kshs.712,000 had become stale as at the time of audit in February 2020 but had not been reversed in the cash book. This means that the cash and cash equivalents balance has been understated by Kshs.712,000.

Consequently, the accuracy and completeness of the bank balance of Kshs.9,076,069 as at 30 June, 2020 could not be confirmed.

2. Unsupported Project Management Committee Account Balances

Note 17.4 to the financial statements reflects project management committee (PMC) account balances of Kshs.17,088,397 in respect of funds disbursed to PMCs which

remained unutilized as at 30 June, 2020 and which are further analyzed in Annex 5 to the financial statements. However, Management did not provide bank reconciliation statements and cashbooks in support of the balances.

Consequently, the accuracy, completeness and existence of the project management committee account balances of Kshs.17,088,397 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kapseret Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budget Control and Performance

The summary statement of appropriation: recurrent and development combined shows that the Fund has total budgeted receipts of Kshs.205,246,696 against actual receipts of Kshs.135,751,972 thereby resulting in under collection of Kshs.69,435,724 or 34%. Further, the statement shows a total budgeted expenditure of Kshs.205,246,696 against an actual expenditure of Kshs.127,068,889 which results in an under expenditure of Kshs.78,177,807 or 38% of the budgeted expenditure.

The under-collection of receipts and under expenditure by the Fund implies that some planned projects or activities were not undertaken during the year under review.

Consequently, the residents of Kapseret constituency were denied the benefits or services that would have accrued from the projects or activities that were to be implemented.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources/Qualified Opinion section

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

Basis for Conclusion

1. Purchase of Land for Schools

The statement of receipts and payments shows an amount of transfers to other government entities of Kshs.55,145,024 which includes an amount of Kshs.1,200,000 paid to St. John Kabongo Primary School and Chepkongi Primary School being additional funds for the purchase of land and payment of the balance for purchase of land respectively.

However, in both cases, valuation reports, minutes of the tender sub-committee and the ownership documents in respect of the land purchased were not provided for audit review.

Consequently, the propriety and ownership of the purchased land valued at Kshs.1,200,000 could not be confirmed.

2. Delay in Project Implementation

According to the project status report provided for audit review indicated that Kshs.136,922,244 was allocated to one hundred and three (103) projects out of which Kshs.68,007,556 had been disbursed to seventy-four (74) projects as at 30 June, 2020. Out of these, forty-eight (48) projects which received an amount of Kshs.49,690,327 were complete, twenty-six (26) projects with an allocated amount of Kshs.30,293,037 but which received an amount of Kshs.18,317,229 were ongoing while the remaining twenty-nine (29) with an allocation of Kshs.56,938,881 had not received any funds and had not started.

The delay in implementation of the projects resulted from late disbursement of funds by the National Government Constituencies Development Fund (NGCDF) Board and partial funding of the entire approved budget for the financial year in which a total of Kshs.69,435,724 had not been received at the end of the year.

Consequently, the residents of Kapseret constituency were denied the benefits that would have accrued from the completion of the fifty-five (55) projects.

3. Unsatisfactory Implementation of Projects

During the audit, twenty eight (28) projects with total disbursements amounting to Kshs.32,935,326 were inspected and several observations made regarding unsatisfactory performance as shown in **Appendix I**.

In the circumstances, it could not be confirmed whether value for money was obtained from the projects.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2022

Appendix I - Unsatisfactory Implementation of Projects

No.	Project Name	Project Activity	Allocation (Kshs.)	Disbursed Amount (Kshs.)	Findings
1.	Kiambaa Secondary School	Construction of one classroom to completion	650,000	650,000	Activity is complete and the classroom is in use.
2.	Kiambaa Primary School				Activity is complete and latrines are in use. - 3 door latrines and 1 changing room. - Floor has tiles. -Labelling is done -Roofing done - Walling and painting done.
3.	Kermetio Primary School	One classroom to completion and purchase of 25 desks	712,500	712,500	Activity is complete and the classroom is in use. (Roofing, walling, plastering, windows, doors, glasses and labelling is complete). Painting is only one coat. 25 desks exist.
4.	Nandi Gaa Primary School	Construction of one classroom (Ksh.650,000) and three door boys pit latrine (Kshs.400,000) and Purchase of 30 Desks (Kshs.75,000)	1,125,000	1,125,000	Activity is complete and the project is in use. 30 desks were delivered and are also in use.
5.	Kimuri Primary School	Renovation of ten classrooms (Flooring, walling, roofing, door, windows panes, painting and labelling).	1,000,000	1,000,000	Activity is complete and the project is in use. (Flooring, walling, roofing, doors, windows panes and painting is complete). However, there is no labelling.
6.	Kipsamoo Primary School	Construction of one classroom to completion	650,000	650,000	Activities are complete and the classroom is in use by teachers and not pupils. (Flooring, walling, roofing, doors, windowpanes, glasses and painting are complete). However, there is no labelling.
7.	Chepyakwai Secondary School	Completion of laboratory (walling, roofing, plastering, painting, doors and windows and labelling)	1,000,000	1,000,000	Activities are not complete and the laboratory is not in use. (Walling, roofing, doors, and windows are complete) while painting and labelling is incomplete.

No.	Project Name	Project Activity	Allocation (Kshs.)	Disbursed Amount (Kshs.)	Findings
8.	Koibasui Primary School	Construction of administration block to completion.	1,500,000	1,500,000	Activities of the project are complete and the Administration block is in use. (Painting, flooring, walling, plastering, windows, doors, glasses and labelling are complete.)
9.	Kanetik Primary School	Construction of 3 classrooms to completion, purchase of 75 desks	2,137,500	2,137,500	Activities of the project are incomplete and classes are not in use. (Walling, slab and roofing complete while windows, doors, flooring, plaster and 75 desks are incomplete.)
10.	Ngara Falls Secondary School	Renovation of 4 classrooms (flooring, painting, labelling and external finishes)	1,000,000	1,000,000	Activities of the project are complete and the classes are in use. (Flooring, painting, labelling and external finishes are complete.)
11.	Ngara Falls Secondary School	Completion of 72 students' capacity dormitory to completion (bathrooms and pit latrines, mechanical works.)	823,310	823,310	Activities of the project are complete and the bathrooms and pit latrines are in use. (2 door pit latrines, 4 door bathrooms with tiles on the floor, soak pit and plumbing works are complete.)
12.	Ngeria Primary School	Renovation of 4 classrooms (flooring, painting and labelling)	1,000,000	1,000,000	Activities of the project are complete and the classes are in use. (Flooring, painting, roofing, pillars and labelling is complete.)
13.	Kingwal Primary School	Construction of administration block to completion	1,300,000	1,300,000	Activities of the project are incomplete and the administration block is not in use. (Glasses, ceiling, external finishes, plastering, painting and labelling incomplete.)
14.	Ochemina Primary School	Construction of administration block to completion	1,300,000	1,300,000	Activities of the project are incomplete and the administration block is not in use. (Glasses, painting and ceiling incomplete.)
15.	AIC Ngeria Girls High School	Completion of purchase of 62-seater school bus.	6,819,000	6,819,000	Activity is complete and the 62-seater bus is in use. Logbook reads Ngeria Prison High School and not AIC Girls High School.

No.	Project Name	Project Activity	Allocation (Kshs.)	Disbursed Amount (Kshs.)	Findings
16.	AIC Ngeria Girls High School	Completion of Multipurpose Hall, Roofing and Painting.	2,325,061	2,325,061	Activities of the project are complete and Multipurpose Hall is in use. (Roofing and painting are complete.)
17.	Davies Secondary School	Construction of laboratory to completion	2,000,000	2,000,000	Activities of the project are incomplete and the laboratory is not in use. (Plastering, fitting of glasses, painting and labelling are incomplete.)
18.	Songoliet Secondary School	Completion of a co-funded administration block comprising of 14 offices to completion; ceiling at kshs.650,000, plastering of walls, fixing doors and windows at Kshs.1,492,955.	2,142,955	2,142,955	Activities of the project are complete and the administration block is in use. (Ceiling, plastering of walls, fixing of doors and windows are complete while flooring and painting is incomplete.)
19.	Songoliet Secondary School	Completion of administration block, ceiling, painting and plastering.)	550,000	550,000	Painting is incomplete but the administration block is in use.
20.	Kapkenduiyo Primary School	Construction of lined drainage system to completion	800,000	800,000	Works not complete. Gravelling incomplete and spillway require concrete finishes.
21.	St.James Leberio Primary School	Construction of 4 door girls PH latrines and 3 door boys PH latrines with urinal	1,000,000	1,000,000	Activities of the project are incomplete and the pit latrines are not in use. (Painting, doors and labelling not done).
22.	Nganiat Primary School	Construction of 4 classrooms to completion (Kshs.2,600,000) and purchase of 200 desks(Kshs.500,000).	3,100,000	3,100,000	Activities of the project are complete and the 4 classrooms are in use. 200 desks have not been completed. The metal frames for the desks are too narrow and the contractor has been advised by the locals to redo the work
23.	Aturei Adventist primary school	Construction of dormitory, Four (4) door ablution block, three (3) door showrooms and Purchase of 200 desks	2,800,000 (Emergency)	2,800,000	Ongoing. Construction of dormitory, Four (4) door ablution block, three (3) door showrooms on going. 200 desks not delivered

No.	Project Name	Project Activity	Allocation (Kshs.)	Disbursed Amount (Kshs.)	Findings
24.	Lemook primary school	Four door pit latrine boys & girls	900,000 (Emergency)	900,000	Ongoing. Super structure complete, roofed and plastered but without doors and paint
25.	ACK Aturei primary school	Construction of five (5) door-pit latrine	600,000 (Emergency)	600,000	Ongoing. Super structure complete, roofed and plastered but without doors and paint
26.	St. John Kabongo Primary School	Construction of four (4) door pit latrine	400,000 (Emergency)	400,000	Ongoing. Super structure complete, roofed and plastered but without doors and paint
27.	St. Anne Simat Primary School	Construction of four (4) boys door pit latrine	500,000 (Emergency)	500,000	Ongoing. Super structure complete, roofed and plastered but without doors and paint
28.	Pioneer Chief's office	Completion of Pioneer Chief's office comprising of seven (7) offices	521,986	521,986	Funds not utilised.
	Total		38,657,312	38,657,312	


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Financial Statements for the year ended June 30, 2020


VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,540,875	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	59,000	10,000
TOTAL RECEIPTS		123,599,875	108,794,483
PAYMENTS			
Compensation of employees	4	3,348,965	2,386,550
Use of goods and services	5	6,512,222	11,810,865
Transfers to Other Government Units	6	55,145,024	41,057,435
Other grants and transfers	7	58,715,009	45,446,009
Acquisition of Assets	8	3,347,669	5,848,768
Other Payments	9	-	827,383
TOTAL PAYMENTS		127,068,889	107,377,010
SURPLUS/DEFICIT		(3,469,013)	1,417,473

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAPSERET Constituency financial statements were approved on 21/04/2021 and signed by:


Fund Account Manager
Name: Mamka Sainare




National Sub-County Accountant
Name: Jackline Jepkemoi

DISTRICT ACCOUNTANT
TRANSVALE DISTRICT


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

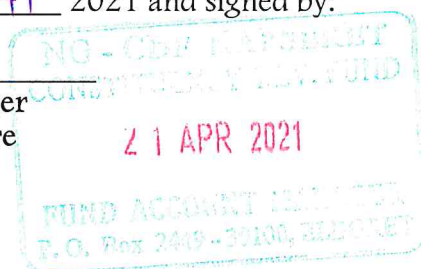
Financial Statements for the year ended June 30, 2020


VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,076,069	12,152,097
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		-	-
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		9,076,069	12,152,097
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity deposits	12B	265,985	-
Total Financial Liabilities		265,985	-
NET FINANCIAL ASSETS		8,810,084	12,152,097
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	12,152,097	10,509,163
Surplus/Deficit for the year		(3,469,013)	1,417,473
Prior year adjustments	14	127,000	225,461
NET LIABILITIES		8,810,084	12,152,097

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAPSERET Constituency financial statements were approved on 21/04/2021 and signed by:


Fund Account Manager
Name: Mamka Sainare




National Sub-County Accountant
Name: Jackline Jepkemoi

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Financial Statements for the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2020

Receipts for operating income		2019-2020	2018-2019
Transfers from CDF Board	1	123,540,875	108,784,483
Other Receipts	3	59,000	10,000
Total receipts		123,599,875	108,794,483
Payments			
Compensation of Employees	4	3,348,965	2,386,550
Use of goods and services	5	6,512,222	11,810,865
Transfers to Other Government Units	6	55,145,024	41,057,435
Other grants and transfers	7	58,715,009	45,446,009
Other payments	9	-	827,383
Total Payment		123,721,219	101,528,242
Total Receipts Less Total Payments		(121,344)	7,266,241
Adjusted for:			
Outstanding imprest	11	-	-
Retention	12A	-	-
Gratuity deposits	12B	265,985	-
Prior year adjustments	14	127,000	225,461
Net cash flow from operating activities		271,641	7,491,702
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	3,347,669	5,848,768
Net cash flows from Investing Activities		(3,347,669)	(5,848,768)
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,076,028)	1,642,934
Cash and cash equivalent at BEGINNING of the year	13	12,152,097	10,509,163
Cash and cash equivalent at END of the year		9,076,069	12,152,097

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kapseret Constituency financial statements were approved on 21/04/ 2021 and signed by:

Fund Account Manager
Name: Mamka Sainare



National Sub-County Accountant
Name: Jackline Jepkemoi

DISTRICT ACCOUNTANT
WARENG DISTRICT

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Financial Statements for the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2020

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	137,367,724	67,819,972	205,187,696	135,692,972	69,494,724	66%
Proceeds from Sale of Assets			-	-	-	-
Other Receipts		59,000	59,000	59,000	-	-
TOTALS	137,367,724	67,878,971	205,246,696	135,751,972	69,435,724	34
PAYMENTS						
compensation of employees	3,420,920	1,096,917	4,517,837	3,348,965	1,168,872	74
Use of goods and services	8,742,175	431,892	9,174,067	6,512,222	2,661,845	71
Transfers to Other Government Units	64,608,550	47,662,575	112,271,124	55,145,024	57,126,100	49
Other grants and transfers	58,046,562	16,024,150	74,070,712	58,715,009	15,355,704	79
Acquisition of Assets	2,549,517	2,604,438	5,153,955	3,347,669	1,806,286	65
Other Payments		-	-	-	-	
Unallocated funds		59,000	59,000		59,000	
TOTALS	137,367,724	67,878,972	205,246,696	127,068,888	78,177,807	62

Notes

1. The adjustments of Kshs.67,878,972 resulted from unutilized funds at the beginning of the year which were available for use in the current financial year and unallocated funds of Kshs.59,000.
2. The low percentage in utilization resulted from delay in disbursement of funds by NGCDF Board. As at 30 June 2020, a total of Kshs.69,494,724 as had not been received.

The NGCDF-KAPSERET Constituency financial statements were approved on 21/04/2021 and signed by:



Fund Account Manager
Name: Mamka Sainare



Sub-County Accountant
Name: Jackline Jepkemoi

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Financial Statements for the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2020

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,420,920	1,096,917	4,517,837	3,348,965	1,168,872
1.2 Committee allowances	1,821,143	43,699	1,864,842	1,610,878	253,964
1.3 Use of goods and services	2,800,000	1,387	2,801,387	1,828,791	972,596
2.0 Monitoring and evaluation			0		0
2.1 Capacity building	1,521,032	267,418	1,788,450	573,200	1,215,250
2.2 Committee allowances	1,900,000	9,388	1,909,388	1,718,890	190,498
2.3 Use of goods and services	700,000	110,000	810,000	780,463	29,537
3.0 Emergency					
3.1 Primary Schools	7,198,241	5,981,081	13,179,322	10,300,000	2,879,322
4.0 Bursary and Social Security					
4.2 Secondary Schools	23,578,705	3,741,238	27,319,943	26,921,993	397,950
4.3 Tertiary Institutions	20,000,000	1,524,604	21,524,604	18,930,485	2,594,119
5.0 Sports	2,747,354	2,181,911	4,929,265	0	4,929,265
6.0 Environment	1,906,352	2,095,275	4,001,627	1,509,745	2,491,882
Electricity project		250,042	250,042	0	250,042
7.0 Primary Schools Projects					
Deb Mutwot Primary School	850,000		850,000		850,000
Tuiyobei Primary School	1,500,000		1,500,000		1,500,000
Kimalel Primary School	1,000,000		1,000,000		1,000,000
Nganiat Primary School	500,000	3,100,000	3,600,000	3,100,000	500,000
Kipsamoo Primary School		1,150,000	1,150,000	1,150,000	0
Kimuri Primary School		1,000,000	1,000,000	1,000,000	0
Barnotik Primary School		400,000	400,000	400,000	0
Ngeria Primary School		1,000,000	1,000,000	1,000,000	0
Aturei Adventist Day & Boarding Primary			0		0
Gitwe Primary School		600,000	600,000	600,000	0
Kapkenduiwo Primary School		800,000	800,000	800,000	0
Kapkagaron Primary School	850,000		850,000	0	850,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY

Financial Statements for the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
Koysin Primary School	400,000	525,000	925,000	525,000	400,000
Tuiyo Primary School	300,000	1,100,000	1,400,000	1,400,000	0
Kernetio Primary School		712,500	712,500	712,500	0
Nandi Gaa Primary School		1,125,000	1,125,000	1,125,000	0
Ngara Falls Primary School		1,950,000	1,950,000	1,950,000	0
Koibasui Primary School		1,500,000	1,500,000	1,500,000	0
Kingwal Primary School		1,300,000	1,300,000	1,300,000	0
Ochemina Primary School		1,300,000	1,300,000	1,300,000	0
Boarderlands Primary School			0		0
Kipkaren Primary School		2,550,000	2,550,000	1,950,000	600,000
Kipkaren Airport Primary School	850,000	0	850,000		850,000
Kipkaren Road Primary School	10,000,000	0	10,000,000		10,000,000
Kipkenyo Primary School		1,938,513	1,938,513	1,938,513	0
Kamuzee Primary School		62,500	62,500	62,500	0
Kaptinga Primary School		62,500	62,500	62,500	0
Belekenya Primary School		62,500	62,500	62,500	0
Legetet Primary School	600,000	530,000	1,130,000	530,000	600,000
St. Ann Primary School	3,400,000	250,000	3,650,000	250,000	3,400,000
Chepkongi Primary School		800,000	800,000	800,000	0
Nairiri Primary School	2,500,000		2,500,000		2,500,000
Kabongwa Primary School	1,000,000		1,000,000		1,000,000
Songoliet Primary School	1,000,000		1,000,000		1,000,000
St. John Kabongo Primary School	1,450,000	150,000	1,600,000	550,000	1,050,000
St. Mary Chelabal Primary School	2,000,000	150,000	2,150,000	150,000	2,000,000
Kanetik Primary School	850,000	2,537,500	3,387,500	2,537,500	850,000
Simat Primary School		200,000	200,000	200,000	0
Langas Primary School	11,526,100		11,526,100		11,526,100
Inder Primary School		62,500	62,500	62,500	0
Kibabet Primary School	1,300,000	50,000	1,350,000		1,350,000
St. Marys Chebarus Primary School		50,000	50,000		50,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Financial Statements for the year ended June 30, 2020

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
Konyit Primary School		50,000	50,000	50,000	0
Kapseret Forest Primary School			0		0
Deb Momoniat Primary School			0		0
St. James Leberio Primary School	850,000	1,650,000	2,500,000	1,650,000	850,000
8.0 Secondary Schools Projects					
Kiambaa Secondary School	850,000	650,000	1,500,000	650,000	850,000
Tuiyo Secondary School		1,500,000	1,500,000	1,500,000	0
Davies Secondary School	3,000,000	2,000,000	5,000,000	2,000,000	3,000,000
Ngara Falls Secondary School	823,310	1,000,000	1,823,310	1,823,310	0
Aturei Secondary School		2,900,000	2,900,000	2,900,000	0
Ngeria Girls Secondary School		6,819,000	6,819,000	6,819,000	0
Ngeria Girls Secondary School		2,325,061	2,325,061	2,325,061	0
Songoliet Secondary School	2,142,955	550,000	2,692,955	2,692,955	0
Lemook Secondary School		200,000	200,000	200,000	0
Chepyakwai Secondary School	1,609,140	1,000,000	2,609,140	1,759,140	850,000
Deb Mutwot Secondary School	1,700,000		1,700,000	700,000	1,000,000
Kipkenyo Secondary School			0		0
Kipkaren Secondary School	4,700,000		4,700,000	1,700,000	3,000,000
Kipkaren Secondary School	457,045		457,045	457,045	0
Mwiruti Secondary School	1,700,000		1,700,000		1,700,000
Koros Secondary School	1,000,000		1,000,000		1,000,000
St. Barnabas Kipkenyo Secondary School	500,000		500,000	500,000	0
St. Barnabas Kipkenyo Secondary School	3,000,000		3,000,000		3,000,000
9.0 Subcounty Education office					
Kapseret Subcounty Education office	400,000		400,000	400,000	0
10.0 Security Projects			0		0
Langas Police Station	813,124		813,124	0	813,124
Megun Chiefs Office	280,800		280,800	280,800	0
Pioneer Chiefs Office	521,986		521,986	521,986	0
Ngeria Chiefs Office		250,000	250,000	250,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Financial Statements for the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
Megun Assistant Chiefs Office	1,000,000		1,000,000	0	1,000,000
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)		2,001,232	2,001,232	1,939,959	61,273
11.2 Purchase of furniture and equipment	200,000	591,137	791,137	553,000	238,137
11.3 Purchase of computers			0	854,710	(854,710)
11.4 Office refurbishment	2,349,517	12,069	2,361,586		2,361,586
11.5 Purchase of land			0		0
12.0 Others			0		0
12.1 Unallocated funds		59,000	59,000		59,000
TOTAL	137,367,724	67,878,972	205,246,696	127,068,889	78,177,807

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Significant Accounting Policies for the year ended June 30, 2020

XII. 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 Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-KAPSERET Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. NGCDF Kapseret did not collect any tax receipts in the year under review.

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Significant Accounting Policies for the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30 June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY***

Significant Accounting Policies for the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. 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.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. 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 Entity 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.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Significant Accounting Policies for the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. 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 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO. B005240			45,548,276
AIE NO. B030067			10,000,000
AIE NO. B030425			10,000,000
AIE NO. A006367			6,000,000
AIE NO. B047005			16,000,000
AIE NO. B042671			9,236,207
AIE NO. B042758			12,000,000
AIE NO. B047214		55,040,875	
AIE NO. B041287		18,000,000	
AIE NO. B047447		4,000,000	
AIE NO. B041371		500,000	
AIE NO. B047708		5,000,000	
AIE NO. B049295		15,000,000	
AIE NO. B096575		11,000,000	
AIE NO. B104319		15,000,000	
Total		123,540,875	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	59,000	10,000
Other Receipts Not Classified Elsewhere	0	0
Total	59,000	10,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,565,170	2,386,550
Personal allowances paid as part of salary	16,000	
Pension and other social security contributions (Gratuity)	690,035	
Employer Contributions Compulsory national social security schemes	77,760	
Total	3,348,965	2,386,550

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	3,071,868	2,854,100
Utilities, supplies and services	817,395	659,657
Communication, supplies and services	323,929	382,685
Domestic travel and subsistence	257,900	295,100
Printing, advertising and information supplies & services	101,526	898,102
Rentals of produced assets		-
Training expenses	231,200	1,154,360
Hospitality supplies and services	857,720	423,164
Insurance costs		
Specialized materials and services	399,700	3,918,000
Office and general supplies and services	100,000	763,750
Other operating expenses	181,284	83,497
Routine maintenance – vehicles and other transport equipment	145,700	300,000
Routine maintenance – other assets	24,000	78,450
Total	6,512,222	11,810,865

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	400,000	
Transfers to primary schools	28,718,513	21,992,435
Transfers to secondary schools	26,026,511	17,565,000
Transfers to tertiary institutions		1,500,000
Transfers to health institutions		
TOTAL	55,145,024	41,057,435

7. OTHER GRANTS AND TRANSFERS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	26,921,993	18,505,000
Bursary – tertiary institutions	18,930,485	18,904,312
Bursary – special schools		
Mock & CAT		
Security projects	1,052,786	3,724,040
Electricity projects		399,957
Sports projects		3,503,700
Environment projects	1,509,745	
Emergency projects	10,300,000	409,000
Total	58,715,009	45,446,009

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	13,459	5,848,768
Overhaul of Vehicles and Other Transport Equipment	1,926,500	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	1,407,710	-
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	3,347,669	5,848,768

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
Reversed cheques replaced in the current financial year	-	827,383
Total	-	827,383

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Co-operative Bank Eldoret Branch, 01141443517600</i>	9,076,069	12,152,097
	0	0
	0	0
Total	9,076,069	12,152,097
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

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>
	Nil	0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
<i>Total</i>				<u>0</u>

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
	0	0
	0	0
	0	0
	0	0
Total	0	0

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Sharon Ayoma	45,742	
Julius Kabianga	50,539	
Dominic Mitei	51,485	
Philemon Bett	45,053	
Jane Kurgat	44,112	
Elvis kibiwott	29,053	
Total	265,985	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**
Notes to the Financial Statements for the year ended June 30, 2020

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	12,152,097	10,509,163
Cash in hand	-	-
Imprest	-	-
Total	12,152,097	10,509,163

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	12,152,097	127,000	12,279,097
Cash in hand			
Accounts Payables			
Receivables			
Others			
	12,152,097	127,000	12,279,097

The adjustment of Kshs.127,000 relates to stale cheques that had not been reversed at the end of the previous year. The reversals were effected at the beginning of 2019-2020 financial year.

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year(C)	-	-
Net changes in account receivables D= A+B-C	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Notes to the Financial Statements for the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff Gratuity	265,985	608,441
Others (<i>specify</i>)		
	265,985	608,441

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,168,872	1,096,917
Use of goods and services	2,661,845	431,892
Amounts due to other Government entities	57,126,100	47,662,574
Amounts due to other grants and other transfers	15,355,704	16,024,151
Acquisition of assets	1,806,286	2,604,438
Unallocated funds	59,000	
	78,177,807	67,819,972

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances	17,088,397	9,532,987
	17,088,397	9,532,987

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Annexes to the Financial Statements
For the year ended June 30, 2020

ANNEX 1 ~ ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	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					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KAPSERET CONSTITUENCY
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For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
1.Sharon Ayoma	H	45,742				
2.Julius Kabianga	H	50,539				
3.Dominic Mitei	J	51,485				
4. Philemon Bett	G	45,053				
5.Jane Kurgat	F	44,112				
6.Elvis kibiwott	G	29,053				
Sub-Total		265,985				
Middle Management						
1.						
2.						
3.						
Sub-Total						
Unionisable Employees						
4.						
5.						
6.						
Sub-Total						
Others (specify)						
7.						
8.						
9.						
Sub-Total						
Grand Total						

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**
Annexes to the Financial Statements
For the year ended June 30, 2020

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2,020	2,019	
		Kshs	Kshs	
Compensation of employees		1,168,872	1,096,917	
Use of goods and services		2,661,845	431,892	
Amounts due to other Government entities				
Deb Mutwot Primary School		850,000		
Tuiyobei Primary School		1,500,000		
Kimalel Primary School		1,000,000		
Nganiat Primary School		500,000	3,100,000	
Kapkagaron Primary School		850,000		
Koysin Primary School		400,000	525,000	
Kipkaren Primary School		600,000	2,550,000	
Kipkaren Airport Primary School		850,000	0	
Kipkaren Road Primary School		10,000,000	0	
Legetet Primary School		600,000	530,000	
St. Ann Primary School		3,400,000	250,000	
Nairiri Primary School		2,500,000		
Kabongwa Primary School		1,000,000		
Songoliet Primary School		1,000,000		
St. John Kabongo Primary School		1,050,000	150,000	
St. Mary Chelabal Primary School		2,000,000	150,000	
Kanetik Primary School		850,000	2,537,500	
Langas Primary School		11,526,100		
Kibabet Primary School		1,350,000	50,000	
St. Marys Chebarus Primary School		50,000	50,000	
St. James Leberio Primary School		850,000	1,650,000	
Kiambaa Secondary School		850,000	650,000	
Davies Secondary School		3,000,000	2,000,000	
Chepyakwai Secondary School		850,000	1,000,000	
Deb Mutwot Secondary School		1,000,000		
Kipkaren Secondary School		3,000,000		
Mwiruti Secondary School		1,700,000		
Koros Secondary School		1,000,000		
St. Barnabas Kipkenyo Secondary School		3,000,000		
Kipsamoo Primary School			1,150,000	
Kimuri Primary School			1,000,000	
Barnotik Primary School			400,000	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Annexes to the Financial Statements

For the year ended June 30, 2020

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2,020	2,019	
Ngeria Primary School			1,000,000	
Gitwe Primary School			600,000	
Kapkenduiywo Primary School			800,000	
Tuiyo Primary School			1,100,000	
Kermetio Primary School			712,500	
Nandi Gaa Primary School			1,125,000	
Ngara Falls Primary School			1,950,000	
Koibasui Primary School			1,500,000	
Kingwal Primary School			1,300,000	
Ochemina Primary School			1,300,000	
Kipkenyo Primary School			1,938,513	
Kamuzee Primary School			62,500	
Kaptinga Primary School			62,500	
Belekenya Primary School			62,500	
Chepkongi Primary School			800,000	
Simat Primary School			200,000	
Inder Primary School			62,500	
KonyitPrimary School			50,000	
Tuiyo Secondary School			1,500,000	
Ngara Falls Secondary School			1,000,000	
Aturei SecondarySchool			2,900,000	
Ngeria Girls Secondary School			6,819,000	
Ngeria Girls Secondary School			2,325,061	
Songoliet Secondary School			550,000	
Lemook Secondary School			200,000	
Sub-Total	-	57,126,100	47,662,574	
Amounts due to other grants and other transfers				
Emergency-Primary Schools		2,879,322	5,981,081	
Bursary-Secondary Schools		397,950	3,741,238	
Bursary-Tertiary Institutions		2,594,119	1,524,604	
Sports		4,929,265	2,181,911	
Environment		2,491,882	2,095,275	
Electricity project		250,042	250,042	
Langas Police Station		813,124		
Megun Chiefs Office		0		
Pioneer Chiefs Office		0		
Ngeria Chiefs Office		0	250,000	
Megun Assistant Chiefs Office		1,000,000		
Sub-Total	-	15,355,704	16,024,151	
Acquisition of assets				
Motor Vehicles (including motorbikes)		61,273	2,001,232	
Purchase of furniture and equipment		238,137	591,137	
Purchase of computers		(854,710)		

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY***

Annexes to the Financial Statements

For the year ended June 30, 2020

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2,020	2,019	
Office refurbishment		2,361,586	12,069	
Sub-Total	-	1,806,286	2,604,438	
Others (specify)				
Unallocated funds		59,000		
Sub-Total	-	59,000		
Grand Total	-	78,177,807	67,819,972	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KAPSERET CONSTITUENCY
Annexes to the Financial Statements
For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Adjustments During the year	Historical Cost b/f (Kshs) 2018/19 (Restated)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land						
Buildings and structures	4,000,000	0	4,000,000	0	0	4,000,000
Transport equipment	9,148,768	0	9,148,768	1,939,959		11,088,727
Office equipment, furniture and fittings	2,157,493	(594,025)	1,563,468	0	0	1,563,468
ICT Equipment, Software and Other ICT Assets	205,690	(186,220)	19,470	1,407,710		1,427,180
Other Machinery and Equipment	~			~		~
Heritage and cultural assets	~			~		~
Intangible assets	~			~		~
Total	15,511,951	(780,245)	14,731,706	3,347,669	0	18,079,375

Note : The adjustment of Kshs.780,245 resulted from casting errors in the asset register.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**
Annexes to the Financial Statements
For the year ended June 30, 2020

ANNEX 5 –PMC BANK BALANCES AS AT 30 JUNE 2020

PMC	Bank Name	Account Number	Bank Balance	Bank Balance
			2019/2020	2018/2019
			Kshs	Kshs
Langas Primary School	Cooperative Bank	1141672996000		20,625
Megun Chiefs Office	Cooperative Bank	1141443972900	1,255	700,414
Konetik Primary School	Cooperative Bank	1139674456600	393,591	15,644
Langas Police Station	Cooperative Bank	1141761027200		19,315
Kabongwa Primary School	Cooperative Bank	1141441086800		2,214
Kermetio Pry School	Cooperative Bank	1139673530600	1,763	13,283
Ngarafalls Primary School	Cooperative Bank	1141672528400	184,523	1,403
St Anne Primary School	Cooperative Bank	1141674247000	721,115	1,003,615
Nairiri Primary School	Cooperative Bank	11417617057100		4,013
Kipsamoo Primary School	Cooperative Bank	1141443076400	24,345	200
Kaptinga Primary School	Cooperative Bank	1141673092700		865
Belekenya Primary School	Cooperative Bank	1141674146600	61,860	385
Ngarafalls Sec School	Cooperative Bank	1141086651900	799,260	1,010
Chepyakwai Sec School	Cooperative Bank	1141443634400		3,280
Kosyin Ngara Primary School	Cooperative Bank	1141673092700	128,547	897,920
Kapseret Primary School	Cooperative Bank	1139045198201		71,230
Nandi Gaa Primary School	Cooperative Bank	1141598408601	86,488	6,213
Pioneer Chiefs Office	Cooperative Bank	1141674222900	417	417
Ack St Barnabas Kipkenyo	Cooperative Bank	1141672460300	1,002,263	1,002,382
Chepyakwai Pry School	Cooperative Bank	1139672002400	1,940	
Jasho Primary School	Cooperative Bank	1141673980800	501,413	
Tuiyobei Primary School	Cooperative Bank	1141674221000	300,575	
Ngeria Primary School	Cooperative Bank	1141674389000	400,915	
Tuiyo Primary School	Cooperative Bank	1141672714700	111,014	
Kiambaa Primary School	Cooperative Bank	1141672725000	230,755	
Deb Mutwot Sec School	Cooperative Bank	1141086776003	401,399	
Kipkaren Primary School	Cooperative Bank	1141761684600	454,995	
Barnotik Primary School	Cooperative Bank	1139441402500	50,993	
Kipkenyo Primary School	Cooperative Bank	1141957842800	45,427	
Kiambaa Police Station	Cooperative Bank	1141674382100	500,525	
Nganiat Primary School	Cooperative Bank	1141673100100	3,067,625	
Kiambaa Secondary School	Cooperative Bank	1141672534100	77,330	
Ochemina Primary School	Cooperative Bank	1139046523701	2,314	
Ngeria Location Chiefs Office	Cooperative Bank	1134673088100	133,585	
Kapkenduiywo Primary School	Cooperative Bank	1141443996200	766,028	
St Marys Chebarus	National Bank	1024028714701	256	186
Ngeria Girls Sec School	National Bank	1021028066001	22,518	13,277
Deb Momoni Primary	National Bank	1169051189		475

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**

Annexes to the Financial Statements

For the year ended June 30, 2020

PMC	Bank Name	Account Number	Bank Balance	Bank Balance
			2019/2020	2018/2019
			Kshs	Kshs
School				
Songoliet Sec School	National Bank	1024028215701	516,529	18,815
Kibabet Primary School	National Bank	1024027782501		54,961
Songoliet Primary School	National Bank	1024028215701		345
Boarderlands Primary School	National Bank	102402756305		1,811
Tuiyo Secondary School	National Bank	1022028257300	116,315	
Lemook Secondary School	National Bank	1025027502602	808	
St.James Leberio Primary School	National Bank	1024029133901	1,000,394	
Gitwe Primary School	National Bank	1024027686001	599,551	
Lemook Primary School	National Bank	1024027932701	855,469	
Davies Secondary School	National Bank	1025029665003	3,987	
Chepkong Primary School	Equity Bank	1090297648452	34,045	626,845
Kipkaren Primary School Ngcdf	Equity Bank	109027882061	619,094	4,000,000
Kipkaren Primary School	Equity Bank	1090299149267	48,074	880,692
St Marys Chelabal	Equity Bank	1090297300171	42,696	436
Kaptinga Primary School	Equity Bank	1090262605801	63,365	
Kimuri Primary School	Equity Bank	1090299757831	380,588	
Konyit Primary School	Sidian Bank	1008030000596	3,878	1,878
Koibasui Primary School	Sidian Bank	1008030013329	757,800	810
Legetet Primary School	Sidian Bank	1008030007752	286,602	679
Inder Primary School	Sidian Bank	1008030000847	302,038	17,039
Kamuzee Primary School	Sidian Bank	1008030013450	63,318	818
Kipkaren Airport Primary School	Sidian Bank	1090299158371	400,039	
St Johns Kabongo Primary School	Family	85000068843	400,000	7,460
Kingwal Primary School	Abc Bank	5215001001168	1,093	1,487
Kapkagaron Primary School	Abc Bank	5215001002293		
Ack Aturei Secondary School	Kcb Bank	1136514279	117,684	140,548
Total			17,088,397	9,532,987

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KAPSERET CONSTITUENCY
Progress on follow up of auditor recommendations
For the year ended June 30, 2020

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
	<p>1. Prior Year Adjustments</p> <p>The statement of assets and liabilities reflect prior year adjustments of Kshs.225, 461 for the year ended June 30, 2019. However note 14 to the financial statements reflect prior year adjustments of Kshs.179, 000 Occasioning a variance of 46,461. In addition, no supporting documents were provided for audit verification to support the adjustments. Consequently, the accuracy and validity of the prior year adjustments figure of Kshs.225, 461 for the year ended 30 June 2019 could not be confirmed.</p>	<p><i>The statement of assets and liabilities reflect prior year adjustments is Kshs. 225,461 (stale cheque reversed but not replaced) for the year ended June 30, 2019. It was erroneously captured as Kshs 179,000 in Note 14. Hence, it has been corrected to portray a true position of the financial statement as at 30th June 2019.</i></p>	Mamka Sainare-Fund Account Manager	Not Resolved	30 th June 2021
	<p>2. Unsupported Management Account Balances</p> <p>Project Committee</p>	<p><i>The unsupported project management account balances were supported and letters written to the banks to provide for bank balances</i></p>	Mamka Sainare-Fund Account Manager	Not Resolved	30 th June 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Progress on follow up of auditor recommendations
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
	<p>Note 15.4 on other important disclosures to the financial statements reflects Project Management Committee (PMC) bank account balances figure Kshs.9,532,987 in respect of funds disbursed to PMCs which remained unutilized as at 30 June 2019 as disclosed in Annex 5 on pages 43 to 44 of the financial statements. However, the bank reconciliation statements and cashbooks were not made available for audit review.</p> <p>Consequently, the accuracy, validity and existence of the Project Management Committee bank account balance of Kshs.9,532,987 as at 30 June 2019 could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs).I am independent of Kapseret NGCDF 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</p>	<p>were presented for verification. As for the cashbook and bank reconciliation statement we will put more effort in sensitizing the PMCs so that they will be preparing.</p>			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY
Progress on follow up of auditor recommendations
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
	the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.				