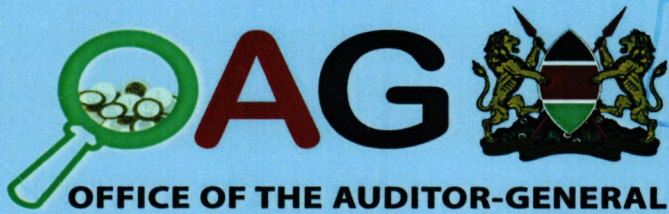
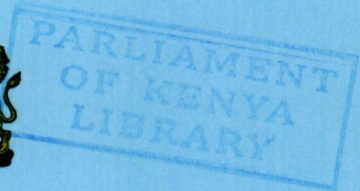


REPU



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 FEB 2022 DAY: Wed

TABLED BY: The Majority Whip
Hon. F. Wangwe, MP

CLERK-AT-THE-TABLE: Benson Inzoga

REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



Revised Template 30th June 2020



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KAPENGURIA
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

The mandate of the Fund as derived from sec (3) of 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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	AIE Holder	STEPHEN A. ALUKURENG
2.	Sub-County Accountant	DAVID OMWENO
3.	Chairman NGCDF	ANDREW KODAKWANG
4.	Member NGCDFC	LOPETANGOLE JOSEPH

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KAPENGURIA Constituency Headquarters

P.O. BOX 526-30600
CDFC BUILDING, KAPENGURIA
COUNTY COMMISSIONER HQTRS
KAPENGURIA, KENYA

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(f) NGCDF KAPENGURIA Constituency Contacts

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

(g) NGCDF KAPENGURIA Constituency Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

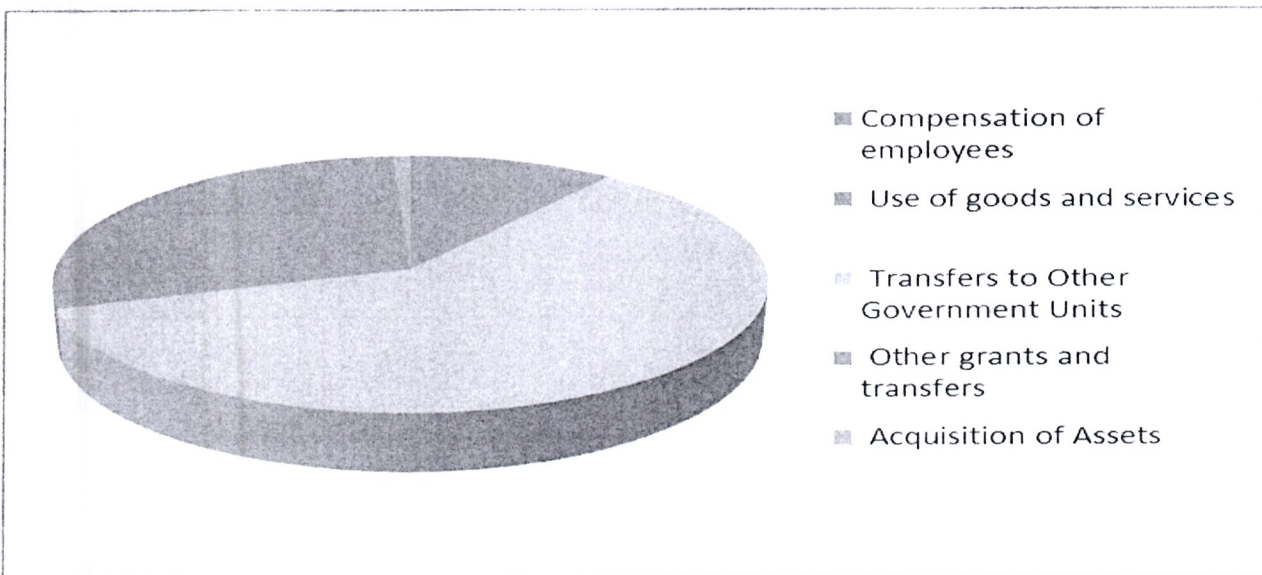
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

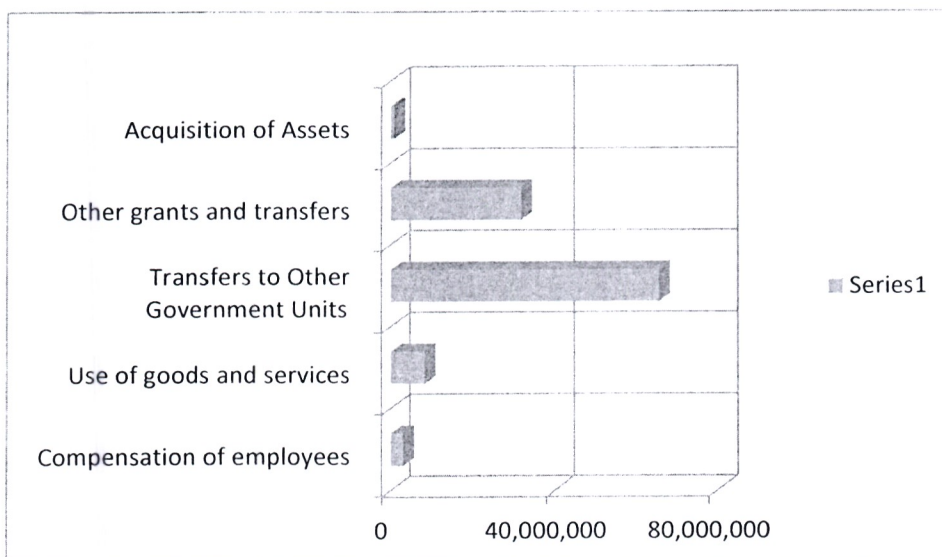
III. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The final budget for NG-CDF Kapenguria for FY 2018/2019 was Ksh 148,106,728, while the actual utilization was Ksh 110,235,456 resulting to a variance of Ksh 37,871,272.38. This explains the reason why there is less than 90% funds utilization under transfers to other government units and other grants and transfers. Overall, the budget performance was at 74.4%. The funds utilization is as indicated in the pie chart below

i. Pie chart



iii. Bar chart



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LOKITEDED PRIMARY SCHOOL 2019-2020

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TURKWEL GORGE SECONDARY SCHOOL BUS 2019-2020

Emerging issues

Economic Issues

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

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

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Social Issues

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

Technological Issues

Notable, progress has been witnessed in Information and Communication Technology (ICT), green energy and agri-business among others. While these advancements are fast being entrenched as key drivers of every industry and are already offering opportunities for sustained growth and innovation in all sectors, their uptake require heavy investment in terms of acquisition, training, maintenance and replacements. The Constituency has to formulate that take these developments on board.

Environmental Issues

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

Challenges

- High expectations from community members – The community needs far outstrips the
- Available funds;
- Slow implementation of the development projects for Financial Year 2019-2020;
- Difficulty in balancing between politicians, officials and community interests;
- Lack of resources to support community representative's sessions where the budgets are tabled and discussed to ensure that they are not altered;
- High illiteracy levels and community capacity gaps on participatory budgeting and planning and functions of each level of government;
- Women and youth participation in the public participation process is still low;
- Public anticipation to be paid sitting/participation allowances;
- Political interference and competition during resource allocation; and
- Inadequate supervision, monitoring and evaluation of projects

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

- Establish model schools;
- Improve infrastructure in schools;
- Lobby for the recruitment of more teachers in schools;
- Lobby for the establishment of more tertiary institutions;
- Increase the provision of scholarships for university and tertiary education;
- Construction of new schools and renovation of existing ones;
- Coordination and provision of bursaries to students;

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- Facilitate sensitization of the general public about the importance of education;
- Encourage the youths to enrol for studies in the youth polytechnics
- Support the identification and elimination blind spots and gap spaces;
- Encourage and train on community policing;
- Sensitization of the community on security issues;
- Construction of offices for chiefs (1 per ward);
- Lobby for piped water supply;
- Provide water storage tanks in all schools;
- Lobby for the drilling boreholes and shallow wells in public institutions for community access;
- Protection and conservation of water catchment areas for clean water supply;
- Protection of springs; and
- Encourage rain water harvesting
- Encourage on increasing forestry coverage at household level (tree planting in the public institutions);
- Support and facilitate public sensitization on key environmental issues; and
- Lobby for funding for disaster preparedness and mitigation.
- Capacity building on entrepreneurial skills;
- Campaign against drug abuse and indulgence in illegal activities;
- Encourage creativity and innovation for self-employment;
- Encourage formation and registration of economic empowerment groups;
- Establish empowerment centres (management social halls);
- Encourage and sponsor youths to join institutions of higher learning and polytechnics;
- Collaboration with elected leaders and National government to harness talents through Sports and tournaments;
- Encourage application for Uwezo fund and Youth enterprise fund; and
- Launch and roll out registration for NSSF and NHIF
- Gender equality in governance and participation at all levels;
- Ensure equitable distribution of resources and developments;
- Adherences laws that govern the use of CDF and other government funds;
- Feedback mechanisms by providing complaints forms at the CDF headquarters;
- Frequent sensitization on ethics and integrity;
- Tackling illicit financial flows and money laundering; and
- Support government efforts to improve the performance of EACC in preventing, investigating and sanctioning corrupt practices

Sign



CHAIRMAN NGCDF COMMITTEE

IV. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

Strategic Issue 1: Education, Literacy and Human Resource Development

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

Strategies and Actions for the Planning Period

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

Strategic issue 2: Safety and Security

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

Strategies and Actions for the Planning Period

- Support the identification and elimination blind spots and gap spaces;
- Encourage and train on community policing;
- Sensitization of the community on security issues;
- Construction of offices for chiefs (1 per ward);
- Construction of Divisional Headquarters for police;
- Establish an Administration Police camp;
- Strengthen cross-border relations and trade;
- Sponsor a bill for regional security and partnership;
- Lobby for strategic security issues as member of the Regional Integration Committee;
- Installation of street/floodlights;

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- Construct police posts;
- Strengthen the Nyumba Kumi Initiative;
- Increase residents natural surveillance by increasing visibility of risky areas; and
- Construct and rehabilitate housing units for police officers.

Strategic issue 3: Water, Sanitation and Environment

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

Strategies and Actions for the Planning Period: Water

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

Strategies and Actions for the Planning Period: Sanitation

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

Strategies and Actions for the Planning Period: Environment

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

Strategic issue 4: Women, PWDs, Youth and Empowerment

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

Strategies and Actions for the Planning Period

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

Strategic issue 5 : Governance

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

Strategies and Actions for the Planning Period

- Gender equality in governance and participation at all levels;
- Ensure equitable distribution of resources and developments;

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

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Number of classrooms increased from 427 to 504 Number of laboratories increased from 10 to 17 Number of dormitories increased from 8 to 18 Number of administration blocks increased from 13 to 22
Water and Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Drill boreholes to promote access to clean and safe water Equip schools and public facilities with sanitation	Number of boreholes drilled Number of sanitation facilities built in primary and secondary Number of trees	Number of boreholes increased from 13 to 24 Number of sanitation facilities increased from 40 to 52

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

V. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

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

1. SUSTAINABILITY STRATEGY AND PROFILE

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

Model	Definition	Relevance to sustainable strategy
Vision	A competitive, progressive, socio-economically self-sustaining and secure constituency in Kenya.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To provide quality and servant leadership through efficient, effective management and equitable distribution of resources for a better quality of life of all citizens of Kapenguria Constituency.	This communicates what the office does to attain sustainable developments
Core Values	<ul style="list-style-type: none"> • Inclusiveness and Equity We are prudent in use of public resources and ensure optimal and equitable allocation for inclusive growth and shared prosperity. • Empowerment We empower our people through implementation of high impact programmes to transform their lives • Quality and Result Oriented We provide quality services that are effective and responsive to citizens’ needs and 	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

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	aspirations <ul style="list-style-type: none"> • Teamwork and Community Participation: <p>We understand the strength of cooperation and collaboration and that our success depends on our ability to work together as one cohesive team</p> <ul style="list-style-type: none"> • Transparency, Accountability and Integrity <p>We are open, honest and trustworthy in our dealings with the public and other stakeholders at all times and being accountable for all our actions</p>	
	<p>Accountability, Transparency, Integrity, Honesty, Equality, Equity</p>	

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Kapenguria NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Kapenguria NG-CDF commits to:

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

Our Environmental Action Plan

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

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

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

2. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

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

Categories of Employment

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

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

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

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job

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- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

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

Interviews

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

Offer of Appointment

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

Letters of Appointment

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

Orientation and Induction of employees

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

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

Promotions

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

HEALTH, SAFETY AND WELL BEING

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

Guidelines to General Safety

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

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

Emergency Preparedness

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

Fire precautions

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

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

Provision of protective equipment and clothing

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

Reporting of an Accident

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

Guidance and Counselling

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

Health Care Services

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

HIV/AIDS

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

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

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

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

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

Drug and Substance Abuse

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

Persons Living with Disability

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

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

Sexual harassment and other Forms of Harassment

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

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

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

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

Reporting Harassment Cases

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

3. MARKET PLACE PRACTICES

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

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

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

a) Responsible competition practice.

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

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

b) Responsible Supply chain and supplier relations

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

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

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

d) Product stewardship

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

4. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

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Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

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

In summary stakeholders participation is important since:

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

Public Awareness

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

Public Awareness and Sensitisation Exercise Provide

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

Covid-19 Mitigation Measures

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
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I. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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


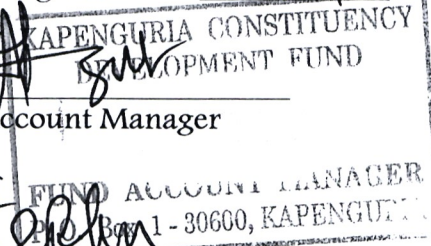
The Accounting Officer in charge of the NGCDF-Kapenguria Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

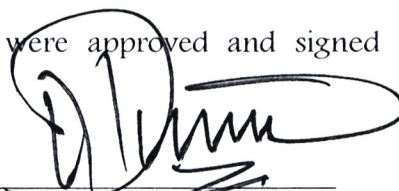
The Accounting Officer in charge of the NGCDF-Kapenguria Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kapenguria Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Kapenguria Constituency confirms that the entity 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 entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

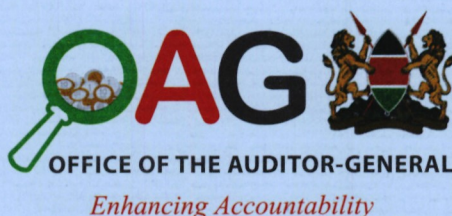
Approval of the financial statements

The NGCDF-Kapenguria Constituency financial statements were approved and signed by the Accounting Officer on 2019-2020.


Fund Account Manager
Name: Stephen Mwangi



Sub-County Accountant
Name: Davis Omuendo
ICPAK Member Number: 17363
*District Accountant
West Pokot District
P. O. Box 70 Kapenguria
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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPENGURIA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kapenguria Constituency set out on pages 29 to 66, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - Recurrent and Development Combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Use of Goods and Services

1.1 Training Expenses

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services payments of Kshs.7,761,863 which includes training expenses of Kshs.1,142,000 relating to training of National Government Constituencies Development Fund Committee Members. However, supporting documents such as the invitation to trainings, training needs assessment, venue of the meetings and training attendance registers were not provided for audit verifications.

Under the circumstances, the accuracy and completeness of Kshs.1,142,000 incurred under training could not be confirmed.

1.2 Unsupported Other Committee Expenses

Note 5 to the financial statements also reflects other committee expenses of Kshs.1,456,000 relating to allowances to committee members. However, there was no documentary evidence to confirm that the secretary in consultation with the officer of the board seconded to the constituency actually prepared and tabled before a constituency committee a schedule of meetings which were to be held during the year and whether or not copies of the minutes held were submitted to the National Government Constituencies Development Fund Board within thirty days after the confirmation and execution of the minutes in the manner prescribed by the Board.

Further, invitation letters to attend meetings, attendance register and minutes for all the committee meetings in the financial year under review were not provided for audit verification. It was therefore not possible to determine how many meetings were held during the year and how many members attended the same.

Consequently, the accuracy and completeness of the committee expenses of Kshs.1,456,000 could not be confirmed.

1.3 Unsupported Purchase of Land

Included in the transfers to other government entities figure of Kshs.73,450,000 reflected in the statement of receipts and payments and Note 6 to the financial statements is an expenditure of Kshs.2,200,000 incurred on purchase of land for the Kakpaw Primary School and Kapchila Secondary School.

However, the land title deeds, valuation report from a registered land valuer and official search from Ministry of Lands were not provided for audit verification.

Under the circumstances, the accuracy and propriety of the Kshs.2,200,000 incurred on purchase of land could not be confirmed.

2.0 Unsupported Project Management Committee (PMC) Bank Balances

Annex 4 of the financial statements reflect nil Project Management Committee (PMC) bank balances as at 30 June, 2020, yet Kshs.86,142,540 was disbursed to projects. However, it was not possible to confirm whether or not the opening Project Management Committee (PMC) bank balances of Kshs.14,744,538 was utilized during the year as certificate of bank balances, bank statement and bank reconciliation statement to support the balances were not provided for audit verification.

Further, available information indicates that project funded for Kshs.65,4332,975 were still ongoing but was not disclosed in the financial statements.

Under the circumstances, the existence, accuracy and completeness of the Nil bank balance on Project Management Committee account could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budget Control and Performance

During the year under review, the National Government Constituencies Development Fund - Kapenguria Constituency had an approved budget Kshs.148,106,728 against actual expenditure of Kshs.110,235,456 or approximately 74% of the budget resulting to under expenditure of Kshs.37,871,272 or 26% of the budget.

Non-utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered and therefore the budget did not meet the intended objectives of improving the service delivery to the residents of Kapenguria Constituency.

2.0 Projects Implementation Status Report

A review of the project implementation status report for the National Government Constituencies Development Fund - Kapenguria Constituency revealed that Kshs.78,125,757 was budgeted towards implementation of eighty (80) projects during the financial year 2019/2020 out of which Kshs.12,692,782 was disbursed to three (3) projects which are now complete. Further, Kshs.65,432,975 was disbursed to seventy-six (76) projects which were still ongoing at various levels of completion of between 60% and 95%.

Delay in implementation and completion of planned projects is an indication that the residents of Kapenguria Constituency may not have realized the benefits accruing from the planned programs and activities for the year ended 30 June, 2020.

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. Presentation and Accuracy of Financial Statements

A review of the financial statements provided for audit review revealed the following:

- i) The statement of cash flow reflects positive payments for operating activities and acquisition of assets instead of negative figures.
- ii) Significant accounting policies number 3 states that the financial statements are prepared in Kenya shillings and all values are rounded to the nearest Kenya shilling. However, the figures in the budget execution by programmes and sub programmes and Note 1 to the financial to the statements have not been rounded to the nearest Kenya shilling.

Under the circumstances, the financial statements are not accurately presented in accordance with International Public Sector Accounting Standards.

2. Purchase of School Buses

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other government units of Kshs.73,450,000 which includes transfers to secondary schools of Kshs.41,500,000. Included in the transfers is Kshs.21,000,000 incurred on the purchases of three (3) school buses for Chekomos, Turkwel Gorge and Prawa Secondary Schools. However, inspection and acceptance report and logbook to confirm ownership of the school bus buses were not provided for audit verification.

Consequently, the propriety of the Kshs.21,000,000 spent on purchase of the school buses could not be confirmed.

3. Irregular Procurement of Environment Projects

Included in the transfers to other grants and transfers figure of Kshs.24,173,934 reflected in the statement of receipts and payments and Note 7 to the financial the statements is environment projects expenditure of Kshs.2,747,186 incurred on the construction of twenty (20) check dams and two (2) gabions. However, procurement records such as tender advertisement, tender opening minutes, appointment letters for tender evaluation and award committee, tender evaluation minutes, letter of offer, letter of acceptance, inspection and acceptance report were not provided for audit review.

Therefore, the regularity and propriety of the environment projects of Kshs.2,747,186 could not be confirmed.

4. Irregular Disbursements of Bursaries

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.24,173,934 out of which Kshs.11,481,393 relates to disbursements of bursaries to secondary schools and tertiary institutions. However, there was no evidence to show that the bursary sub-committee formed included two co-opted members one who must be education officer or an officer seconded from Ministry of Education and the established criteria of identifying the beneficiaries was not documented and provided for audit verification. Further, the minutes of the bursary committee meetings were not provided for audit verification.

Under the circumstances, the propriety of the bursary expenditure of Kshs.11,481,393 could not be confirmed.

5. Irregular Implementation of Emergency Projects

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers figure of Kshs.24,173,934 which includes emergency projects costing Kshs.7,198,000 implemented during the year.

However, there is no evidence that utilization of the emergency reserve was reported to the NGCDF Board within thirty days as per Regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016. Further, no documentary evidence was provided to confirm that the expenditure was emergency in nature.

Consequently, the Management was in breach of the law

6. Project Verification

During the year under review six (6) projects were verified, and the audit revealed that four (4) projects remained incomplete as detailed below:

	Payee	Activity	Amount (Kshs.)	Finding	% Completion
1	Kapsurum Primary School	Construction of 2 Classrooms	800,000	Construction of two classrooms, classes even though painting and labelling has not been done.	95%
2	Kola Primary School	Completion of 3 Classrooms	550,000	Works ongoing.	70%
3	Murkwijit Mixed Secondary School	Building of 2 Classrooms	800,000	Complete and in use, electricity yet to be installed	98%
4	Kitalakapel Technical Training institute	Fencing of 5-acre TTI compound using chain link and steel poles	2,532,975	Project was ongoing	80%
	Total		4,682,975		

Consequently, it was not possible to confirm whether value for money will be realized on the projects valued at Kshs.4,682,975

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT SYSTEMS AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Risk Management Policy

During the year ended 30 June, 2020, the Management of Fund did not have in place a risk management policy, risk management strategies and a system of risk management to enable them develop appropriate risk strategies in order to improve on effective and efficient management of public resources. Consequently, the Management is not likely to respond appropriately to emerging risks that may result in loss of funds.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

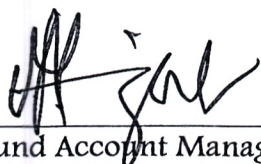
07 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

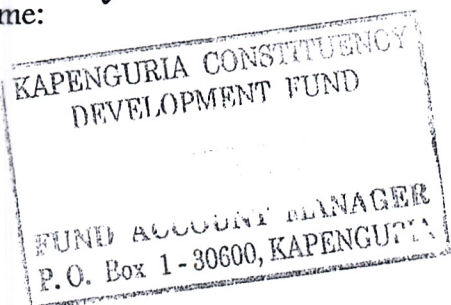
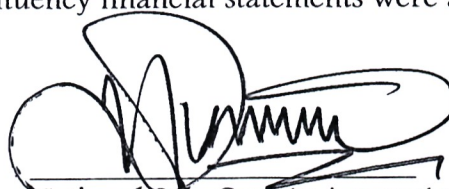
III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs Received	1	99,500,000	120,420,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		99,500,000	120,420,186
PAYMENTS			
Compensation of employees	4	3,849,659	3,648,743
Use of goods and services	5	7,761,863	5,911,395
Transfers to Other Government Units	6	73,450,000	47,620,000
Other grants and transfers	7	24,173,934	55,528,741
Acquisition of Assets	8	1,000,000	906,129
Other Payments	9	-	-
TOTAL PAYMENTS		110,235,456	113,615,008
SURPLUS/DEFICIT		(10,735,456)	6,805,178

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kapenguria Constituency financial statements were approved on _____ 2020 and signed by:



Fund Account Manager
Name:

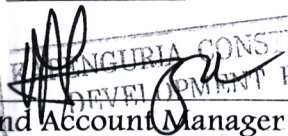
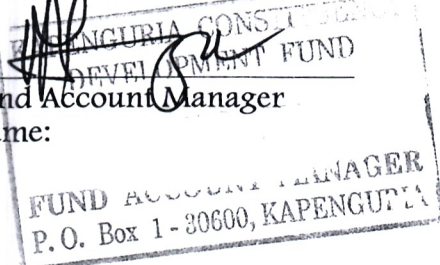
National Sub-County Accountant
Name: **DAVIS OMWEND**
ICPAK Member Number:
District Accountant
West Pokot District
P. O. Box 76 Kapenguria
Tel: 054-62256

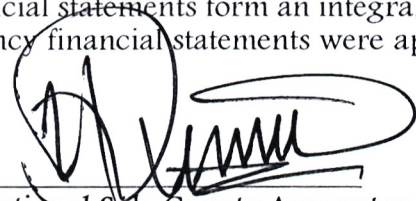
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

IV. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,548	10,739,004
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,548	10,739,004
Current Receivables-Outstanding Imprests			
	11	-	-
TOTAL FINANCIAL ASSETS		3,548	10,739,004
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL ASSETS		3,548	10,739,004
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	10,739,004	3,933,826
Surplus/Deficit for the year		(10,735,456)	6,805,178
Prior year adjustments	14		-
NET FINANCIAL POSITION		3,548	10,739,004

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kapenguria Constituency financial statements were approved on _____ 2020 and signed by:


Fund Account Manager
Name: _____



National Sub-County Accountant
Name: **DAVID DUNWEN**
ICPAK Member Number: **17363**
District Accountant
West Pokot District
P. O. Box 70 Kapenguria
Tel: 054-62256

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

TRIAL BALANCE AS AT 30TH JUNE 2020			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	3,548	
	Cash Balances		
	Outstanding Imprest		
Payments			
	Compensation of Employees	3,849,659	
	Use of goods and services	7,761,863	
	Transfers to Other Government Units	73,450,000	
	Other grants and transfers	24,173,934	
	Acquisition of Assets	1,000,000	
	Other Payments	-	
Receipts			
	Transfers from the Board		99,500,000
	Proceeds from sale of assets		
	Others receipts		-
Prior Year Adjustment			
Fund Balance b/f			10,739,004
TOTAL		110,239,004	110,239,004

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

V. STATEMENT OF CASHFLOW

STATEMENT OF CASH FLOW

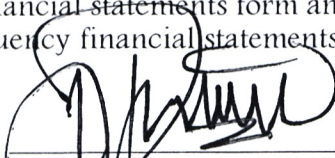
		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	99,500,000	120,420,186
Other Receipts	3	-	-
		99,500,000	120,420,186
Payments for operating expenses			
Compensation of Employees	4	3,849,659	3,648,743
Use of goods and services	5	7,761,863	5,911,395
Transfers to Other Government Units	6	73,450,000	47,620,000
Other grants and transfers	7	24,173,934	55,528,741
Other Payments	9	-	-
		109,235,456	112,708,879
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(9,735,456)	7,711,307
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	1,000,000	906,129
Net cash flows from Investing Activities		(1,000,000)	(906,129)
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,735,456)	6,805,178
Cash and cash equivalent at BEGINNING of the year	13	10,739,004	3,933,826
Cash and cash equivalent at END of the year		3,548	10,739,004

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kapenguria Constituency financial statements were approved on _____ 2020 and signed by:



Fund Account Manager
Name:



National Sub-County Accountant
Name: **Asob Omuendo**
ICPAK Member
Number: **17363**

**KAPENGURIA CONSTITUENCY
DEVELOPMENT FUND**

**FUND ACCOUNT MANAGER
P. O. Box 1 - 30600, KAPENGURIA**

*District Accountant
West Pokot District
P. O. Box 70 Kapenguria
Tel: 054-62256*

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

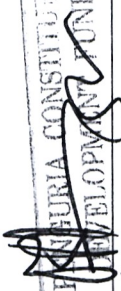
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	Budget Utilisation Difference	% Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	10,739,004	148,106,728	99,500,000	48,606,728	67.2%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts			0			
TOTAL RECEIPTS	137,367,724	10,739,004	148,106,728	99,500,000	48,606,728	67.2%
PAYMENTS						
Compensation of Employees	3,960,000		3,960,000	3,849,659	110,341	97.2%
Use of goods and services	7,403,095	2,000,000	9,403,095	7,761,863	1,641,232	82.5%
Transfers to Other Government Units	65,432,975	8,739,004	74,171,979	73,450,000	721,979	99.0%
Other grants and transfers	59,571,654		59,571,654	24,173,934	35,397,720	40.6%
Acquisition of Assets	1,000,000		1,000,000	1,000,000	-	100.0%
Other Payments	0		0			
TOTAL	137,367,724	10,739,004	148,106,728	110,235,456	37,871,272.38	74.4%

(a) Revenue item doesn't include AIA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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

The NGCDF-Kapenguria Constituency financial statements were approved on _____ 2020 and signed by:


KAPENGURIA CONSTITUENCY
DEVELOPMENT FUND
Fund Account Manager
Name:
FUND ACCOUNT MANAGER
P. O. Box 1 - 30600, KAPENGURIA

Sub-County Accountant
Name:
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments	Final Budget 2019/2020 Kshs	Actual comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,960,000.00	-	3,960,000.00	3,849,659.00	110,341.00
1.2 Committee allowances	1,000,000.00	-	1,000,000.00	1,000,000.00	-
1.3 Use of goods and services	1,903,095.40	2,000,000.00	3,903,095.40	2,898,650.00	1,004,445.40
2.0 Monitoring and evaluation					
2.1 Capacity building	1,000,000.00		1,000,000.00	1,000,000.00	-
2.2 Committee allowances	1,500,000.40		1,500,000.40	1,500,000.40	-
2.3 Use of goods and services	2,000,000.00		2,000,000.00	2,000,000.00	-
3.0 Emergency					
3.1 Primary Schools	7,198,241.38		7,198,241.38	7,198,000.00	241.38
3.2 Secondary schools	-		-	-	-
3.3 Tertiary institutions	-		-	-	-
3.4 Security projects					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

4.0 Bursary and Social Security								
4.1 Primary Schools	-							
4.2 Secondary Schools	26,878,703.00							
4.3 Tertiary Institutions	20,000,000.00							
4.4 Universities	-							
4.5 Social Security	-							
5.0 Sports								
5.1 Constituency sports tournament	2,747,354.48							
6.0 Environment								
Kitalekapel primary gully	2,747,354.48							
7.0 Primary Schools Projects								
(List all the Projects)								
Akeru primary school	500,000.00							
Kaptarin primary school	500,000.00							
Lodukup primary school	500,000.00							
Tilak primary school	500,000.00							
serewo primary school	500,000.00							
simatwa primary school	500,000.00							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Chepokachim primary sch	500,000.00		500,000.00	500,000.00	-
Karon primary school	500,000.00		500,000.00	500,000.00	-
Kesot primary school	500,000.00		500,000.00	500,000.00	-
Salawa primary school	500,000.00		500,000.00	500,000.00	-
Emboasis primary school	300,000.00		300,000.00	300,000.00	-
Cheptoch primary school	500,000.00		500,000.00	500,000.00	-
Cheptoch primary school	500,000.00		500,000.00	500,000.00	-
Lokornoi primary school	500,000.00		500,000.00	500,000.00	-
Tartar primary school	800,000.00		800,000.00	800,000.00	-
Arap maina primary school	500,000.00		500,000.00	500,000.00	-
Chepkoti primary school	500,000.00		500,000.00	500,000.00	-
Kapchila primary school	500,000.00		500,000.00	500,000.00	-
Kapsurum primary sch	800,000.00		800,000.00	800,000.00	-
Kipsakas primary school	300,000.00		300,000.00	300,000.00	-
Paraywa primary school	200,000.00		200,000.00	200,000.00	-
Chepkapechek primary	500,000.00		500,000.00	500,000.00	-
Sakat primary school	500,000.00		500,000.00	500,000.00	-
Simitei primary school	500,000.00		500,000.00	500,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

embogh primary sch	500,000.00		500,000.00	500,000.00	-
sirkoy prischool	500,000.00		500,000.00	500,000.00	-
chemakeu primary sch	0.00	500,000.00	500,000.00	500,000.00	-
kalemnyang pri sch	0.00	500,000.00	500,000.00	500,000.00	-
kaitukum pri	0.00	500,000.00	500,000.00	500,000.00	-
rukei pri	0.00	417,025.00	417,025.00	417,025.00	-
kapchila sec school	0.00	1,200,000.00	1,200,000.00	1,200,000.00	-
kakpaw primary	0.00	1,000,000.00	1,000,000.00	1,000,000.00	-
Ketiam pri	0.00	450,000.00	450,000.00	450,000.00	-
wurar primary	0.00	500,000.00	500,000.00	500,000.00	-
cheptram pri	0.00	800,000.00	800,000.00	800,000.00	-
simatwa primary sch	0.00	500,000.00	500,000.00	500,000.00	-
marcha primary sch	0.00	500,000.00	500,000.00	500,000.00	-
cheptoch pri	0.00	500,000.00	500,000.00	500,000.00	-
kamurio primary	0.00	1,000,000.00	1,000,000.00	1,000,000.00	-
chepokachim primary	600,000.00	-	600,000.00	600,000.00	-
chelokotetwo primary	700,000.00	-	700,000.00	700,000.00	-
katukomwok primary	750,000.00	-	750,000.00	750,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

chepkram primary	500,000.00	-	500,000.00	500,000.00	-
sawayan primary	400,000.00	-	400,000.00	400,000.00	-
lokiachoi primary	450,000.00	-	450,000.00	450,000.00	-
koitapok primary	400,000.00	-	400,000.00	400,000.00	-
kola primary	550,000.00	-	550,000.00	550,000.00	-
chemoroch primary	400,000.00	-	400,000.00	400,000.00	-
simat primary	500,000.00	-	500,000.00	500,000.00	-
nakwangamoru primary	300,000.00		300,000.00	300,000.00	-
riting primary	500,000.00		500,000.00	500,000.00	-
lokitadal primary	600,000.00		600,000.00	600,000.00	-
st fransis primary	500,000.00		500,000.00	500,000.00	-
yotwo primiqry	500,000.00		500,000.00	500,000.00	-
elck riwo	500,000.00		500,000.00	500,000.00	-
kitalakapel primary	500,000.00		500,000.00	500,000.00	-
akerpoyesu primary	500,000.00		500,000.00	500,000.00	-
Secondary Schools Projects			-	-	-
Chemakeu sec school	750,000.00		750,000.00	750,000.00	-
Chemakeu sec sch	750,000.00		750,000.00	750,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Tipet Secondary sch	500,000.00		500,000.00	500,000.00	-
Tipet Secondary sch	500,000.00		500,000.00	500,000.00	-
Victoria Girls secondary	750,000.00		750,000.00	750,000.00	-
Victoria Girls secondary	750,000.00		750,000.00	750,000.00	-
Komol mixed sec	500,000.00		500,000.00	500,000.00	-
Tilak mixed sec	1,500,000.00		1,500,000.00	1,500,000.00	-
Tilak mixed sec	500,000.00		500,000.00	500,000.00	-
Chekomos sec sch	2,000,000.00		2,000,000.00	2,000,000.00	-
Chekomos sec sch	5,000,000.00		5,000,000.00	5,000,000.00	-
Safina Boys sec	500,000.00		500,000.00	500,000.00	-
Fr.Dhilon Sec school	500,000.00		500,000.00	500,000.00	-
Kamito Girls Sec	500,000.00		500,000.00	500,000.00	-
Kamito Girls Sec	500,000.00		500,000.00	500,000.00	-
Murkwijit Mixed sec	800,000.00		800,000.00	800,000.00	-
Totum Sec school	500,000.00		500,000.00	500,000.00	-
turkwel gorge sec	7,000,000.00		7,000,000.00	7,000,000.00	-
St Mary Sijoi sec school	500,000.00		500,000.00	500,000.00	-
Krich Girls Secondary sch	500,000.00		500,000.00	500,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Krich Girls Secondary sch	500,000.00			500,000.00	500,000.00	-
kaitopok pri	500,000.00			500,000.00	500,000.00	-
meshak tumkou	2,000,000.00			2,000,000.00	2,000,000.00	-
mnagei mixed	1,000,000.00			1,000,000.00	1,000,000.00	-
tilak mixed	400,000.00			400,000.00	400,000.00	-
kapkecha mixed sec	500,000.00			500,000.00	500,000.00	-
chemwochoi mixed sec	500,000.00			500,000.00	500,000.00	-
kapkoris mixed	400,000.00			400,000.00	400,000.00	-
elck kamayech	200,000.00			200,000.00	200,000.00	-
kapkata mixed	500,000.00			500,000.00	500,000.00	-
pcholpogh Girls sec	200,000.00			200,000.00	200,000.00	-
turkwel george mixed	500,000.00			500,000.00	500,000.00	-
turkwel george mixed	500,000.00			500,000.00	500,000.00	-
victoria sec school	500,000.00			500,000.00	500,000.00	-
victoria sec school	850,000.00	371,979.30		1,221,979.30	500,000.00	721,979.30
equity bank (paraywa secondary school bus)	7,000,000.00			7,000,000.00	7,000,000.00	-
9.0 Tertiary institutions Projects (List all the Projects)						-
Kitalakapel technical training institute	2,532,975.00			2,532,975.00	2,532,975.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPENGURIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

10.0 Security Projects	-	-	-	-	-
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-				
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment	1,000,000.00	1,000,000.00	1,000,000.00		
11.4 Purchase of computers	-				
11.5 Purchase of land	-				
12.0 Others					
12.1 Strategic Plan	-				
12.2 Innovation Hub	-				
12.2					
unallocated /unapproved funds	-				
TOTALS	137,367,724.14	10,739,004.30	148,106,728.44	110,235,456.36	37,871,272.08

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or

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personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

I. NOTES TO THE FINANCIAL STATEMENTS				
GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description	Description	2019 - 2020	2018 - 201
			Kshs	Ksh
		AIE NO. B 30183		10,000,00
1330407	Normal Allocation	AIE NO. B 030424		12,000,00
		AIE NO. B 005040		11,379,31

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		AIE NO. B 006366		8,000,00
		AIE NO. A 699122		11,000,00
		AIE NO. B 042757		13,000,00
		AIE NO. B047550		55,040,87
		AIE NO. B047446	4,000,000.00	
			1,500,000.00	
		AIE NO. B041469	20,000,000.00	
		AIE NO. B047911	6,000,000.00	
		AIE NO. B049294	14,000,000.00	
		AIE NO. B104318	15,000,000.00	
		AIE NO. B096574	9,000,000.00	
		AIE NO. B096755	30,000,000.00	
	TOTAL		99,500,000	120,420,18
3510000	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
	Description		2019 - 2020	2018 - 201
			Kshs	Ksh
3510202	Receipts from the Sale of Buildings			
3510601	Receipts from the Sale of Vehicles and Transport Equipment			
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of Office and General Equipment			
	TOTAL		-	
1400000	3 OTHER RECEIPTS			
	Description		2019 - 2020	2018 - 201
			Kshs	Ksh

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1410107	Interest Received			
1410405	Rents			
1420601	Sale of Tender Documents			
1450207	Other Receipts Not Classified Elsewhere (specify)			
	TOTAL		-	
2110000	4 COMPENSATION OF EMPLOYEES			
	Description		2019 - 2020	2018 - 201
			Kshs	Kst
2110201	Basic wages of temporary employees		3,666,495	3,648,743
2110202	Basic wages of casual labour			
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110326	Other personnel payments			
2120101	Employer contribution to NSSF		183,164	
2710120	Gratuity-contractual employees			
	TOTAL		3,849,659	3,648,743
2200000	5 USE OF GOODS AND SERVICES			
	Description		2019 - 2020	2018 - 201
			Kshs	Kst
2210100	Utilities, supplies and services			
2210101	Electricity			
2210102	Water & sewerage charges		145,100	173,340
2210104	Office rent			
2210200	Communication, supplies and services		159,950	222,10
2210300	Domestic travel and		260,000	44,05

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	subsistence			
2210500	Printing, advertising and information supplies & services		245,900	276,45
2210600	Rentals of produced assets			
2210700	Training expenses		1,142,000	
2210800	Hospitality supplies and services			586,43
2210802	Other committee expenses		1,456,000	573,40
2210809	Committee allowance		988,000	
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services		207,900	1,176,31
2211200	Fuel , oil & lubricants		970,500	421,09
2211300	Other operating expenses			
2211301	Bank service commission and charges			
2211310	Other Operating Expenses			
2211313	Security operations			
2220100	Routine maintenance - vehicles and other transport equipment		1,197,713	1,217,58
2220200	Routine maintenance- other assets		988,800	1,220,63
	TOTAL		7,761,863	5,911,395
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2019 - 2020	2018 - 201
			Kshs	Kshs
2630204	Transfers to Primary Schools		29,417,025	16,050,000
2630205	Transfers to Secondary Schools		41,500,000	27,570,000
2630206	Transfers to Tertiary Institutions		2,532,975	4,000,000

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2630207	Transfers to Health Institutions			
	TOTAL		73,450,000	47,620,000
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description		2019 - 2020	2018 - 201
			Kshs	Kshs
2640101	Bursary - Secondary		3,300,500	19,821,855
2640102	Bursary -Tertiary		8,180,893	17,273,275
2640104	Bursary- Special Schools			3,373,698
2640105	M&E		-	2,985,000
2640504	Strategic plan		-	2,555,080
2640505	Food Security		-	
2640506	Electricity		-	
2640507	Security			
2640508	Roads and Bridges		-	
2640509	Sports		2,747,354	2,287,280
2640510	Environment		2,747,186	1,506,000
2640512	Cultural Projects		-	
2640513	Agriculture		-	
2640200	Emergency Projects		7,198,000	5,726,550
	TOTAL		24,173,934	55,528,741
3100000	8 ACQUISITION OF ASSETS	-		
	Non Financial Assets		2019 - 2020	2018 - 201
			Kshs	Ksh
3110102	Purchase of Buildings		-	
3110202	Construction of Buildings		-	

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3110302	Refurbishment of Buildings		-	785,390.00
3110701	Purchase of Vehicles		-	
3110704	Purchase of Bicycles & Motorcycles		-	
3110801	Overhaul of Vehicles		-	
3111001	Purchase of office furniture and fittings		1,000,000	120,739
3111002	Purchase of computers, printers and other IT equipments		-	
3111005	Purchase of photocopier		-	
3111009	Purchase of other office equipments		-	
3111112	Purchase of soft ware		-	
3130101	Acquisition of Land		-	
	TOTAL		1,000,000	906,12
	9 Other Payments			
2211310	Strategic Plan			
2211311	ICT Hubs			
	TOTAL		-	
	10A: Bank Balances (cash book bank balance)			
	Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 201
			Kshs (30/6/2020)	Kshs (30/6/2019)
	<i>Kenya Commercial Bank, Oyugis Branch . Kasipul NG-CDF</i>	<i>A/C no.1146215614</i>	3,548	10,739,00
	10B: CASH IN HAND)			
			2019 - 2020	2018 - 201

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			Kshs (30/6/2019)	Kshs (30/6/2018)
	Location 1		-	
	Location 2		-	
	Location 3		-	
	Other receipts (specify)		-	
	TOTAL		-	
				<i>[Provide cash certificates for each]</i>
	11: OUTSTANDING IMPRESTS			
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
		Date imprest taken	<i>Kshs</i>	<i>Ksh</i>
			-	
			-	
			-	
			-	
			-	
	12 Retention			
	Supplier/Contractor	PV No.	2019 - 2020	2018 - 201
	TOTAL			
	13 BALANCES BROUGHT FORWARD			
			2019 - 2020	2018 - 201
			Kshs (1/7/2019)	Kshs (1/7/2018)
	Bank accounts		10,739,004	3,933,82

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	Cash in hand			
	Imprest			
	TOTAL		10,739,004	3,933,826
		<i>[Provide short appropriate explanations as necessary]</i>		
	14. PRIOR YEAR ADJUSTMENTS			
			Balance b/f FY2019 - 2020 per Financial statements	Adjustment
	Description of the error		Kshs	Kshs
	Bank accounts balances		-	
	Cash in hand		-	
	Accounts Payable		-	
	Receivables		-	
	Others (specify)		-	
	TOTAL			
	15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST			
			2019-2020	2018-2019
			Kshs	Kshs
	Outstanding Imprest as at 1st July 2019 (A)		-	-
	Imprest issued during the year (B)		-	-
	Imprest surrendered during the Year ©		-	-
	Net changes in accounts receivables (D=A+B-C)		-	-

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YA	16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION		2019- 2020	2018-2019
			Kshs	Ksh
	Deposits and Retention as at 1st July 2019 (A)			
	Deposits and Retention held during the year (B)			
	Deposits and Retention paid during the year ©			
	Net changes in accounts payable (D=A+B-C)		-	-
	17. OTHER IMPORTANT DISCLOSURES			
	17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
			2019 - 2020	2018 - 2019
			Kshs	Kshs
	Construction of buildings		-	
	Construction of civil works		-	
	Supply of goods		-	
	Supply of services		-	
	TOTAL		-	
	17.2: PENDING STAFF PAYABLES (See Annex 2)			
			2019 - 2020	2018 - 2019
			Kshs	Kshs
	Staff salaries		-	
	Staff Gratuity		-	
	Others (specify)		-	

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	Supply of goods			
	7.			
	8.			
	9.			
	Sub-Total			
	Supply of services			
	10.			
	11.			
	12.			
	Sub-Total			
	Grand Total			
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES				
	Name of Staff	Job Group		Original Amount
				a
	Senior Management			
	1.			
	2.			
	3.			
	Sub-Total			
	Middle Management			
	4.			
	5.			
	6.			
	Sub-Total			
	Unionisable Employees			
	7.			
	8.			
	9.			
	Sub-Total			
	Others (specify)			
	10.			
	11.			

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	12.			
	Sub-Total			
	Grand Total			
ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES				
	Name	Brief Transaction Description		Original Amount
				a
	Amounts due to other Government entities			
	1. Primary Schools			
	2. Secondary Schools			
	Sub-Total			
	Amounts due to other grants and other transfers			
	3. Security Projects			
	4. Roads and Bridges Projects			
	5. Environmental Projects			
	6. Cultural Activities			
	7. Electrification and Lighting			
	Sub-Total			
	Grand Total			
	8.			
	Sub-Total			
	Grand Total			

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	372,000	-	-	372,000
Buildings and structures	8,099,659	-	-	8,099,659
Transport equipment	11,242,046	-	-	11,242,046
Office equipment, furniture and fittings	1,023,000	-	-	1,023,000
ICT Equipment, Software and Other ICT Assets	1,155,296	-	-	1,155,296
Other Machinery and Equipment	250,000	-	-	250,000
Heritage and cultural assets				
Intangible assets				
Total	22,142,001			22,142,001

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Turkwel secondary school	Equity			
Nasokol girls secondary school bus project	Equity			
St. Francis school for the blind, school bus	Equity			
Kapchilla Secondary School	Equity			
Karas secondary school bus	Equity			
Kakpaw primary school	Equity			
Chepunpun Pry school	Kcb			
kalimaris Pry School	Equity			
Turkwel Gorge Secondary School bus	Equity			
Lityei secondary mixed Secondary School	Equity			
Total				

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1 of 2017	Bursary disbursement	A copy of the minutes of the subcommittee indicating how the beneficiaries were identified is available for review. The minutes indicating co-option of two officers one being the district education officer and the second one is the assistant county commissioner-Kapenguria. The schools/institutions did acknowledge receipt of the bursary funds and make acknowledge letters, copies of acknowledgement letters are available for review.	Stephen Mnangat, Funds Manager	Resolved	
1.2 of 2017	Emergency projects	The funds were used to pay for labour to individuals that were involved on repairs of toilets and classrooms that had been destroyed by heavy wind and rains at various schools within the constituency. Supporting documents are available for review.	Stephen Mnangat, Funds Manager	Resolved	
1.3 of 2017	Renovation of school office	The quotations, evaluation minutes, and inspection and acceptance reports are	Stephen Mnangat, Funds Manager	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.4 of 2017	Renovation of Kongelai CDF office	<p>available for review. The works have since been satisfactorily done.</p> <p>The quotations, evaluation minutes, and inspection and acceptance reports. We wish to confirm that the works were undertaken fully and satisfactorily.</p>	Stephen Funds Manager Mnangat, Accounts	Resolved	
2.0 of 2017	Purchase of Lnad- Riwo Secondary School	<p>The purchase agreement for the Riwo secondary school land is available for review. The compensation included development assets that were on the site that belonged to the group. More ownership documents are in progress.</p>	Stephen Funds Manager Mnangat, Accounts	Not Resolved	31 st December, 2018
3.0 of 2017	Proposed construction of Kitalakapel TTI- Erection and completion of twin workshop, classrooms and office block	<p>NG-CDF Kapenguria was supposed to disburse the amount to the TTI just like to other projects and not based on the completion certificates. The contracts for the projects were signed between the contractor and the mentoring institutions and therefore the institutions were fully accountable for the supervision and payments for all works done as per the contract. A follow up will be made to the institution so that it provide the supporting</p>	Stephen Funds Manager Mnangat, Accounts	Not Resolved	31 st December, 2018

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 of FY 2016	Inaccuracies in the financial statements	documents for the funds disbursed The variance of Ksh 2,006,913 was as a result of undbursement of the same by the CDF board.	Stephen Mwangat, Accounts Manager	Resolved	
2.0 of FY 2016	Lack of expenditure returns for Ksh 1,215,149 for construction of Kongelai CDF office	The expenditure returns for the construction of kongelai CDF office has since been availed by the PMC.	Stephen Mwangat, Accounts Manager	Resolved	
3.0 of FY 2016	Lack of bursary sub committee	The bursary sub committee has since been formed where two other members have been coopted where one is the district education officer- Kapenguria	Stephen Mwangat, Accounts Manager	Resolved	
4.0 of FY 2016	Lack of Purchase supporting documents for purchase of land – Psigirio primary school	The supporting documents such sale agreement among others for the purchase of land in Psigirio primary school are available for revies	Stephen Mwangat, Accounts Manager	Resolved	
1.0 of FY 2015	Validity of transfer from other government entities put to question.	The Ksh 24,686,430 was funds relating to the previous financial year, FY 2013/2014 that was funded in FY 2014/2015 bank statements are available for review.	Stephen Mwangat, Accounts Manager	Resolved	
2.0 of FY 2015	Unconfirmed propriety of compensation of Ksh 1,082,720	The number of the employees has been reducing slowly where in the event of an exit of an employee no	Stephen Mwangat, Accounts Manager	Not resolved	By December, 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.0 of FY 2015	Unconfirmed propriety of purchase of school buses amounting to Ksh 13,000,000	<p>replacement is made. The number has since gone down by 2.</p> <p>The unspent balance of Ksh 213,280 for the St mary's siyoi secondary school was spent in making payment for the insurance. The invoice is available for review. In addition procurement records for the purchase of the buses are available for review.</p>	Stephen Mwangat, Funds Manager	Resolved	
4.0 of FY 2015	Unconfirmed propriety for transfer to health facilities amounting to Ksh 2,400,000	<p>The expenditure returns for the renovation of the health facilities have since been availed by the respective PMCs</p>	Stephen Mwangat, Accounts Manager	Resolved	

**Reports and Financial Statements
For the year ended June 30, 2020**

Date 19/2/2019

RESPONSES ON AUDIT ISSUES

S/No	Title of Query	Issues raised by Auditors	Responses /Management Comments
1	Presentation of financial statement	Unexplained difference of Ksh 12,237,309 on the approved budget Variance of Ksh 11,379,310 under adjustments Variance of Ksh 999,999 under final budget	A significant percentage of this amount had been included in the figure under adjustment column, However, this has since been corrected. See the revised financial statement This relates to the last code list for the year under review, it has been correctly captured under the original budget. See the revised financial statement This was an omission which has been recorded. See the revised financial statement.
		In accuracies in the financial statement- Differences between amounts in financial statements and supporting schedules	The difference between the financial statement and schedules figure was occasioned by classification errors in the financial statements. The schedules represent the correct position. See the revised financial statement
2	Budgetary Control and performance	Under expenditure under various items indicated below Transfer to Other Government Units	As at 30.6.2018, NG-CDF Kapenguria had not received more than 10 Million in addition The under expenditure was further occasioned by delay by some projects in submitting some necessary documents such as the BOQs and Drawings among others As at 30.6.2018, NG-CDF Kapenguria had not received more than 10 Million leading to the under expenditure.
3	Project implementation	Other grants and transfer Five projects with total budget of Ksh 3,310,690 not funded	Lack of funding was occasioned by delays in receiving the funds. From the board. However, the projects would be considered in the current financial year 2018-2019, upon receipt of last financial year.
4	Project verification	In complete projects.	CDFC established that logistical challenges contributed towards the projects incompleteness. However, it has put in place mechanism to ensure that all the projects are completed at the right time. This include continuous monitoring and evaluation exercise among others.
5	Funding of un approved projects	Disbursement totaling Ksh 1,370,000 were funded on projects	The projects were carried out of necessity and urgency. For example, the latrines and bath rooms for turkwel gorge mixed sch were in a very bad state and yet students were in school. And again for Komol Primary School, students

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		not in the approved code list	were sharing beds. This payments were therefore necessary and could not be suspended.
6	Over expenditure on the following areas		
	Bursary	Over expenditure of Ksh 5,542,679.31	The budgeted amount from the code lists was Ksh 22,326,620.69 while the actual expenditure was Ksh 22,369,300. Therefore, there was no over expenditure.
	Emergency	Over expenditure Ksh 568,114.48	The budgeted amount from the code list was Ksh 5,137,931.03 while the actual expenditure. Therefore, there was no over expenditure.