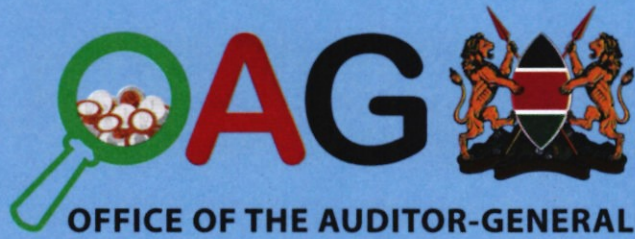


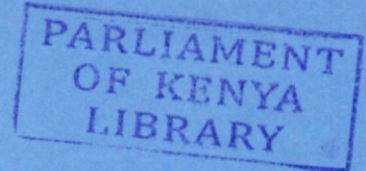
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 AUG 2024	DAY OF WEDNESDAY
TABLED BY:	MPA. OWEN BAYA, MP. DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT THE TABLE:	RUTHER NGINYO



THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**

MSDS 2004 11



KAPSERET CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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



*Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Table of Content	Page
I. Acronyms and Abbreviations	iii
II. Key Constituency Information and Management.....	iv
III. Kapseret NGCDFC Chairperson	viii
IV. Statement of Performance against Predetermined Objectives for FY 2022/2023.....	xix
V. Statement of Governance	xxii
VI. Environmental and Sustainability Reporting.....	xxvii
VII. Statement of Management Responsibilities	xxxi
VIII. Report of the Independent Auditors On The NGCDF- Kapseret Constituency.....	xxxiii
IX. Statement of Receipts and Payments for the Year Ended 30th June 2022	1
X. Statement of Assets and Liabilities as At 30th June, 2023.....	2
XI. Statement of Cash Flows for The Year Ended 30th June 2023	3
XII. Summary Statement of Appropriation for the Year Ended 30 th June 2023	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	7
XIV. Significant Accounting Policies	13
XV. Notes To the Financial Statements	19
XVI. Annexes	30

I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

II. 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 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At 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 Kapseret 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)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mathew Kipruto Tanui
2.	Sub-County Accountant	Lydia Chepsoi
3.	Chairman NGCDFC	Sammy Kipchumba Rutto
4.	Member NGCDFC	Caroline Kemboi

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kapseret 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.

(d) Kapseret Constituency NGCDF Headquarters

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

(e) Kapseret Constituency NGCDF Contacts

Telephone: (254) 725732332
E-mail: cdfkapseret@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Kapseret Constituency NGCDF Bankers

Co-operative Bank
Branch
P.O. Box 2928-30100
Eldoret, Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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



Sammy K. Rutto
Kapseret NGCDF Chairperson

In the financial year 2022/2023, Kapseret Constituency received its allocation table for the said financial year inclusive of Appropriation in Aid cumulatively totaling to Ksh 145,487,603.

The constituency undertook its mandate to conduct public participation as required by the NG-CDF act section 27 which provides that the chairperson of the constituency committee shall within the first year of a new term of parliament and at least two years thereafter convene an open ward forum in every ward within the constituency in order to collect views from members of the public within the constituency on the project proposal for the financial Year 2022/2023. This will form the basis for the development of a ward report which will be used in line with the strategic plan for the constituency and in accordance with NG-CDF act section 24 which state on the eligibility of projects falling under the functions of national government for funding and project prioritization for two subsequent years .



Public Participation Megun ward at AIC Kabongwa Church



Public participation Kapseret Simat ward at Kapseret Sub county Hall



Public participation Ngeria ward at Kipsamoo ACK Church



Public Participation Kipkenyo ward at ACK pioneer church



Public Participation Langas ward at Mwiruti Primary School

The delay in the release of the allocation table was accasioned by the effects of transition during the 2022 general election. The NG-CDFC of Kapseret in consultation with all other stakeholders prepared and developed a budget proposal and submitted to the NG-CDF board for approval .

Cognizant of the fact that it's the beginning of a new parliamentary term, and putting into consideration that the formation of NG-CDFC member's majority are new on matters NG-CDF. The NG-CDF board organized an orientation training for all constituencies clustered where Kapseret NG-CDF had the opportunity to attends the training at Mountain Breeze in Embu .It was during this training that NG-CDFC's were familiarized with operation of NG-CDF including prudent financial management, procurement procedures, monitoring and Evaluation and overview by the NG-CDF fund and relevant regulation governing its operation .The Training was a success.

Upon the approval of the constituency budget proposal in its planning process the priority was given to Admin operation and mainly the bursary and social security in order to cushion the parents of students from needy and vulnerable families to acquire education and ensure commendable rate of ensuring retention of learners in school.

The NG-CDFC members and the bursary committee conducted vetting in various wards ,locations, sub location and villages across the constituency .This is where the members of the public were given the opportunity to vet bursary beneficiaries in their respective villages because they are the one suitably placed to identify needy cases under the oversight of NG-CDFC members.

The beneficiaries were vetted and issued with bursary forms which thereafter were filled and returned to the office for processing and onwards disbursement of bursary cheques to various institutions .This method as proved to be more open, transparent, accountable and free from discrimination.

***Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

The total number of bursary beneficiaries in the financial year 2022/2023 were as follows **2972** for secondary **32** for special needs and **751** for tertiary .Cumulative of **3755** beneficiaries from the the bursary from NG-CDF across the five wards of Megun, Ngeria, Simat/Kapserent, Langas and Kipkenyo in the constituency.



Kapseret/Simat ward Bursary vetting



Kipkenyo Ward Bursary Vetting



Langas Ward Bursary Vetting



Ngeria ward Bursary Vetting



Megun ward Bursary Vetting



LAUNCHING/DISBURSEMENT OF BURSARY AT KAPSERET NG-CDF OFFICE

The funding of the projects in the financial year 2022/2023 complied with the four thematic areas of our core mandate and eligibility in line with National government function as prescribed by the constitution of Kenya 2010. These are areas of Education (Primary, Secondary and tertiary) security, Environment and Sports

In Primary Education development projects, NG-CDF was able to construct into completion just to maintain a few 100 capacity dormitory at ST John Kabongo Primary, Completion of 3 classrooms at Kosyin Ngara, 3 classrooms at Kanetik, 1 classroom at Kipkaren Airport Primary. This have transformed the schools in terms of performance and enrollment which have impacted much on our residence.



ST Johns Kabongo Primary School Dormitory, 100 capacity



Kipkaren Airport Primary School 1 classroom



Kosyin Ngara primary school 3 classrooms



Kanetik Primary School 3 Classrooms

In addition to the Education .The following schools were funded .This has also increased enrollment and created a conducive environment for learners to ease mobility and transport in our schools. Managed to deliver two semi luxury 52 setter buses to AIC Ngarafalls Secondary School and Mwiruti Secondary School both being day schools. This has improved the self-esteem of the students



Bus delivery Ngarafalls Secondary School



Bus Delivery Mwiruti Secondary School

Other Notable projects in improving learning and infrastructure in schools within the constituency NG-CDF Kapseret was the completion of 100 capacity boys dormitory at Simat Secondary ,Completion of Administration block for Davies Secondary School, Completion of 100 capacity dormitory to DEB Mutwot Secondary and completion of science laboratory at Kipkaren Road Secondary School.



Davies Secondary School Administration



Kipkaren Road Secondary School Science Lab



**DEB Mutwot Secondary School
Dormitory**



Simat Secondary School 100 Capacity

On improvement of sanitation facilities in our institution – NG-CDF Kapseret managed to construct 5 door Boys latrine with urinal at Kapkenduywo and 5 door boys latrine at Kaptinga

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

primary school respectively ,also complete a 4 door public toilet at pioneer chiefs office and renovated 21 door Ablution block at Kimalel Primary School.



Kimalel Primary School Ablution Blook 21 door Renovations



Pioneer Chiefs 4 door Toilets with Urinal



Kapinga Primary school ,5 Door boys latrine



Kapkenduywo Primary School,5 Door boys latrine

On security section NG-CDF Kapseret continued to fund Kaplelach Police Station which is currently at the lintel (ring beam) being a multiyear project and furnished Chepkatet Assistant Chief office,Pioneer chiefs office and Ngeria Office with modern furniture.



Pioneer Chiefs Office, Furniture



Kaplelach Police Station

The Environment and Sports. Funding for Environment for planting of trees to schools across the constituency in line with Presidential Directive of planting 15billion trees as a measure to mitigate the effects of climate change and harvesting of water in various school

On Sports as a way of promoting talent among youths out of school NG-CDF Kapseret is undertaking a tournament on sports (Football and Volleyball)both men and women which is under implementation .

It's also an opportunity to sensitize youths of emerging issues such as drugs and substance Abuse, creating awareness of HIV and AIDS, Disaster and safety management.

The great achievements by the Constituency is attributed to the able and sound leadership of the area MNA Hon Oscar Kipchumba Sudi ,Committed and dedicated NG-CDFC members ,NG-CDFC staff ,responsive project management committees of various support from the members of public on process of public participation .

More so the continuous guidance and support by the NG-CDF Board. Appreciation to the Board for its timely disbursement of fund despite being under transition effects

.....
SAMMY K.RUTTO
CHAIRMAN NGCDF COMMITTEE

III. Statement of Performance against Predetermined Objectives for FY 2022/2023

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 objective of *Kapseret Constituency 2022-2025* plan is to:

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

Progress on attainment of Strategic development objectives

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

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

Constituency Program	Objective	Outcome	Indicator	Performance
ICT and Communication	To enhance public information on constituency development projects	Increased public awareness on constituency development projects. Increase dissemination of information among the public.	Number of people interacting with the website and Online feedbacks On the developments projects. Number of computers and quality of system installed.	Number of computers in Kapseret NGCDF office was Increased 12. Availability of internet services and provision of communication services among staff and public access line.
Education	To ensure access to quality education in the constituency.	Develop and enhance schools infrastructure facilities. Increase enrolment and number of students completing Schools and tertiary colleges.	Number of usable physical infrastructure built in primary and secondary. Number of students completed school on bursary both secondary and tertiary.	Number of classrooms both primary and secondary constructed increased from 79 to 96. Number of renovated classrooms increased from 89 to 101. Number of desks purchased in primary and secondary schools increased to 2195. Number of science laboratories constructed increased to 3.
Security	To foster security and safety of the constituents.	To acquire and improve facilities.	Number of pieces of land purchased. Number of sub-chiefs' offices	Number of lands purchased total has increased to 6 acres. Number of sub-chiefs' offices

Kapseret Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Constituency Program	Objective	Outcome	Indicator	Performance
			constructed.	constructed totalling to 6.
Project Implementation Capacity	To strengthen the PMC capacity in project implementation	To establish training for PMCs and improve capacity building for projects implementation.	Establishment of feedback from PMCs. Reduced outcomes of cases with non-compliance to policies.	Number of feedbacks from PMCs increased. The NG-CDFC carried out benchmarking in the coastal region learns more and improve on project implementation for PMC. The NG-CDFC were able to attend training in Embu.
Environment	To promote environmental conservation programmes.	To establish tree planting programmes in schools and identify tree planting days.	Number of tree planting days. Number of schools established with nurseries.	Number of days for tree planting programme was 2 days. Enhance tree planting to schools and water harvesting to 15 schools.
Sports	To harness and promote youth talent development	To equip and provide logistics needed and landscaping of playing grounds.	Number of schools with playing ground landscaped.	Number of schools benefitting from sports programme increased from 22 to 39 .

IV. Statement of Governance

Procedure for appointment of members of the National Government constituency Development Fund Committee

National Government Constituency Development Fund Committee

(1) There is established a National Government Constituency Development Fund Committee for every constituency.

(2) Each Constituency Committee shall comprise of—

(a) The national government official responsible for co-ordination of national government functions; (b) Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;

(c) Two women nominated in accordance with subsection (3). One of whom shall be a youth at the date of appointment;

(d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);

(e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act; (f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.

(g) One member co-opted by the Board in accordance with Regulations made by the Board. (3) The seven persons referred to in subsection (2) (b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board. (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board. (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency. 19 No. 30 of 2015 National Government Constituencies Development Fund [Rev. 2022] (7) The quorum of the Constituency Committee shall be one half of the total membership. (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election. (10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days. (11) The Constituency Committee shall meet at least six

times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. (12) Deleted by Act No. 24 of 2022, s. 16 (c). (13) A member of the Constituency Committee may be removed from office o

The selection of members shall proceed as follows:

In case of a person living with Disability, the fund Account Manager shall write to a registered group representing persons with disabilities in the constituency requesting for nomination of one person with disability to sit in the NG-CDF committee .The nominating organization shall be required to provide specific description of the kind of disability to enable the board and NG-CDF committee to plan for necessary support to facilitate full participation of the nominee in various activities of the fund .

Invite applications from interested and qualified members of the public for appointment to the constituency committee .The invitation (format annexed here with) shall be widely publicized to reach all parts of the constituency.

The selection panel shall consider the applications and select four suitable persons taking into account age, gender, special interest groups and regional balance.

Obtain from the constituency office Manager via a formal written communication names of two nominees to the NG-CDF Committee, one being of either gender. For avoidance of doubt, the nominees under this paragraph shall not include persons who sat in the selection panel at any point of the current selection process.

Submit the list of seven nominees (for recommended by the selection panel, one nominated by registered group representing persons with disabilities in the constituency office) to the board within seven days of the selection process in the format annexed herewith.

Ensure the original report of the selection panel duly signed by all members of the panel, original letter from the constituency Office Manager forwarding two nominees to the NG-CDF Committee one being of either gender .Original letter and copies of minutes of the meeting of the body nominating person with disability to NG-CDF Committee, copies of national Identity Cards of all the nominees (certified as a true copy of the original by the Fund Account Manager),the long listing and shortlisting criteria ,and three colour passport –size photographs of each other respective nominees (Stamped and signed at the Fund Account Manager)are attached to the list submitted to the board.

The final report shall be properly(spiral)bound containing pertinent documents following the sequence of the checklist in Annex III below before submission to the Board ,otherwise ,the report will not be admissible and shall be returned to the forwarding constituency.

For avoidance of doubt the two persons to be nominated by the constituency Office to sit in the selection panel and the two persons nominated by the same office to sit in the NG-CDF Committee shall be drawn from the community and not serving public officers, Fund Account Managers are required to ensure that this is strictly adhered to.

Removal of NGCDFC Members

A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

(14) A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.

(15) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member. [Act No. 24 of 2022, s. 16.] 44. Dissolution of Constituency Committee (1) A person may present a petition to the Board for the dissolution of a

4. Disclosure of interest

(1) A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.

(2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

(3) A member of the committee who contravenes subparagraph (1) shall cease to be a member of the committee.

NGCDFC training

All the NGCDFC members attended NGCDF Board training in Embu held on 28th April 2023 to 2nd May 2023. The NGCDFC Members have had seven meetings in the financial year 2022/2023

The functions of the NGCDFC are:

- a) Build the capacity of project management committees and Committee; sensitize the community on the operations of the Fund
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;

Kapseret Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- (f) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- g) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- h) Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- i) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- j) Ensure that all projects receive adequate funding and are completed within three years;
- k) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- (l) Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- m) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- n) Ensure that project reports are prepared and submitted to the Board;
- o) Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- p) Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- q) Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act; Kenya Subsidiary Legislation, 2016 1957
- (r) Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- (s) Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- (t) Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
- (u) Enter into performance contracting with the Board on an annual basis;
- (v) In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- (w) Receive returns from project management committees in accordance with regulation 15;
- (x) Maintain a database of project management committees and reports from the respective committees;
- (y) Ensure that the reports referred to in paragraph (x) are received before funding is released for each phase of the project being implemented;
- (z) Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office;

- (a) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- (b) Ensure that the committee does not enter into commitments for which funding has not been allocated;
- (c) Ensure projects are labelled in accordance with the guidelines issued by the Board; and
- (d) Perform any other function assigned to it by the Board.

Member's remuneration

The Chairman of the NGCDFC is paid Kshs.7, 000 and other committee members are paid Kshs.5, 000 as sitting allowance for the meetings they hold.

Roles of NG-CDF Committee in Risk management

- a) Coordinate and monitor the implementation of Risk management initiatives within the constituency
- b) Conduct Risk assessment and develop monitoring systems of the risks
- c) Monitoring risks in the constituency

V. Environmental and Sustainability Reporting

Kapseret NG-CDF 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.

1. Sustainability strategy and profile -

To ensure sustainability of Kapseret NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kapseret NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Environmental conversation

The NGCDF Kapseret allocated funds to support various institutions within the constituency for tree planting exercise

Sensitization of youth

Kapseret NGCDF Kapseret will sensitize the youth during the sporting activities

NG-CDF sponsored sporting activities

Kapseret NGCDF Kapseret has allocated funds to sponsor regional tournament and also the constituency tournament

3. Employee welfare

We invest in providing the best working environment for our employees. Kapseret constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kapseret constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of

movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Kasperet NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Kasperet NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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.

The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

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.

Kapseret NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....
Name: Mathew K.Tanui.

Fund Account Manager.

VI. 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-Kapseret Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

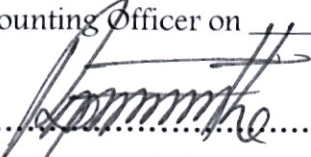
The Accounting Officer in charge of the NGCDF-Kapseret Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30th , 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kapseret Constituency further confirms the completeness of the accounting records maintained for the *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 Kapseret 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

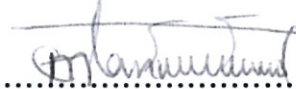
for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kapseret Constituency financial statements were approved and signed by the Accounting Officer on 8/9/2023.



.....
Name: Sammy K. Rutto
Chairman – NGCDF Committee



.....
Name: Mathew K. Tanui
Fund Account Manager

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 - KAPSERET CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 the intended purpose.
- C. Report on the 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 - Kapseret Constituency set out on pages 1 to 41,

*Report of the Auditor-General on National Government Constituencies Development Fund - Kapseret Constituency
for the year ended 30 June, 2023*

which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and 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 National Government Constituencies Development Fund - Kapseret Constituency as at 30 June, 2023, 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 (Amended 2022) and the Public Financial Management Act 2012.

Basis for Qualified Opinion

1. Unsupported Project Management Committee Balances

Note 18.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.18,378,489. However, the cash books, and bank reconciliation statements of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.18,378,489 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.52,910,567 as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.28,526,863, Kshs.15,379,704 and Kshs.804,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.44,710,567 could not be confirmed.

3. Variance in Fund Balance Brought Forward

The statement of assets and liabilities reflects comparative fund balance brought forward of Kshs.25,333,327 while the corresponding Note 15 to the financial statements reflects a balance of Kshs.25,748,039 resulting to an unreconciled and unexplained variance of Kshs.414,712.

In the circumstances, the accuracy of the comparative fund balance brought forward of Kshs.25,333,327 could not be confirmed.

4. Unexplained Variance in Accounts Payable Balance

The statement of assets and liabilities reflects on accounts payable-retention comparative balance of Kshs.272,508 while the audited prior year financial statements reflects a Nil balance resulting to a variance of Kshs.272,508 which has not been explained or reconciled.

In the circumstances, the accuracy of accounts payable-retention comparative balance of Kshs.272,508 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kapseret Constituency Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final receipts budget and actual on a comparable basis of Kshs.153,887,392 and Kshs.95,399,794 respectively resulting to under-funding of Kshs.58,487,602 or 38% of the budget. However, the Fund spent Kshs.71,989,307 against actual receipts of Kshs.95,399,794 resulting to an under-utilization of Kshs.23,410,487 or 25% of the receipts.

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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 Matters

Unresolved Prior Year Audit Matters

In the audit of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and

Governance. However, Management has not resolved the issues or given any reasons for the failure to implement the recommendations.

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. Non-Disbursement of Funds from the Board

The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board amount of Kshs.87,000,000 as disclosed in Note 1 to the financial statements. However, the budgeted amount for the year was Kshs.153,872,596 resulting to under disbursement of Kshs.66,872,596 that was not explained contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the implementation of projects was affected by the under receipts and the public did not obtain value for money from the unimplemented projects.

2. Failure to Recover Income Tax from Committee Allowances

The statement of receipts and payments reflects committee expenses amount of Kshs.2,600,097, which includes sitting allowance amount of Kshs.1,217,300 as disclosed in Note 5 to the financial statements. However, Pay As You Earn (PAYE) was not deducted and remitted to Kenya Revenue Authority as required under section 3(1) of the Income Tax Act, Cap 470 which states that, subject to, and in accordance with, this Act, a tax to be known as income tax shall be charged for each year of income upon all the income of a person, whether resident or non-resident, which accrued in or was derived from Kenya.

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

3. Projects Implementation Status

During the year under review, the Fund had planned to implement sixty (60) projects with an approved budget of Kshs.140,448,209. However, out of this number, thirty-two (32) or 53% of the projects worth Kshs.69,864,440 had not started, while six (6) or 10% of the projects worth Kshs.60,654,544 were not completed.

In the circumstances, value for money was not obtained from the thirty-eight (38) projects which had not started.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 standard requires 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 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 controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 June, 2024

Report of the Auditor-General on National Government Constituencies Development Fund - Kapseret Constituency for the year ended 30 June, 2023

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

VIII. Statement of Receipts and Payments for the Year Ended 30th June 2022

	Note	2022-2023	2021-2022
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	14,800	101,000
TOTAL RECEIPTS		87,014,800	182,278,758
PAYMENTS			
Compensation of employees	4	3,711,709	4,083,963
Committee expenses	5	2,600,097	4,328,542
Use of goods and services	6	3,180,709	5,682,780
Transfers to Other Government Units	7	8,329,225	111,250,447
Other grants and transfers	8	52,910,567	72,029,635
Acquisition of Assets	9	-	1,977,409
Oversight Committee Expenses	10	1,257,000	-
Other Payments	11	-	-
TOTAL PAYMENTS		71,989,307	199,352,776
SURPLUS/DEFICIT		15,025,493	(17,074,018)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 8/9/2023 and signed by:




Fund Account Manager

Name: Mathew K. Tanui



National Sub-County Accountant

Name: Lydia Chepsoi
ICPAK M/No:27713



Chairman NG-CDF Committee

Name: Sammy K. Rutto

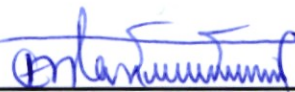
Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

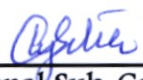
IX. Statement of Assets and Liabilities as At 30th June, 2023

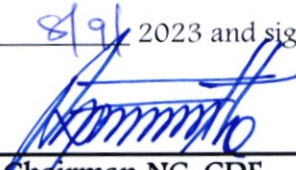
	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	23,618,684	8,384,994
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		23,618,684	8,384,994
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		23,618,684	8,384,994
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	272,508
Gratuity	14B	208,197	125,684
NET FINANCIAL ASSETS		23,410,487	8,259,310
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	8,259,310	25,333,327
Prior year adjustments	16	125,684	-
Surplus/Deficit for the year		15,025,493	(17,074,018)
NET FINANCIAL POSITION		23,410,487	8,259,309

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 8/9/2023 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Name: Mathew K. Tanui

Name: Lydia Chepsoi
 ICPAK M/No:27713

Name: Sammy K. Rutto

X. Statement of Cash Flows for The Year Ended 30th June 2023

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	14,800	101,000
		87,014,800	182,278,758
Payments for operating activities			
Compensation of Employees	4	3,711,709	4,083,963
Committee expenses	5	2,600,097	4,328,542
Use of goods and services	6	3,180,709	5,682,780
Transfers to Other Government Units	7	8,329,225	111,250,447
Other grants and transfers	8	52,910,567	72,029,635
Oversight Committee Expenses	10	1,257,000	-
Other Payments	11	-	-
		71,989,307	197,375,367
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	208,197	(289,028)
Prior year Adjustments	16	-	-
Net Adjustments		208,197	(289,028)
Net cash flow from operating activities		15,233,690	(15,385,637)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(1,977,409)
Net cash flows from Investing Activities		-	(1,977,409)

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023


NET INCREASE IN CASH AND CASH EQUIVALENT		15,233,690	(17,363,046)
Cash and cash equivalent at BEGINNING of the year	12	8,384,993	25,333,327
Cash and cash equivalent at END of the year		23,618,684	8,384,993

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

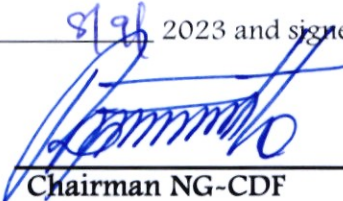
The Constituency financial statements were approved by NG CDFC on 8/9/2023 and signed by:



 Fund Account Manager



 National Sub-County Accountant



 Chairman NG-CDF Committee

Name: Mathew K. Tanui

Name: Lydia Chepsoi
 ICPAK M/No:27713

Name: Sammy K. Rutto



Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

XI. Summary Statement of Appropriation for the Year Ended 30th June 2023

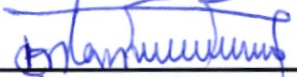
Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	145,087,603	8,384,993	0	153,872,596	95,384,994	58,087,602	
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts	400,000	14,800		414,800	14,800	400,000	100.0%
TOTAL RECEIPTS	145,487,603	8,399,793	0	153,887,396	95,399,794	58,487,602	62.0%
PAYMENTS							
Compensation of Employees	4,454,571	518,597		4,973,168.00	3,711,709	1,261,459	74.6%
Committee expenses	2,648,000	171,083		2,819,083.00	2,600,097	218,986	92%
Use of goods and services	5,991,313	355,001		6,346,314.00	3,180,709	3,165,605	50.1%
Transfers to Other Government Units	62,014,160	6,798,222		68,812,381	8,329,225	60,483,157	12.1%
Other grants and transfers	68,979,559	187,091		69,166,650	52,910,567	16,256,083	76.5%
Acquisition of Assets				-	-	-	
Oversight Committee Expenses	1,400,000			1,400,000.00	1,257,000	143,000	28.6%
Other Payments		369,800		369,800	-	369,800	0.0%
TOTAL	145,487,603	8,399,793	0	153,887,396	71,989,307	81,898,090	46.8%

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

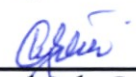
NB: The late disbursement of funds resulted to low rate of utilized funds.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	81,898,090
Less undisbursed funds receivable from the Board as at 30th June 2023	58,487,602
	23,410,488
Add Accounts payable	208197
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2022/2023	23,618,685


The Constituency financial statements were approved by NG CDFC on 8/9/ 2023 and signed by:


Fund Account Manager

Name: Mathew k. tanui


National Sub-County Accountant

Name: Lydia chepsoi
 ICPAK M/No: 27713


Chairman NG-CDF Committee

Name: Sammy k. rutto

XII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	45,107.00		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,454,571	518,597	-	4,973,168	3,711,709	1,261,459	75%
1.2 Committee allowances	1,348,000	81,291	-	1,429,291	1,217,300	211,991	85%
1.3 Use of goods and services	2,926,685	2,062	-	2,928,747	2,288,082	640,665	78%
Total	8,729,256	601,950	-	9,331,206	7,217,091	2,114,115	87%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,732,001	62,548	-	1,794,549		1,794,549	-
2.2 Committee allowances	1,740,000	45,060	-	1,785,060	1,382,797	402,263	79%
2.3 Use of goods and services	892,627	19,109	-	911,736	892,627	19,109	98%
Total	4,364,628	126,717	-	4,491,345	2,275,424	2,215,921	51%
3.0 Emergency							
3.1 Primary Schools	2,450,000	-	-	2,450,000	2,450,000	-	100%
3.2 Secondary schools							100%

**Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

	2,750,000				2,750,000	2,750,000	-	
3.3 Tertiary institutions			-		-	-	-	
3.4 Security projects			-		-	-	-	
3.5 Unutilised	2,436,190	3,701,944	-		6,138,134	3,600,000	2,538,134	59%
Total	7,636,190	3,701,944	-		11,338,134	8,800,000	2,538,134	78%
4.0 Bursary and Social Security								
4.1 Secondary Schools	31,723,865	26,988	-		31,750,853	28,531,134	3,223,990	90%
4.2 Tertiary Institutions	17,290,000	92,199	-		17,382,199	15,379,704	2,002,495	88%
4.3 Social Security	3,360,000	2,917,548	-		6,277,548	3,000,000	3,277,548	48%
4.4 Special Needs	1,150,000	13,000	-		1,163,000	804,000	359,000	69%
Total	53,523,865	3,049,735	-		56,573,600	47,710,567	8,863,033	84%
5.0 Sports								
5.1 constituency sports	2,559,752	14,860	-		-	-	2,574,612	-
5.2 Regional sports	350,000	-	-		350,000	-	350,000	-
Total	2,909,752	14,860	-		2,924,612	-	2,924,612	-
6.0 Environment								
Environment	2,607,752	4,180	-		2,611,932	-	2,611,932	-
Environment	302,000	-	-		302,000	-	302,000	-
Total	2,909,752	4,180	-		2,913,932	-	2,913,932	-
7.0 Primary Schools Projects								

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

AIC Belekenya primary school	1,930,933	-	-	1,930,933	-	1,930,933	-
Boarderlands primary school	1,477,700	-	-	1,930,933	-	1,477,700	-
Kamuzee primary school	1,912,880	-	-	1,912,880	-	1,912,880	-
Ack Aturei primary school	1,764,130	-	-	1,764,130	-	1,764,130	-
St.Georges primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
St.Josephs primary school	1,681,145	-	-	1,681,145	-	1,681,145	-
AIC Lemook primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
DEB Momoniat primary school	1,336,896	-	-	1,336,896	-	1,336,896	-
Simat primary school	3,189,920	-	-	3,189,920	-	3,189,920	-
Kiambaa primary school	2,707,744	-	-	2,707,744	-	2,707,744	-
Nandi Gaa primary school	2,017,732	-	-	2,017,732	-	2,017,732	-
Nairiri primary school	4,000,000	-	-	1,930,933	-	4,000,000	-
Kosyin -Ngara primary school	2,000,000	-	-	2,000,000	-	2,000,000	-
Mutwot primary school	2,724,540	-	-	2,724,540	-	2,724,540	-
Mwiruti primary school	3,625,600	-	-	3,625,600	-	3,625,600	-
AIC Belekenya Primary School	350,000	-	-	350,000	-	-	100%
Kanetik Primary School	185,000	-	-	185,000	-	-	100%
Kipkaren Airport Primary School	257,120	-	-	257,120	-	-	100%
Kosyin Ngara Primary School	254,305	-	-	254,305	-	-	100%

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Langas Primary School	400,000	-	-	400,000	-	-	100%
St.John Kabongo Primary School	368,180	-	-	368,180	-	-	100%
Total	36,183,825	-	-	42,183,825	-	40,369,220	4%
8.0 Secondary Schools Projects		-	-		-	-	
Jasho secondary school	2,000,000	-	-	2,000,000	-	2,000,000	-
Chepyakwai secondary school	2,000,000	-	-	2,000,000	-	2,000,000	-
Kipkaren Road secondary school	1,973,830	-	-	1,973,830	-	1,973,830	-
Simat secondary school	2,000,000	-	-	2,000,000	-	2,000,000	-
Wareng secondary school	4,000,000	-	-	4,000,000	-	4,000,000	-
Kipkaren Road secondary school	2,000,000	-	-	2,000,000	-	2,000,000	-
Kosirai Secondary School	969,300	-	-	969,300	-	969,300	-
Mwiruti Secondary School	74,160	-	-	74,160	-	-	100%
Mwiruti Secondary School	269,050	-	-	269,050	-	-	100%
Simat Secondary School	134,200	-	-	134,200	-	-	100%
Simat Secondary School	998,790	-	-	998,790	-	-	100%
Deb Mutwot Secondary School	213,990	-	-	213,990	-	-	100%
Deb Mutwot Secondary School	1,224,430	-	-	1,224,430	-	-	100%
Total	17,857,750	-	-	17,857,750	-	14,943,130	16%
10.0 Security Projects		-	-		-	-	
Kaplelach Police Station	5,781,835	-	-	5,781,835	-	5,781,835	-

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Megun Assistant Chiefs Office	2,190,750	-	-	2,190,750	-	2,190,750	-
pionner chiefs office		1	-	1	-	1	-
Total	7,972,585		-	7,972,585	-	7,972,585	
11.0 Acquisition of assets			-	-	-	-	-
purchase of furniture	-	27,070	-	27,070	-	27,070	
purchase of ICT equipment	-	3,137	-	3,137	-	3,137	-
NG-CDF Office	-	189,085	-	189,085	-	189,085	-
Motorbike		60,000	-	60,000	-	60,000	-
NG-CDF vehicle		1,274	-	1,274	-	1,274	-
Total	-	280,566	-	280,566	-	280,566	-
12.0 Oversight Committee Expenses (itemize)			-	-	-	-	-
committee expenses	1,400,000		-	1,400,000	1,257,000	143,000	29%
Total	1,400,000		-	1,400,000	1,257,000	143,000	29%
13.0 Other payments							
Koibasui water borehole three phase installation		250,042	-	250,042	-	250,042	-
Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000	-
Total	2,000,000	-	-	2,250,042	-	2,250,042	-
14.0 unallocated fund			-	-	-	-	-
Unapproved projects	-	-	-	369,800	-	369,800	
AIA	-	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-	-

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

				-		-	
Total	-	355,000	-	369,800	-	369,800	-
GRAND TOTAL	145,487,603	8,399,794	-	153,887,397	71,989,307	81,898,090	47%

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity’s budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury



XIII. 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-Kapseret Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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 30th June 2022 for the period 1st July 2022 to 30th June 2023 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.

Significant Accounting Policies Continued

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 2023.

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.

XIV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B140919		33,000,000
AIE NO. B105455		44,000,000
AIE NO. B105794		22,000,000
AIE NO. B128531		5,000,000
AIE NO. B128851		12,000,000
AIE NO. B154040		17,000,000
AIE NO. B164482		37,088,879
AIE NO. B155956		12,088,879
AIE NO. B185089	7,000,000	
AIE NO. B185831	21,000,000	
AIE NO. B206123	5,000,000	
AIE NO. B206377	12,000,000	
AIE NO. B205761	12,000,000	
AIE NO. B207523	15,000,000	
AIE NO. B206400	15,000,000	
TOTAL	87,000,000.00	182,177,758

2. Proceeds From Sale of Assets

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs

***Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	14,800	101,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	14,800	101,000

Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,697,028	2,644,168
Personal allowances paid as part of salary	-	-
House Allowance	450,000	505,500
Transport Allowance	-	276,000
Leave allowance	4,000	24,000
Gratuity to contractual employees	333,881	554,375
Employer Contributions Compulsory national social security schemes	226,800	79,920
Total	3,711,709	4,083,963

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,217,300	3,979,600
Other committee expenses	1,382,797	348,942
Total	2,600,097	4,328,542

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	5,000	240,067
Communication, supplies and services	418,931	392,792
Domestic travel and subsistence	402,800	257,800
Printing, advertising and information supplies & services	112,000	30,000
Rentals of produced assets		232,216
Training expenses	267,500	1,827,300
Hospitality supplies and services	595,721	870,621
Insurance costs	9,300	-
Specialized materials and services	6,840	336,000
Office and general supplies and services	848,877	480,094
Fuel, oil & lubricants	200,012	742,432
Other operating expenses	103,899	227,734
Routine maintenance – vehicles and other transport equipment	92,479	-
Routine maintenance – other assets	117,350	45,724
Total	3,180,709	5,682,780

Notes to the Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	1,814,605	49,327,583
Transfers To Secondary Schools (See Attached List)	6,514,620	61,922,864
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	8,329,225	111,250,447

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	28,526,863	26,985,057
Bursary – tertiary institutions (see attached list)	15,379,704	19,033,544
Bursary – special schools (see attached list)	804,000	673,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	3,000,000	2,466,000
Security projects (see attached list)	-	5,767,526
Sports projects (see attached list)	-	4,823,158
Environment projects (see attached list)	-	3,623,350
Emergency projects (see attached list)	5,200,000	8,658,000
Roads projects (see attached list)	-	-
Total	52,910,567	72,029,635

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes to the Financial Statements (Continued)

9. Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,156,004
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	472,405
Purchase of ICT Equipment, Software and Other ICT Assets	-	349,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	1,977,409

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	1,257,000	-
Other COC expenses	-	-
Total	1,257,000	-

11. Other Payments

	2022-2023	Insert Previous FY
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Cooperative Bank</i>	23,618,684	8,384,993
<i>Account number;01141443517600</i>		
Total	23,618,684	8,384,993
11 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
	-	-

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	-	-	-	-
Name of Officer	-	-	-	-
Name of Officer	-	-	-	-
Name of Officer	-	-	-	-
Name of Officer	-	-	-	-
Name of Officer	-	-	-	-
Total	-	-	-	-

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes to the Financial Statement Continued
14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	-	167,108
Retention held during the year (B)	-	105,400
Retention paid during the Year (C)	-	272,508
Closing Retention as at 30 th June D= A+B-C	-	-

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	125,604	247,604
Gratuity held during the year (B)	208,197	457,956
Gratuity paid during the Year (C)	125,684	579,876
Closing Gratuity as at 30 th June D= A+B-C	208,197	125,684

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	8,384,993	25,748,039
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	8,384,993	25,748,039

[Provide short appropriate explanations as necessary]

16. Prior Year Adjustments

	Balance b/f 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** BF FY 2022/2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	125,684
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	125,684

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

17. Changes in Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2023
	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	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes in Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	680,697
Deposit and Retentions held during the year (B)	-	563,356
Deposit and Retentions paid during the Year (C)	-	852,384
closing account payables D= A+B-C	-	391,669
Net changes in accounts payables D-A	-	(289,028)

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes to the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022/2023	2021/2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	208,197	391,668
Others (<i>specify</i>)	-	-
Total	208,197	391,668

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,261,459	518,597
Committee expense	218,986	
Constituency oversight committee	143,000	
Use of goods and services	3,165,605	210,069
Amounts due to other Government entities (see attached list)	60,483,157	7,403,264
Amounts due to other grants and other transfers (see attached list)	16,256,083	-
Acquisition of assets	-	187,091
Other Payments (<i>specify</i>)	369,800	-
Funds pending approval	-	355,000
Total	81,898,090	8,674,022

*Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

18.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	18,378,489	59,316,787
Total	18,378,489	59,316,787

XV. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	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.					
Sub-Total					
Grand Total					

*Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2023	Comments
NG-CDFC Staff				
1. SHARON AYOMA	Accounts Assistant	1 st March 2023	50,626	
2. PHILEMON BETT	Clerical officer	1 st January 2023	31,772	
3. ELVIS KIBIWOT	Driver	1 st February 2023	49,483	
4. JANE KURGAT	Support Staff	1 st January 2023	22,022	
5. ELIUD TABUT	Clerk of works	1 st February 2023	54,293	
Sub-Total			208,197	
Grand Total			208,197	

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees		1,261,459	518,597	
Use of goods & services		3,165,605	210,069	
Committee expenses		218,986		
Constituency oversight committee		143,000		
Amounts due to other Government entities				
Primary Projects				
Ack Aturei primary school	Additional funds for renovation of 17 classrooms:Flooring of 8 classrooms ,fixing of windows and door panels to 17 classrooms,painting of 8 classrooms	1,764,130	-	
St.Georges primary school	Construction to completion of 2 classroom	2,000,000	-	
St.Josephs primary school	Renovation to completion of 12 classrooms:changing of roof to prepainted iron sheets on 8 classrooms,roof painting of remaining 4 classrooms,installation of 6 steel doors,replacement of window panes, screeding of floors and verandah, plastering of internal and external walls,wiring painting and decoration	1,681,145	-	
AIC Lemook primary school	Construction to completion of 2 classroom	2,000,000	-	
DEB Momoni primary school	Renovation to completion of 11 classrooms: roof painting on 11 classrooms,replacement of window panes,screeding of floors and verandah,paving slab, plastering of internal and external walls, painting and decoration	1,336,896	-	

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Simat primary school	Renovation to completion of 13 classrooms:changing of roof to prepainted iron sheets,glazing screeding of floors and verandah, plastering of internal and external walls,wiring painting and decoration	3,189,920	-	
Kiambaa primary school	Renovation to completion of 10 classrooms: changing of roof to prepainted iron sheets on 5 classrooms ,roof painting on remaining 5 classrooms,installation of 9 steel doors,replacement of window panes,screeding of floors and verandah,paving slab, plastering of internal and external walls, painting and decoration	2,707,744	-	
Nandi Gaa primary school	Renovation to completion of 7 classrooms: changing of roof to prepainted iron sheets on 4 classrooms, roof painting on the remaining 3 classrooms,replacement of window panes,screeding of floors and verandah,paving slab, plastering of internal and external walls, painting and decoration	2,017,732	-	
Nairiri primary school	Construction to completion of 4 classroom	4,000,000	-	
Kosyin -Ngara primary school	Construction to completion of 2 classroom	2,000,000	-	
Mutwot primary school	Renovation to completion of 10 classrooms: changing of roof to prepainted iron sheets on 10 classrooms,installation of 10 steel doors,glazing,screeding of floors and verandah, plastering of internal and external walls, painting and decoration	2,724,540	-	
Mwiruti primary school	Renovation of 12 classrooms: changing of roof to pre-painted iron sheets on 8 classrooms ,roof painting on remaining 4 classrooms,installation of 6 steel doors,replacement of window panes,screeding of floors and verandah,paving slab, plastering of internal and external walls, wiring, replacement of steel stanchions painting and decoration	3,625,600	-	
subtotal				
Secondary Projects				
Jasho secondary school	Construction to completion of 2 classroom	2,000,000		

Kapseret Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Chepyakwai secondary school	Renovation to completion of 4 classrooms:flooring, roofing, fixing doors and window panes,painting and labelling	2,000,000	-	
Kipkaren Road secondary school	completion of a single 60 student science laboratory :Mechanical works,Electrical works flooring glazing,labelling and painting	1,973,830	-	
Simat secondary school	construction to completion of1 classroom	2,000,000	-	
Wareng secondary school	Purchase of furniture ,9 Mesh chair @Kshs.16,495, 20 Filing cabinet 4draw with safe @Kshs 25,995 20 Office tables 1.5MTS@Kshs 11,995 20 Office Chair @Kshs 9,995 1 Conference table @Kshs 66,980 Purchase and fixing of curtain rods ; Curtain rods @Kshs 59,200 Nets and Labelling @ Kshs 221,000 Labour @Kshs 21,200 Purchase of 300 Reading chairs @Kshs 2,000 ,Purchase of 35 reading tables @Kshs 15,000 , Purchase of 30 desktop computers @ Kshs 35,000 Purchase of 9 shelves @Kshs 40,000; 360,000	4,000,000	-	
Kipkaren Road secondary school	Construction to completion of 2 classroom	2,000,000	-	
subtotal				
Amounts due to other grants and other transfers				
Emergency Projects		2,538,134	-	
Sports Activity		2,924,612	-	
Environment Projects		2,913,932	-	
Social Security		3,277,548	-	
Bursary Tertiary		2,002,495	-	
Security projects		7,972,586	-	
Bursary Secondary		3,223,990	-	
Bursary special needs		359,000	-	

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Strategic Plan		2,000,000		
Sub-Total			7,403,264	
Acquisition of assets			-	
		-	-	
Others payments		6,505,405.90	-	
		-	-	
		-	-	
		-	-	
Sub-Total		-	187,091	
Funds pending approval		369,800	355,000	
Grand Total		81,898,090	8,674,021	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	6,827,082	-	-	6,827,082
Transport equipment	11,088,727	-	-	11,088,727
Office equipment, furniture and fittings	2,009,048	-	-	2,009,048
ICT Equipment, Software and Other ICT Assets	2,436,990	-	-	2,436,990
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,361,187	-	-	22,361,187

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Langas Primary School	Co-operative Bank	1141672996000	331,825.00	1,469,125.00
Kanetik Primary School	Co-operative Bank	1139674456600	11,908.25	176,042.00
Aturei Adventist Day & Boarding School	Co-operative Bank	1141674221700	39,444.08	-
Kabongwa Primary School	Co-operative Bank	1141441086800	968,238.50	-
Ngarafalls Primary School	Co-operative Bank	1141672528400	38,846.50	38,827.00
St Anne Primary School Simat	Co-operative Bank	1141674247000	139,991.60	394,023.00
Nairiri Primary School	Co-operative Bank	1141761705700	6,344.70	421,924.00
Kipsamoo Primary School	Co-operative Bank	1141443076400	968,238.50	-
Belekenya Primary School	Co-operative Bank	1141674146600	1,200.00	145,000.00
Chepyakwai Primary School	Co-operative Bank	1139672002400	3,030.10	-
Kosyin Ngara Primary school	Cooperative Bank	1141673092700	19,000.80	964,195.00
Kapseret Primary School	Co-operative Bank	1139045198201	2,530.00	128,000.00
Nandi Gaa Primary School	Co-operative Bank	1141598408601	128,000.00	128,000.00
Jasho Primary School	Co-operative Bank	1141598408601	174,288.80	-
A.I.C Tuiyobei Primary School	Co-operative Bank	1141674221000	410,772.25	1,493,922.00
Ngeria Primary School	Co-operative Bank	1141674389000	73,689.10	253,251.00
Nganiat Primary School	Co-operative Bank	1141673100100	128,988.00	128,000.00
Ochemina Primary School	Co-operative Bank	1139046523701	151,913.99	151,914.00
Lemook Primary School	Co-operative Bank	1141443869000	123,820.70	128,200.00
A.I.C Mutwot Primary school	Co-operative Bank	1139046739301	3,476.00	189,841.00
Kimalel Primary School	Co-operative Bank	1141674337000	30,229.50	2,246,798.00
Kapkenduiywo Primary School	Co-operative Bank	1141443996200	164,138.85	338,395.00
Kibabet Primary School	National Bank	1024027782501	91,976.58	91,977.00
Songoliet Primary School	National Bank	1024028215701	47,564.57	177,614.00

**Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

St James Leberio Primary School	National Bank	1024029133901	75,317.55	-
Gitwe Primary School	National Bank	1024027686001	325,055.96	-
PMCA Chepkongi Primary School	Equity Bank	1090297648452	34,045.00	-
Kipkaren Road Primary School	Equity Bank	1090299149267	3,509,379.65	15,041,928.00
St Marys Chelabal Primary School	Equity Bank	1090297360171	3,763.00	1,544,133.00
Kaptinga Primary School	Equity Bank	1090262605801	65,420.00	630,380.00
Kimuri Primary School	Equity Bank	1090299757831	166,571.10	-
Konyit Primary School	Sidian Bank	1008030000596	5,993.17	167,352.00
Koibasui Primary School	Sidian Bank	1008030013329	74,569.92	219,690.00
Legetet Primary School	Sidian Bank	1008030007752	107,706.00	235,326.00
Inder Primary School	Sidian Bank	1008030000847	297,888.78	-
Kipkaren Airport Primary School	Sidian Bank	1090299158371	185,463.50	-
St John Kabongo Primary School	Family Bank	85000068843	43,533.32	3,927,935.00
Kingwal Primary School	ABC Bank	5215001001168	3,382.50	3,383.00
Kapkagaron Primary School	ABC Bank	5215001002293	92,455.10	-
ACK Aturei Primary School	KCB Bank	1136513779	159,185.10	827,993.00
Davis Primary School	Co-operative Bank	1141440706000	2,905.10	-
A.I.C Kosirai Primary School	Co-operative Bank	1141443630400	23,732.60	89,658.00
Simat Primary School	Co-operative Bank	1141958587300	1,565.10	144,995.00
St Josephs Kapseret Primary School	Co-operative Bank	108027502600	128,000.00	-
St Georges Sinendet Primary School	Sidian Bank	01 008030005903	1,021.52	-
NgaraFalls Secondary School	Co-operative Bank	1141086651900	38,846.50	4,900,011.00
ACK St Barnabas Kipkenyo Secondary School	Co-operative Bank	1141672460300	1,400.50	-
A.I.C Chepyakwai Secondary School	Co-operative Bank	1139672002400	58,017.05	100,517.00

Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

DEB Mutwot Secondary School	Co-operative Bank	1141086776003	385,372.85	1,893,809.00
Kipkaren Road Secondary School	Co-operative Bank	1141761684600	1,082,571.60	2,700,127.00
Kiambaa Secondary School	Co-operative Bank	1141672534100	241,907.50	242,748.00
Songoliet Secondary School	National Bank	1024028215701	2,474.33	4,874.00
Tuiyo Secondary School	National Bank	1022028257300	385.00	146,715.00
A.I.C Lemook Secondary School	National Bank	1025027502602	4,688.10	4,000.00
Davies Secondary School	National Bank	1025029665003	1,141,406.74	2,432,071.00
Jasho Secondary School	Equity Bank	0 300280520075	365,136.22	1,208,408.00
Koros Secondary School Chemina	Family Bank	85000003280	34.18	34.00
ACK Aturei Secondary School	KCB Bank	1136514279	131,053.50	435,004.00
Simat High School	National Bank	1021028199200	3,636,073.85	3,604,642.00
A.I.C Kosirai Secondary School	Co-operative Bank	1141440440600	361,281.50	361,282.00
St Josephs Kapseret secondary school	Co-operative Bank	1139672783600	128,000.00	-
Mwiruti Secondary School	National Bank	1022226239400	73,146.00	5,337,246.00
Kiambaa Police Station	Co-operative Bank	1141674382100	131,053.50	-
Megun Location Chiefs Office	Co-operative Bank	1141443972900	175.00	-
Langas Police Station	Co-operative Bank	1141761027200	71,586.80	487,680.00
Ngeria Location Chiefs Office	Co-operative Bank	1134673088100	154,585.00	154,585.00
Megun Assistant Chiefs Office	Co-operative Bank	1141958692600	46,606.00	46,606.00
Pioneer Chiefs Office	Co-operative Bank	1141674222900	665,661.65	681,157.00
Langas DCI Office	Co-operative Bank	1141958693600	1,405.00	-
Kaplelach Police Post	Co-operative Bank	1141958809300	160,766.55	2,328,475.00
kapseret subcounty DCC'S Office	Co-operative Bank	1141958928500	198,975.00	200,000.00
Chepkatet chief's office	Co-operative Bank	1141958917700	1,056.00	148,975.00
Total			18,378,489	59,316,787.00

Annex 6: 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>1.0 Project Management Committee Account Balances</p>	<p>Note 17.4 to the financial statements reflects project management committee (PMC) account balances of Kshs. 30,597,947 in respect of funds disbursed to PMCs which remained unutilized as at 30 June, 2021 and which are further analyzed in Annex 5 to the financial statements. However, Management did not provide bank reconciliation statements and cashbooks in support of the balances.</p> <p>Consequently, the accuracy, completeness and existence of the project management committee account balances of Kshs. 30,597,947 as at 30 June, 2021 could not be confirmed.</p>	<p><i>The management ensures that project funds are utilized for the intended purpose within reasonable time except when there is delay of funds disbursed from the Board. The Board and the NG-CDFC Kapseret are working together to ensure that project management committee utilize the funds and through trainings know how to prepare of bank statement and cashbook. Attached are the bank statements, bank reconciliation statements and cashbook to confirm PMC balances.</i></p>	<p>Not Resolved</p>	<p>1.0 Project Management Committee Account Balances</p>

*Kapseret Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>

.....
Name: Mathew Tanui
Fund Account Manager.

