

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 15 MAR 2023	DAY:
FILED BY:	Hon. Samuel Chepkoige, MP on behalf of Majority Leader
CLERK-AT-THE-TABLE:	Christine Ndlovu

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



KAPENGURIA CONSTITUENCY

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

*Kapenguria Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/revisions of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

- 1. **Patriotism** – we uphold the national pride of all Kenyans through our work
- 2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
- 3. **Timeliness** – we adhere to prompt delivery of service
- 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.

Functions of NG-CDF Committee

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

(b) Key Management

The Kapenguria Constituency NGCDF 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 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Stephen Alukureng Mwang'at

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2.	Sub-County Accountant	David Oweno
3.	Chairman NGCDFC	Andrea Kodokwang
4.	Member NGCDFC	Joseph Pkukat Lopetangole

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of KAPENGURIA Constituency NGCDF . 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) NGCDF KAPENGURIA Constituency Headquarters
P.O. BOX 526-30600
CDFC BUILDING, KAPENGURIA
COUNTY COMMISSIONER HQTRS
KAPENGURIA, KENYA

(f) NGCDF KAPENGURIA Constituency Contacts

Telephone: (254) 725132194
E-mail: cdfkapenguria@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF KAPENGURIA Constituency Bankers

Equity Bank
Kapenguria Branch
P.O. Box 526-30600
Kapenguria, 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

II. NG-CDFC CHAIRMAN'S REPORT



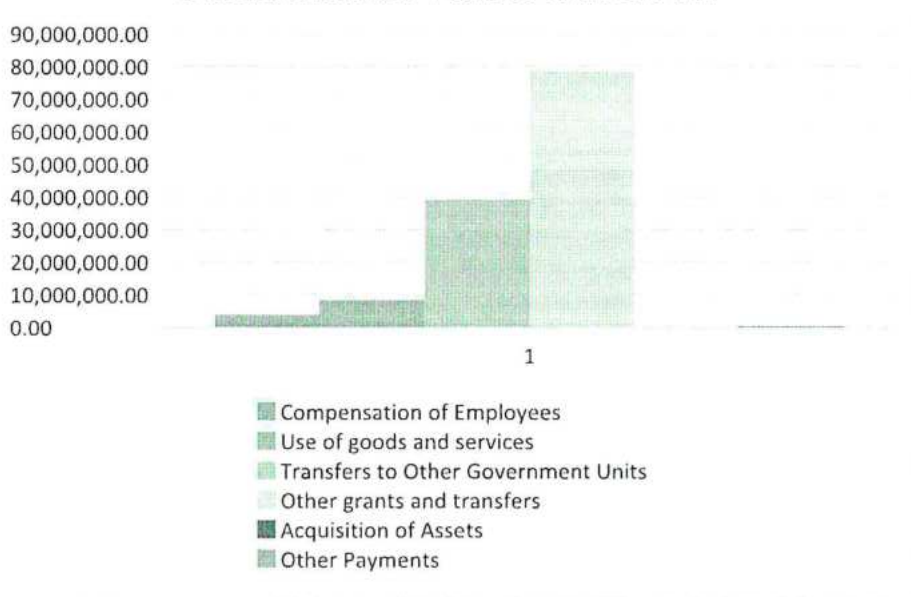
**ANDREW KODOKWANG
CHAIRMAN
KAPENGURIA CONSTITUENCY NG-**

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CDF

The final budget for NG-CDF Kapenguria for FY 2020/2021 was Ksh 181,073,271, while the actual utilization was Ksh 130,121,073 resulting to a variance of Ksh 50,952,198. This explains the reason why there is less than 90% funds utilization under transfers to other government units and other grants and transfers. Overall, the budget performance was at 71.9%. The funds utilization is as indicated in the pie chart below

UTILIZATION OF FUNDS BAR CHART



UTILIZATION OF FUNDS PER SECTOR

- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers
- Acquisition of Assets
- Other Payments



NASOKOL PRIMARY SCHOOL TEN DOOR TOILETS



KAMAYECH SECONDARY SCHOOL TUITION BLOCK

Emerging issues

Economic Issues

Kapenguria Constituency is directly affected by expanding infrastructure, devolved budgeting at County level, procurement requirements supporting youth and women, the expanding economy of West Pokot and its strategic location hosting the headquarters of West Pokot County.

The majority of its urban population comprises of people aged between 15 to 64 years who are economically active. The main economic activities in the Constituency urban areas include retail and wholesale, trading fresh produce and cereal, entertainment and hospitality business.

Social Issues

The Constituency is growing amidst challenges brought about by social dynamics both at the local level and nationally. Some of the issues at hand include high dependency ratio, unemployment, effects of HIV/Aids, high infant mortality rate, female genital mutilation, insecurity, inadequate primary health care programmes, drugs and alcohol abuse, effects of social media, gender mainstreaming, environmental sustainability, enactment of laws that protect rights of individuals, children and the vulnerable groups, unpredictable weather patterns, food security, water and sanitation, youth empowerment, increased pressure on land, access to quality education and urbanization. In formulating the objectives and strategies of this planning period, the above issues have been considered.

Technological Issues

Notable, progress has been witnessed in Information and Communication Technology (ICT), green energy and agri-business among others. While these advancements are fast being

entrenched as key drivers of every industry and are already offering opportunities for sustained growth and innovation in all sectors, their uptake require heavy investment in terms of acquisition, training, maintenance and replacements. The Constituency has to formulate that take these developments on board.

Environmental Issues

Environmental and ecological aspects are important factors which affect all other sectors. Changing weather patterns can bring about implications in environment cascading into affecting all spheres of life. Population distribution in West Pokot County is influenced by climatic conditions and therefore Kapenguria Constituency has the second highest population density since it has a major urban centre and high agricultural potential due to its favourable climatic condition.

Challenges

- High expectations from community members – The community needs far outstrips the available funds;
- Slow implementation of the development projects for Financial Year 2020-2021;
- Difficulty in balancing between politicians, officials and community interests;
- Lack of resources to support community representative's sessions where the budgets are tabled and discussed to ensure that they are not altered;
- High illiteracy levels and community capacity gaps on participatory budgeting and planning and functions of each level of government;
- Women and youth participation in the public participation process is still low;
- Public anticipation to be paid sitting/participation allowances;
- Political interference and competition during resource allocation; and
- Inadequate supervision, monitoring and evaluation of projects

To overcome the above mentioned challenges the constituency employs several measures which are not limited to the following;

- Establish model schools;
- Improve infrastructure in schools;
- Lobby for the recruitment of more teachers in schools;
- Lobby for the establishment of more tertiary institutions;
- Increase the provision of scholarships for university and tertiary education;
- Construction of new schools and renovation of existing ones;
- Coordination and provision of bursaries to students;
- Facilitate sensitization of the general public about the importance of education;
- Encourage the youths to enrol for studies in the youth polytechnics
- Support the identification and elimination blind spots and gap spaces;
- Encourage and train on community policing;
- Sensitization of the community on security issues;
- Construction of offices for chiefs (1 per ward);
- Lobby for piped water supply;

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- Provide water storage tanks in all schools;
- Lobby for the drilling boreholes and shallow wells in public institutions for community access;
- Protection and conservation of water catchment areas for clean water supply;
- Protection of springs; and
- Encourage rain water harvesting
- Encourage on increasing forestry coverage at household level (tree planting in the public institutions);
- Support and facilitate public sensitization on key environmental issues; and
- Lobby for funding for disaster preparedness and mitigation.
- Capacity building on entrepreneurial skills;
- Campaign against drug abuse and indulgence in illegal activities;
- Encourage creativity and innovation for self-employment;
- Encourage formation and registration of economic empowerment groups;
- Establish empowerment centres (management social halls);
- Encourage and sponsor youths to join institutions of higher learning and polytechnics;
- Collaboration with elected leaders and National government to harness talents through Sports and tournaments;
- Encourage application for Uwezo fund and Youth enterprise fund; and
- Launch and roll out registration for NSSF and NHIF
- Gender equality in governance and participation at all levels;
- Ensure equitable distribution of resources and developments;
- Adherences laws that govern the use of CDF and other government funds;
- Feedback mechanisms by providing complaints forms at the CDF headquarters;
- Frequent sensitization on ethics and integrity;
- Tackling illicit financial flows and money laundering; and
- Support government efforts to improve the performance of EACC in preventing, investigating and sanctioning corrupt practices

Signature



CHAIRMAN NGCDF COMMITTEE

ANDREW P. KODOKWANG

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-Kapenguria Constituency's 2018-2022 plan are to:

Strategic Issue 1: Education, Literacy and Human Resource Development

Objective 1: To improve the academic performance, basic infrastructure, enrolment rate and transition rate in all learning institutions;

Strategies and Actions for the Planning Period

- Establish model schools;
- Improve infrastructure in schools;
- Lobby for the recruitment of more teachers in schools;
- Lobby for the establishment of more tertiary institutions;
- Increase the provision of scholarships for university and tertiary education;
- Construction of new schools and renovation of existing ones;
- Coordination and provision of bursaries to students;
- Facilitate sensitization of the general public about the importance of education;
- Encourage the youths to enrol for studies in the youth polytechnics
- Establish, equip and operationalize a Teachers Training College;
- Construction of laboratories and libraries in all secondary schools
- Encourage students to pursue different courses (diversify professionals);
- Lobby for scholarships for continued education even in the foreign countries;
- Motivation of students and teachers;
- Create awareness on the importance of education (school drop outs, early pregnancies, cultural believes);
- Encourage benchmarking in best performing schools and institutions of higher learning; and
- Create a network of role models of the constituency and organize motivational talks.

Strategic issue 2: Safety and Security

Objective 1: To improve the overall security of all residents and reduce crimes

Strategies and Actions for the Planning Period

- Support the identification and elimination blind spots and gap spaces;
- Encourage and train on community policing;
- Sensitization of the community on security issues;
- Construction of offices for chiefs (1 per ward);
- Construction of Divisional Headquarters for police;
- Establish an Administration Police camp;
- Strengthen cross-border relations and trade;

- Sponsor a bill for regional security and partnership;
- Lobby for strategic security issues as member of the Regional Integration Committee;
- Installation of street/floodlights;
- Construct police posts;
- Strengthen the Nyumba Kumi Initiative;
- Increase residents natural surveillance by increasing visibility of risky areas; and
- Construct and rehabilitate housing units for police officers.

Strategic issue 3: Water, Sanitation and Environment

Objective 1: To increase access to clean and safe water, improved sanitation, environmental conservation and sustainable use of natural resources

Strategies and Actions for the Planning Period: Water

- Lobby for piped water supply;
- Provide water storage tanks in all schools;
- Lobby for the drilling boreholes and shallow wells in public institutions for community access;
- Protection and conservation of water catchment areas for clean water supply;
- Protection of springs; and
- Encourage rain water harvesting.

Strategies and Actions for the Planning Period: Sanitation

- Encourage boiling and chlorination of water before consumption;
- Ensure community and public health education and sanitation issues; and
- Construct toilets in the schools where they lack/are inadequate.

Strategies and Actions for the Planning Period: Environment

- Encourage on increasing forestry coverage at household level (tree planting in the public institutions);
- Support and facilitate public sensitization on key environmental issues; and
- Lobby for funding for disaster preparedness and mitigation.

Strategic issue 4: Women, PWDs, Youth and Empowerment

Objective 1: To promote economic empowerment of Women, PWDs, and youths through participation, wealth creation, increased access to credit and a self-reliant economic growth

Strategies and Actions for the Planning Period

- Capacity building on entrepreneurial skills;
- Campaign against drug abuse and indulgence in illegal activities;
- Encourage creativity and innovation for self-employment;
- Encourage formation and registration of economic empowerment groups;
- Establish empowerment centers (management social halls);
- Encourage and sponsor youths to join institutions of higher learning and polytechnics;
- Collaboration with elected leaders and National government to harness talents through Sports and tournaments;
- Encourage application for Uwezo fund and Youth enterprise fund; and
- Launch and roll out registration for NSSF and NHIF.

Strategic issue 5 : Governance

Objective 1: To enhance good governance and active citizen participation in constituency programmes and ensures sustainable use of public resources

Strategies and Actions for the Planning Period

- Gender equality in governance and participation at all levels;
- Ensure equitable distribution of resources and developments;
- Adherences laws that govern the use of CDF and other government funds;
- Feedback mechanisms by providing complaints forms at the CDF headquarters;
- Frequent sensitization on ethics and integrity;
- Tackling illicit financial flows and money laundering; and
- Support government efforts to improve the performance of EACC in preventing, investigating and sanctioning corrupt practices

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Number of classrooms increased from 427 to 504 Number of laboratories increased from 10 to 17 Number of dormitories increased from 8 to 18 Number of administration blocks increased from 13 to 22
Water and Environment	Improve access to clean water and a more sustainable and conserved environment through natural	Drill boreholes to promote access to clean and safe water Equip schools and	Number of boreholes drilled Number of sanitation facilities built in primary and	Number of boreholes increased from 13 to 24 Number of sanitation facilities increased

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	resources conservation Initiatives	public facilities with sanitation	secondary Number of trees	from 40 to 52
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Constituency Program	Objective	Outcome	Indicator	Performance
		facilities Provide tree seedlings to schools to improve the forest cover	Planted	Number of trees planted increased from 0 to 10
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 9 to 12 Number of assistant chiefs' offices increased from 1 to 8 Number of police lines increased from 2 to 5
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports Programme	Number of youth groups benefitting from the sports programme increased from 10 to 30

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Kapenguria Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

NGCDF – Kapenguria Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Kapenguria NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It’s what guides us to deliver our strategies, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. SUSTAINABILITY STRATEGY AND PROFILE

The Kapenguria NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	A competitive, progressive, socio-economically self-sustaining and secure constituency in Kenya.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To provide quality and servant leadership through efficient, effective management and equitable distribution of resources for a better quality of life of all citizens of Kapenguria Constituency.	This communicates what the office does to attain sustainable Developments

<p>Core Values</p>	<ul style="list-style-type: none"> • Inclusiveness and Equity We are prudent in use of public resources and ensure optimal and equitable allocation for inclusive growth and shared prosperity. • Empowerment We empower our people through implementation of high impact programmes to transform their lives • Quality and Result Oriented We provide quality services that are effective and responsive to citizens' needs and aspirations • Teamwork and Community Participation: We understand the strength of cooperation and collaboration and that our success depends on our ability to work together as one cohesive team • Transparency, Accountability and Integrity We are open, honest and trustworthy in our dealings with the public and other stakeholders at all times and being accountable for all our actions <p>Accountability, Transparency, Integrity, Honesty, Equality, Equity</p>	<p>These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives</p>
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To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2. ENVIRONMENTAL PERFORMANCE Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Kapenguria NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

Our Environmental Policy

In this policy statement Kapenguria NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Kapenguria NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> • Promote environmental awareness by sensitizing the Kapenguria NG-CDFC, NG- CDFC staff and PMCs on good conservation practices • To encourage, through regular communication to Kapenguria NG-CDFC, staff , and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use paper • To encourage our clients to engage with us using electronic means where possible • To maximize on rain water harvesting • To make energy efficiency a key factor in the selection of any new energy devise being purchased • To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> • To promote use of volt guards to control power surges • We have constructed culverts and gabions to prevent soil erosion • To encourage tree planting in the constituency to improve the forest cover. • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure that all paper waste is recycled • To ensure segregation of waste • To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

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

Categories of Employment

Kapenguria NG-CDFC offers only categories of employment, which are

Contract employees who are employed for 3 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 in the office through the NG-CDFC, 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 NG-CDFC Chairman 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 NG-CDFC 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.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal Recommendations for promotion is only made by the NG-CDFC resolution

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

- All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There

Shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the

grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government Development Agenda at the constituency level.

a) Responsible competition practice.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship

In order to safeguard consumer rights and interests, the Kapenguria NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC 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 NG-CDFC to the Board.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders' participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community based needs assessments and public awareness campaigns and holding community meetings

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Through Kenya Pipeline Corporation distributed 4,000 bottles of 250mls sanitizers to the community free of charge.

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- The office purchased 50 hand wash pots and basins that were distributed to the Government offices within the constituency
- Through The National Youth Service, the office distributed 500 facial masks
- Printing of brochures disseminating information regarding Corona Virus protection measures

V. STATEMENT OF 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-KAPENGURIA 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, 2021. 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-KAPENGURIA 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KAPENGURIA Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF KAPENGURIA Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the 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 *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-KAPENGURIA Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.

*Kapenguria Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

[Signature]

Chairman NGCDF Committee

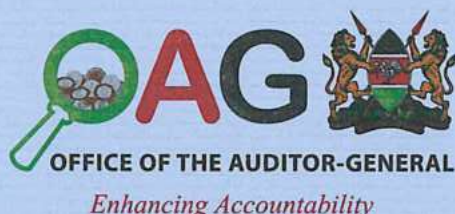
Name: *ANDREW P. KODOKWANG*

Name:

[Signature]
KAPENGURIA CONSTITUENCY
NATIONAL GOVERNMENT DEVELOPMENT FUND
Fund Account Manager
[Signature]
2.0 SEP 2021
FUND ACCOUNT MANAGER
P.O. Box 1-30600, KAPENGURIA

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPENGURIA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kapenguria Constituency set out on pages 35 to 74, which comprise of the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows, summary

statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kapenguria Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Variances in Other Committee Expenses and Committee Allowances

The statement of receipts and payments reflects use of goods and services amount of Kshs.8,363,303 which, as disclosed in Note 5 to the financial statements indicates other committee expenses and committee allowances amounting to Kshs.400,000 and Kshs.2,248,000, respectively. However, the schedules provided indicates other committee expenses and committee allowances of Kshs.3,245,500 and Kshs.3,114,800 resulting to unexplained variances of Kshs.2,845,500 and Kshs.866,800 respectively.

In the circumstances, the accuracy and completeness of the use of goods and services balance of Kshs.8,363,303 could not be confirmed.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kapenguria 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. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.181,073,271 and Kshs.134,614,392 respectively, resulting to

an under-funding of Kshs.46,458,879 or 26% of the budget. Similarly, the Fund spent Kshs.130,121,073 against an approved budget of Kshs.181,073,271 resulting to an under-expenditure of Kshs.50,952,198 or 28% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Approved but Un-Implemented Projects

Review of the budget execution by programmes and sub-programmes indicated that several projects approved for implementation were not implemented by the close of the financial year as shown in **Appendix I**.

Further, the information contained in Project Implementation Status (PIS) report did not tally with that contained in Budget Execution by Programs and Sub-Programmes. In the PIS, the non-implemented projects.

In the circumstances, the public did not derive any benefits from the non-implemented projects.

3. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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 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. Unsupported Emergency Expenses

The statement of receipts and payments reflects other grants and transfers of Kshs.78,494,937 which includes emergency projects of Kshs.7,187,600 as disclosed in Note 7 to the financial statements. However, the emergency reserves were disbursed without evidence to show that the projects implemented were indeed emergencies in nature as required under Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

2. Undisbursed Funds from National Government Constituencies Development Fund (NGCDF) Board

The summary statement of appropriation reflects transfers from NGCDF Board previous year's outstanding disbursements amount of Kshs.43,980,844 which increased to Kshs.46,458,879 as at 30 June, 2021 implying that several programmes listed were not executed as indicated in the unutilized Funds balance.

In the circumstances, delay in implementation and completion of planned projects is an indication that the public may not have realized the benefits accruing from the planned programs and activities.

3. Incomplete Projects

The statement of receipts and payment reflects other grants and transfer of Kshs.78,494,937 which, as disclosed in Note 7 to the financial statements includes environment projects valued at Kshs.2,745,000 used to construct a five hundred (500) meter Kapsurum Primary School Access tarmac road and laying of two (2) Culverts. However, physical inspection revealed that the road was not constructed, and the culverts were substandard. The expenditure of Kshs.2,745,000 spent on environmental projects was not effective and accountable as required under section 68(1) of the public Finance Management Act, 2012 which states that an Accounting Officer shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a lawful and authorized; effective, efficient, economical and transparent way.

In the circumstances, Management was in breach of the law.

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

Conclusion

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

Basis for Conclusion

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 overall 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 the 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 overall 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 terminate the Fund or to cease operations.

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

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

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

- Identify and assess the risks of material misstatement of the Fund 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 Fund's 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 Fund's 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

30 September, 2022

APPENDIX

Appendix I: Non-Implemented Projects

No.	Programmes/Sub-Programmes	Budget (Kshs)	Actual (Kshs.)	Balance (Kshs.)
1.	Kapkecha Secondary School	300,000	0	300,000
2.	Kamayech Secondary School.	500,000	0	500,000
3.	Siyoi Mixed Secondary School	1,500,000	0	1,500,000
4.	Safina Secondary School	1,000,000	0	1,000,000
5.	Cheposekek Girls School	500,000	0	500,000
6.	Katukumwo Primary school	300,000	0	300,000
7.	Chelokotetwo Primary school	300,000	0	300,000
8.	Kongelai Primary school	500,000	0	500,000
9.	Kruru Primary school	500,000	0	500,000
10.	Koitukum Primary school	400,000	0	400,000
11.	Kabwrok Primary	500,000	0	500,000
12.	Kitelakapel Primary	700,000	0	700,000
13.	Kapchila Primary	800,000	0	800,000
14.	Kaisakat Primary	500,000	0	500,000
15.	Sinenden Primary	800,000	0	800,000
16.	Arap Maina Primary	500,000	0	500,000
17.	Lokorwa Primary	800,000	0	800,000
18.	Kaptaposwo Primary	400,000	0	400,000
19.	Kamketo Primary	500,000	0	500,000
20.	Kapsurum Primary	500,000	0	500,000
21.	Kipkorinya Primary	500,000	0	500,000
22.	Krengot Primary	800,000	0	800,000
23.	Siyoi Primary	1,800,000	0	1,800,000
24.	Priro Primary	500,000	0	500,000
25.	Ptira Primary	500,000	0	500,000
26.	Toptolim Primary	300,000	0	300,000
27.	Kitale Posho Primary	500,000	0	500,000
28.	Mortome Primary	500,000	0	500,000
29.	Nateleng Primary	300,000	0	300,000
30.	Kodengel Primary	500,000	0	500,000
31.	Cheporor Primary	500,000	0	500,000
32.	Kreswo Primary	500,000	0	500,000
	Total	19,000,000		19,000,000

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	134,610,844	99,500,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		134,610,844	99,500,000
PAYMENTS			
Compensation of employees	4	3,955,542	3,212,873
Use of goods and services	5	8,363,303	8,398,650
Transfers to Other Government Units	6	39,103,120	73,450,000
Other grants and transfers	7	78,494,937	24,173,933
Acquisition of Assets	8	-	-
Other Payments	9	204,172	1,000,000
TOTAL PAYMENTS		130,121,073	110,235,456
SURPLUS/DEFICIT		4,489,771	(10,735,456)

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

KAPENGURIA CONSTITUENCY
FUND ACCOUNT MANAGER
Name: _____
FUND ACCOUNT MANAGER
P.O. Box 1-30600, KAPENGURIA


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: DAVID M. NJOROGE
ICPAK M/No: 17206.

Name: ANDREW J. KIBIKWANJA

*Kapenguria Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,493,319	3,548
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		4,493,319	3,548
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,493,319	3,548
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		4,493,319	3,548
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	3,548	10,739,004
Prior year adjustments	14	-	
Surplus/Deficit for the year		4,489,771	(10,735,456)
NET FINANCIAL POSITION		4,493,319	3,548

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

Fund Account Manager
Name: _____
KAPENGURIA CONSTITUENCY
NATIONAL GOVERNMENT DEVELOPMENT FUND
20 SEP 2021
FUND ACCOUNTS MANAGER
P.O. Box 1-301610, KAPENGURIA


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: DAVID M. NJOROGE
ICPAK M/No: 17206.

Name: ANDREW P. KOSOKWANG

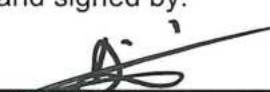
IX.


STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	134,610,844	99,500,000
Other Receipts	3	-	-
		134,610,844	99,500,000
Payments for operating activities			
Compensation of Employees	4	3,955,542	3,212,873
Use of goods and services	5	8,363,303	8,398,650
Transfers to Other Government Units	6	39,103,120	73,450,000
Other grants and transfers	7	78,494,937	24,173,933
Other Payments	9	204,172	1,000,000
		130,121,073	110,235,456
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		4,489,771	(10,735,456)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	3,548	10,739,004
Cash and cash equivalent at END of the year		4,493,319	3,548

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

ENGURIA CONSTITUENCY DEVELOPMENT FUND
FUND ACCOUNTANT
P. O. Box 1 - 30600, KAPENGURIA
30 SEP 2021


National Sub-County
Accountant


Chairman NG-CDF
Committee

ANDREW P. KODIKWANGI

*Kapenguria Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Name: DAVID M. NSOKA

Name:

ICPAK M/No: 17206

Name: [Signature]



X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget a	Adjustments		Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	3,548	43,980,844	181,073,271	134,614,392	46,458,879	74%
Proceeds from Sale of Assets	-	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	-	0%
TOTAL RECEIPTS	137,088,879	3,548	43,980,844	181,073,271	134,614,392	46,458,879	74%
PAYMENTS							
Compensation of Employees	3,955,542		-	3,955,542	3,955,542	-	100%
Use of goods and services	8,382,457	3,548	-	8,386,005	8,363,303	22,702	100%
Transfers to Other Government Units	65,486,217		2,214,061	67,700,278	39,103,120	28,597,158	58%
Other grants and transfers	59,264,663		41,562,611	100,827,274	78,494,937	22,332,337	78%
Acquisition of Assets	-	-	-	-	-	-	0%
Other Payments	-	-	204,172	204,172	204,172	-	100%
TOTAL	137,088,879	3,548	43,980,844	181,073,271	130,121,073	50,952,198	72%

(a) Revenue item doesn't include AIA

(b) The performances in all items that are below 100% in the appropriation statement above, were largely due delays in disbursement of funds from the Board,

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	50,952,198
Less undisbursed funds receivable from the Board as at 30th June 2021	46,458,879
	4,493,318
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	4,493,318

The NGCDF-KAPENGURIA Constituency financial statements were approved on _____ 2021 and signed by:

KAPENGURIA CONSTITUENCY
DEVFI
Fund Account Manager
Name: _____
P.O. Box 1-30600, N.A.



National Sub-County Accountant

Name: **DAVID M. NG'WAG**
ICPAK M/No: **17206**



Chairman NG-CDF Committee

Name: **ANDREW P. KOSOKWANG**

*Kapenguria Constituency
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X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisatio n(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursemen ts				
1.0 Administration and Recurrent						Kshs	
1.1 Compensation of employees	3,955,542			3,955,542	3,955,542	-	100
1.2 Committee allowances	2,000,000	3,548		2,003,548	2,003,548		100
1.3 Use of goods and services	2,269,334			2,269,334	2,269,334	-	100
Total	8,224,876	3,548	-	8,228,424	8,228,424	-	
2.0 Monitoring and evaluation							
2.1 Capacity building	2,000,000			2,000,000	2,000,000	-	100
2.2 Committee allowances	1,000,458			1,000,458	1,000,458	-	100
2.3 Use of goods and services	1,112,666			1,112,666	1,112,666	-	100
Total	4,113,124	-	-	4,113,124	4,113,124	-	
3.0 Emergency							
3.1 Primary Schools	7,192,207			7,192,207	7,192,207	-	100
3.2 Secondary schools				-	-	-	-
3.3 Tertiary institutions				-	-	-	-
3.4 Security projects				-	-	-	-

*Mapengula Constituency
National Government Constituencies Development Fund (NGCDF)
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3.5 Unutilised										
Total	7,192,207					7,192,207			7,192,207	-
4.0 Bursary and Social Security										
4.1 Secondary Schools	21,788,900.00			21,297,720		43,086,620			42,961,427	125,193
4.2 Tertiary Institutions	20,000,000.00			21,573,552		41,573,552			20,590,910	20,982,642
4.3 Social Security										-
4.4 Special Needs										-
Total	41,788,900		42,871,272			84,660,172			63,552,337	21,107,835
5.0 Sports						2,945,950			2,741,778	100
5.1										-
Total	2,741,778					2,945,950			2,945,950	
6.0 Environment										
	2,741,778					2,741,778.00			2,741,778	100
6.1										-
Total	2,741,778					2,741,778			2,741,778	100
7.0 Primary Schools Projects										
Chewarany Primary School	500,000					500,000			500,000	
Murmot Primary School	500,000					500,000			500,000	
Victoria Primary School	500,000					500,000			500,000	
Kamuraio Primary School	500,000					500,000			500,000	
Kamuraio Primary School	500,000					500,000			500,000	
Samum Primary School	500,000					500,000			500,000	
Emposut Primary School	500,000					500,000			500,000	
Kapkata Primary School	1,200,000					1,200,000			1,200,000	
Turkwel Gorge Primary School	1,600,000					1,600,000			1,600,000	
Kalomoywo Primary School	500,000					500,000			500,000	
Tomena Primary School	500,000					500,000			500,000	
Kakpaw Primary School	400,000					400,000			400,000	

*Kapenguria Constituency
National Government Constituencies Development Fund (NGCDF)
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Roponywo Primary School	500,000	-	-	500,000	500,000	-	-
Kaprom Secondary School	500,000	-	-	500,000	500,000	-	-
Chepkechir Primary School	1,500,000	-	-	1,500,000	1,500,000	-	-
Ngoleyo Primary School	1,000,000	-	-	1,000,000	1,000,000	-	-
Emboasis Primary School	700,000	-	-	700,000	700,000	-	-
Putor Primary School	500,000	-	-	500,000	500,000	-	-
Totum Primary School	300,000	-	-	300,000	300,000	-	-
Kamorrow Primary School	500,000	-	-	500,000	500,000	-	-
Lokornoi Primary School	300,000	-	-	300,000	300,000	-	-
Mokongwo Primary School	500,000	-	-	500,000	500,000	-	-
Tartar Primary School	500,000	-	-	500,000	500,000	-	-
Kapyemut Primary School	500,000	-	-	500,000	500,000	-	-
Kerenget Primary School	300,000	-	-	300,000	300,000	-	-
Kaplelach Koror Pry School	500,000	-	-	500,000	500,000	-	-
Kitale Posho Primary School	500,000	-	-	500,000	-	500,000	-
Mortome Primary School	500,000	-	-	500,000	-	500,000	-
Nateleng Primary School	300,000	-	-	300,000	-	300,000	-
Kodengel Primary School	500,000	-	-	500,000	-	500,000	-
Cheporor Primary School	500,000	-	-	500,000	-	500,000	-
Kreswo Primary School	500,000	-	-	500,000	-	500,000	-
Katukumwo Primary School	300,000	-	-	300,000	-	300,000	-
Chelokotetwo Primary School	300,000	-	-	300,000	-	300,000	-

**National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Kongelai Primary School	500,000	-	-	500,000	-	500,000	500,000
Kruru Primary School	500,000	-	-	500,000	-	500,000	500,000
Koitukum Primary School	400,000	-	-	400,000	-	400,000	400,000
Kabwrok Primary School	500,000	-	-	500,000	-	500,000	500,000
Kitelakapel Primary School	700,000	-	-	700,000	-	700,000	700,000
Kapchila Primary School	800,000	-	-	800,000	-	800,000	800,000
Kaisakat Primary School	500,000	-	-	500,000	-	500,000	500,000
Sinenden Primary School	800,000	-	-	800,000	-	800,000	800,000
Arap Maina Primary School	500,000	-	-	500,000	-	500,000	500,000
Lokorwa Primary School	800,000	-	-	800,000	-	800,000	800,000
Kaptaposwo Primary School	400,000	-	-	400,000	-	400,000	400,000
Kamketo Primary School	500,000	-	-	500,000	-	500,000	500,000
Kapsurum Boma Primary School	500,000	-	-	500,000	-	500,000	500,000
Kipkorinya Primary School	500,000	-	-	500,000	-	500,000	500,000
Krengot Primary School	800,000	-	-	800,000	-	800,000	800,000
Siyoi Primary School	1,400,000	-	-	1,400,000	-	1,400,000	1,400,000
Siyoi Primary School	400,000	-	-	400,000	-	400,000	400,000
Priro Primary School	500,000	-	-	500,000	-	500,000	500,000
Ptira Primary School	500,000	-	-	500,000	-	500,000	500,000
Toptolim Primary School	300,000	-	-	300,000	-	300,000	300,000
Pcholpogh Primary School	300,000	-	-	300,000	-	300,000	300,000
Empokech Primary School	400,000	-	-	400,000	-	400,000	400,000
Kachumakinei Primary School	500,000	-	-	500,000	-	500,000	500,000
Cheptesok Primary School	500,000	-	-	500,000	-	500,000	500,000
Mungit Primary School	500,000	-	-	500,000	-	500,000	500,000

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Kaplelach Primary School	300,000	-	-	300,000	-	300,000	-	300,000	
Embough Primary School	300,000	-	-	300,000	-	300,000	-	300,000	
Simat Primary School	800,000	-	-	800,000	-	800,000	-	800,000	
Tompul Primary School	300,000	-	-	300,000	-	300,000	-	300,000	
Chepkaikai Primary School	500,000	-	-	500,000	-	500,000	-	500,000	
Total	35,300,000	-	-	35,300,000	15,700,000	19,600,000	44		
8.0 Secondary Schools Projects									
Agc Ketiam Boys Secondary School	500,000	-	-	500,000	500,000	-	-	-	
Agc Ketiam Boys Secondary School	400,000	-	-	400,000	400,000	-	-	-	
St.Michael Ptoyo Boys Secondary School	6,800,000	-	-	6,800,000	6,800,000	-	-	-	
Turkwel Gorge Mixed Secondary School	1,800,000	-	-	1,800,000	1,800,000	-	-	-	
Turkwel Gorge Mixed Secondary School	500,000	-	-	500,000	500,000	-	-	-	
Tipet Secondary School	2,100,000	-	-	2,100,000	2,100,000	-	-	-	
Kapkata Mixed Secondary School	586,217	-	905,400	586,217	586,217	-	-	-	
Kapkata Mixed Secondary School	400,000	-	-	400,000	400,000	-	-	-	
Agc Chemororoch Mixed Secondary School	700,000	-	-	700,000	700,000	-	-	-	
Chemwochoi Secondary Sch	500,000	-	-	500,000	500,000	-	-	-	
Komol Secondary School	800,000	-	-	800,000	800,000	-	-	-	
Tilak Secondary School	700,000	-	-	700,000	700,000	-	-	-	
E.L.C.K Galib Lityei Mixed Secondary School	3,000,000	-	-	3,000,000	3,000,000	-	-	-	
Miskwony Secondary School	500,000	-	-	500,000	500,000	-	-	-	

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Mtembur Secondary School	500,000	-	-	500,000	500,000	-	-
Adurkoit Secondary School	1,000,000	-	-	1,000,000	1,000,000	-	-
ST.Paul'S Kitelakapel Sec Sch	3,000,000	-	-	3,000,000	3,000,000	-	-
Kamayech Secondary School	500,000	-	-	500,000	-	500,000	-
Kapkecha Secondary School	300,000	-	-	300,000	-	300,000	-
Siyoi Mixed Secondary School	1,500,000	-	-	1,500,000	-	1,500,000	-
Safina Boys Secondary Sch	1,000,000	-	-	1,000,000	-	1,000,000	-
Cheposekek Girls Secondary School	500,000	-	-	500,000	-	500,000	-
Jerusalem Girls Sec School	800,000	-	-	800,000	-	800,000	-
Katimoril Mixed Secondary School	500,000	-	-	500,000	-	500,000	-
Fr.Dhilon Boys Secondary Sch	800,000	-	-	800,000	-	800,000	-
Sayuni Girls Secondary School	500,000	-	-	500,000	-	500,000	-
Total	30,186,217			30,186,217	23,198,264	7,893,353	-
Police Station			-				
Kapenguria AP Camp Fencing	3,000,000			3,000,000	1,597,158	1,402,842	
Loywokor Chiefs Offices	800,000			800,000	800,000	-	
DCC Residence Renovation	1,000,000			1,000,000	-	1,000,000	-
Total	4,800,000	-	-	4,800,000	2,244,818	2,351,010	47

**Kapenguria Constituency
National Government Constituencies Development Fund (NGCDF)
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11.0 Acquisition of assets													
11.1 Motor Vehicles	-												
11.2 Construction of CDF office	-												
11.3 Purchase of furniture and equipment	-												
11.4 Purchase of computers	-												
Total	-												
12.0 Other payments													
kapenguria NGCDF Office										204,172			
Total										204,172			
13.0 unallocated fund													
Unapproved projects	-												
AIA	-												
PMC savings	-												
Total	137,088,879	3,548.00	43,980,844	181,073,272	130,121,073	50,952,198	72						

XI. 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 (gratuity 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-KAPENGURIA 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency 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 constituency 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 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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 are 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 financial 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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 xx June 20xx for the period 1st July 20xx to 30th June 20xx as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the 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 2021.

14. Errors

Material prior period errors are 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

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

**XII. NOTES TO THE FINANCIAL STATEMENTS
1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	AIE NO.	2020-2021	2019-2020
		Kshs	Kshs
Normal Allocation	B047446		4,000,000
	B046730	-	1,500,000
	B041469	-	20,000,000
	B047911	-	6,000,000
	B049294	-	14,000,000
	B104318	-	15,000,000
	B096574	-	9,000,000
	B09675	-	30,000,000
	B096901	5,000,000	-
	B104553	2,006,913	-
	B104556	1,236,207	-
	B104611	19,000,000	-
	A823531	15,367,724	-
	B124539	9,000,000	-
	B124969	8,500,000	-
	B119824	12,000,000	-
	B128114	6,900,000	-
	B128426	7,000,000	-
	B132170	6,000,000	-
	B138838	12,000,000	-
	B126133	7,000,000	-
	B126425	11,600,000	-
	B140569	12,000,000	-
TOTAL		134,610,844	99,500,000

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-

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		-
Receipts from the Sale Plant Machinery and Equipment	-	-
	-	-
Total		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received		
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,955,542	3,212,873
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	-
Total	3,955,542	3,212,873

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	200,000	336,500
Electricity	-	-
Water & sewerage charges	50,000	134,600
Office rent	-	-
Communication, supplies and services	152,600	156,700
Domestic travel and subsistence	150,000	270,500
Printing, advertising and information supplies & services	30,000	245,700
Rentals of produced assets	-	-
Training expenses	1,112,666	1,120,050
Hospitality supplies and services	20,036	359,500
Other committee expenses	400,000	450,000
Committee allowance	2,248,000	1,650,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,000,000	850,500
Fuel , oil & lubricants	1,000,000	970,500
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	2,000,000	1,503,500
Routine maintenance- other assets	-	350,600
Total	8,363,303	8,398,650

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	15,486,207	30,417,025
Transfers to secondary schools (see attached list)	23,616,913	40,500,000
Transfers to tertiary institutions (see attached list)	-	2,532,975
TOTAL	39,103,120	73,450,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary - Secondary	42,961,427	3,300,500
Bursary -Tertiary	20,590,910	8,180,893-
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects	2,300,000	-
Sports Projects	2,710,000	2,747,354
Environment Projects	2,745,000	2,747,186
Emergency Projects	7,187,600	7,198,000
TOTAL	78,494,937	24,173,933

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	1,000,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	-	1,000,000

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	204,172	-
ICT Hub	-	-
	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank: Ngcdf kapenguria Account No. A/C no.1070297599233</i>	4,493,319	3,548
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
	-	-
Total	4,493,319	3,548
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-

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>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total				-

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. BALANCES BROUGHT FORWARD

	2020-2021	2019-2020
	(1st July 2020)	(1st July 2019)
	Kshs	Kshs
Bank accounts	3,548	10,739,004
Cash in hand	-	-
Imprest	-	-

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	-	-
Total	3,548	10,739,004

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustmen ts	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

*** The adjusted balances are not carried down on the face of the financial statement.
(Entity to provide disclosure on the adjusted amounts)*

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	22,702	3,548
Amounts due to other Government entities (see attached list)	28,597,158	2,214,061
Amounts due to other grants and other transfers (see attached list)	22,332,337	41,562,611
Acquisition of assets	-	-
Others (<i>specify</i>)	-	204,172
	50,952,198	43,984,392

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances	-	-
	-	-
	-	-

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 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 ENTITY - (indicate actual name of the entity)
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff	-	-	-	-
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Sub-Total	-	-	-	-
Grand Total	-	-	-	-

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ANNEX 3 –UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding	Outstanding
		Balance 2020/21	Balance 2019/20
Compensation of employees	-	-	3,548
Use of goods & services	-	-	2,214,061
Amounts due to other Government entities	primary schools and secondary schools	22,702.49	-
Kitale Posho Primary School	Construction one classrooms to completion.	500,000	204,172
Mortome Primary School	Construction one classrooms to completion.	500,000	-
Nateleng Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Kodengel Primary School	Construction of one classroom to completion	500,000	-
Cheporor Primary School	Construction of one classroom to completion	500,000	-
Kreswo Primary School	Construction of one classroom to completion	500,000	-
Katumwo Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Chelokotetwo Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Kongelai Primary School	Construction of one classroom to completion	500,000	-
Kruru Primary School	Construction of one classroom to completion	500,000	-

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Koitukum Primary School	Construction of 4 doors pit latrine to completion	400,000	-
Kabwrok Primary School	Construction of one classroom to completion	500,000	-
Kitelakapel Primary School	Construction of 6doors pit latrine to completion	700,000	-
Kapchila Primary School	Construction of one classroom to completion	800,000	-
Kaisakat Primary School	Construction of one classroom to completion	500,000	-
Sinenden Primary School	Purchase of one acre land for the school.	800,000	-
Arap Maina Primary School	Construction of one classroom to completion.	500,000	-
Lokorwa Primary School	Purchase of one acre land for the school.	800,000	-
Kaptaposwo Primary School	Purchase of half acre land for the school.	400,000	-
Kamketo Primary School	Construction of one classroom to completion.	500,000	-
Kapsurum Boma Primary School	Purchase of half acre land for the school.	500,000	-
Kipkorinya Primary School	Construction of one classroom to completion.	500,000	-
Krengot Primary School	Purchase of one acre land for the school.	800,000	-
Siyoi Primary School	Construction of two classrooms to completion.	1,400,000	-
Siyoi Primary School	Construction of 4 doors pit latrine to completion	400,000	-
Priro Primary School	Construction of one classroom to completion	500,000	-
Ptira Primary School	Construction of one classrooms to completion	500,000	-

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Toptolim Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Pcholgogh Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Empokech Primary School	Construction of 4 doors pit latrine to completion	400,000	-
Kachumakinei Primary School	Construction of one classrooms to completion	500,000	-
Cheptesok Primary School	Construction of one classroom to completion.	500,000	-
Mungit Primary School	Construction of one classrooms to completion	500,000	-
Kaplelach Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Embough Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Simat Primary School	Construction one classrooms to completion	800,000	-
Tompul Primary School	Construction of 4 doors pit latrine to completion	300,000	-
Chepkaikai Primary School	Construction one classrooms to completion.	500,000	-
Kamayech Secondary School	Construction of one classroom to completion.	500,000	-
Kapkecha Secondary School	Construction of four doors pit latrine to completion.	300,000	-
Siyoi Mixed Secondary School	One off Purchase of 51 seater School Bus	1,500,000	-
	The allocation excludes insurances costs.		
Safina Boys Secondary Sch	Construction of two classrooms to completion.	1,000,000	-

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Cheposekek Girls Secondary School	Construction of four door pit latrine to completion.	500,000	-
Jerusalem Girls Sec School	Construction of three classrooms to completion.	800,000	-
Katimoril Mixed Secondary School	Construction of one classroom to completion.	500,000	-
Fr.Dhilon Boys Secondary Sch	Construction of four doors pit latrine to completion.	800,000	-
Sayuni Girls Secondary School	Construction of one classroom to completion.	500,000	-
Kapenguria AP Camp Fencing	Fencing of AP CAMP officeS to completion	1,597,158	-
DCC Residence Renovation	Renovation of the DCC 3bedroomed house	1,000,000	-
Sub-Total		28,597,158	-
Amounts due to other grants and other transfers	Bursary for secondary schools	22,332,337	41,562,611
Sub-Total		50,952,198	43,984,392

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	5,762,239	-	-	5,762,239
Transport equipment	13,057,402	-	-	13,057,402
Office equipment, furniture and fittings	1,743,271	534,100	-	1,209,171
ICT Equipment, Software and Other ICT Assets	1,126,634	-	-	1,126,634
Other Machinery and Equipment	20,880,000	-	-	20,880,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	42,569,546	534,100	-	42,035,446

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 20221

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
	-		-	-
Total	-		-	-

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 and subsequent progress made on the resolution of the issues.

S/No	Title of Query	Issues raised by Auditors	Responses /Management Comments	Status: (Resolved / Not Resolved)	Timeframe:
4.1	Presentation of financial statement	financial statements are revised to reflect a true and fair presentation of the financial position of the fund	this has since been corrected. See the revised financial statement	Resolved	31 st December 2020
4.2		Variance of Ksh 636,787 under employees' compensations	This has been amended in the financial statements. See the revised financial statement	Resolved	31 st December 2020
5.0	Training expenses	supporting documents such as the invitation to trainings, training needs assessment, venue of the meeting and training attendance registers were not availed for audit.	This documents have since been found and are hereby provided. See the attached documents .	Resolved	31 st December 2020
6.0	Committee Expenses	schedule of meetings which were to be held during the year and also that copies of the minutes above were submitted to the board within	The annual work plan and minute files for all meetings has been provided for your review. See the attached documents for your verification	Resolved	31 st December 2020

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		thirty days after the confirmation and execution of the minutes in the manner prescribed by the board. Further, attendance register and minutes for all the committee meetings in the financial year under review were not availed for audit verification. In addition, notices for the committee meetings were not availed.			
7.0	Fuel, Oils and Lubricants Expenditure	The management should avail documents in support of fuel, oil and lubricants expenses for audit verification.	Documents in support of fuel, oil and lubricants expenses for audit verification have been provided. see attached documents	Resolved	31st December 2020
8.0	School Bus Project- Chekomos Secondary School	procurement records such as tender advertisement, tender opening minutes, appointment letters for tender evaluation and award committee, tender evaluation minutes, letter of offer, letter of acceptance, inspection and acceptance report and logbook were not availed for audit verification. The bus was not in use and the school administration explained that the school was	The school management committee sourced the school bus through the government contract agreement for 2019-2020 with isuzu east Africa limited (see attached) Provided also are inspection, acceptance report, logbook copy (see attached) On the running of the school bus, it's the responsibility of the school BOM To ensure that the bus is comprehensively insured	Resolved	31st December 2020

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9.0	Award of Bursaries	unable to insure the bus. the constituency bursary subcommittee is established in accordance with the Board directive and that proper documentation is done on the processing and award of bursaries.	Bursary committee was formed and clear procedure was followed in award of bursary to beneficiaries across the constituency. (see attached documents for verification)	Resolved	31st December 2020
10.0	Environment Projects	expenditure returns and reports detailing particulars of project management committees (PMCs), project proposals, procurement records were not availed for audit review.	The project proposals, procurement records And returns have been provided (See attached documents)	Resolved	31st December 2020
11.0	Emergency Projects	no evidence that utilization of the emergency reserve was reported to the NGCDF Board within thirty days as per section 20 (2) of the National Government Constituency Development Fund Regulations, 2016. Further, is not clear how the implemented projects were identified as an emergency and funded out from the vote.	see the attached letter of notification to the board on this emergency projects and all the projects were identified by the residents and NGCDF committee ratified it as projects that needed emergency responds at the time	Resolved	31st December 2020
12.0	Pmc bank balaces	Undisclosed PMC Bank Balances	At the time of preparation of financial statements all pmcs had	Resolved	31st December 2020

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			used all funds in their banks accounts However the financial statements have been corrected to reflect the nil balances		
13.0	Summary of Fixed Assets Register	The assets register was not availed for audit verification	This was an oversight (see attached asset register)	Resolved	31st December 2020
14.0	Budget Control and Performance	Non-utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered and therefore the budget did not meet the intended objectives of improving the service delivery to the residents of Kapenguria Constituency	CDFC established that slow disbursement of funds from the board and logistical challenges contributed towards the projects incompleteness. However, it has put in place mechanism to ensure that all the projects are completed at the right time. This include continuous monitoring and evaluation exercise among others.	Resolved	31st December 2020
15.0	Project Verification	The management should implement the projects on time and make sure all the project returns are filed in the constituency office	NGCDFC has put in place mechanism to ensure that all the projects are completed at the right time. This include continuous monitoring and evaluation exercise among others.	Resolved	31st December 2020

