

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 AUG 2019

DAY:
TUESDAY

REPORT

TABLED

MAJORITY LEADER

MARK-AI
E-TABLE:

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KAPSERET CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND **KAPSERET**
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE	4
<i>SAMMY K. RUTTO</i>	8
CHAIRMAN NGCDF COMMITTEE.....	8
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	9
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	10
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	13
VIII. SIGNIFICANT ACCOUNTING POLICIES	11
IX. NOTES TO THE FINANCIAL STATEMENTS.....	15

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mamka J. Sainare
3.	Sub-County Accountant	Lucas Okech Opondo
4.	Chairman NGCDFC	Sammy K. Ruttah
5.	Member NGCDFC	Lilian Jepkemboi

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KAPSERET Constituency Headquarters

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KAPSERET CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

(f) NGCDF KAPSERET Constituency Contacts

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

(g) NGCDF KAPSERET Constituency Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

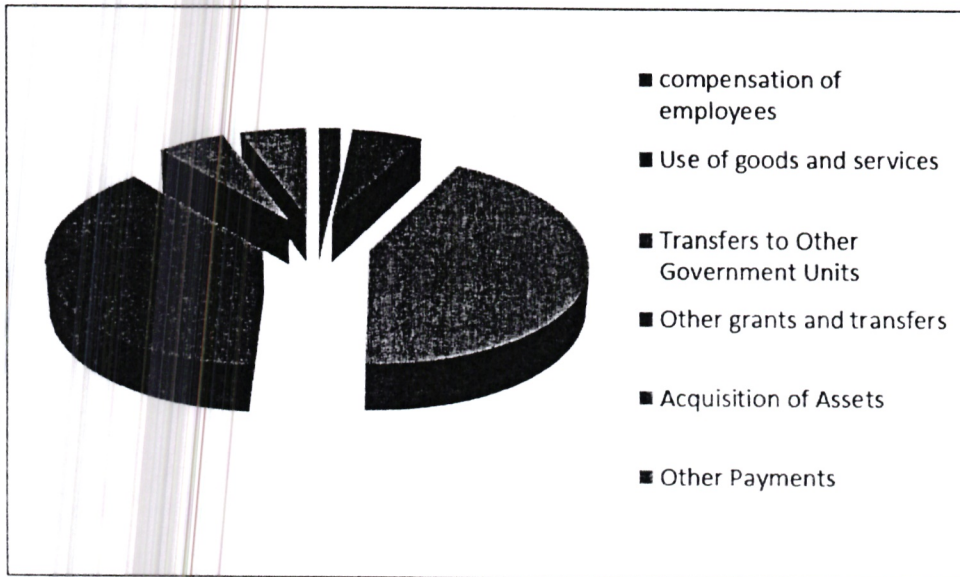


Fig 1: Budget for 2017/2018 per sector

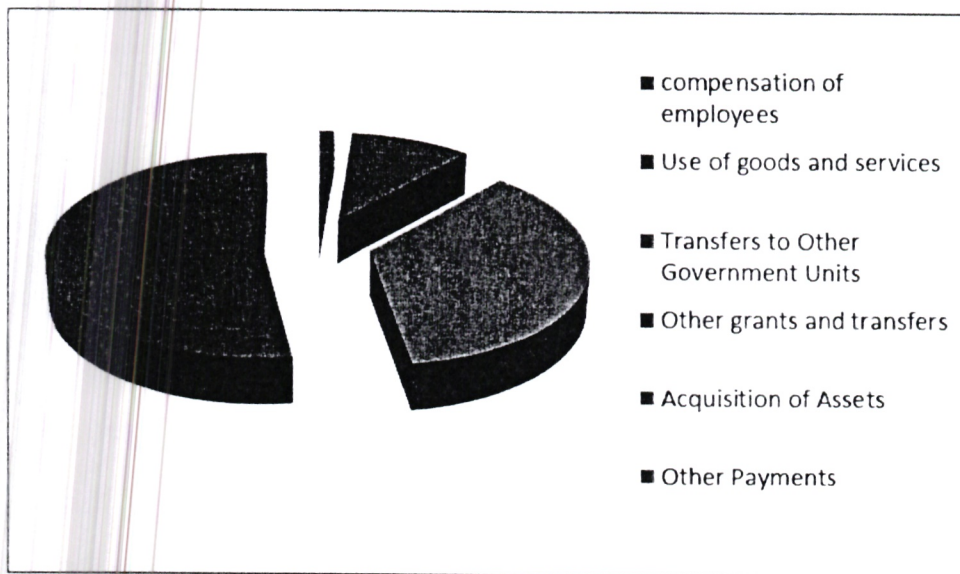


Fig 2: Funds utilization in 2017/2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

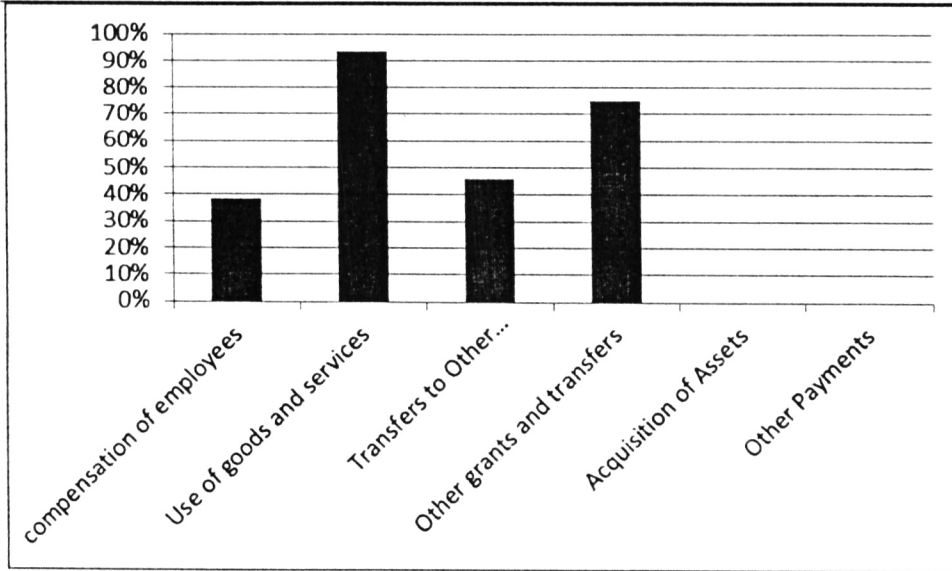


Fig 3: Percentage utilization of funds per sector

In summary, Kapsereet was allocated Kshs. 86,810,344.75 in financial year 2017/2018 as represented in Fig.1. and a supplementary budget of Kshs.11,379,310.34 making a total of Kshs. 98,189,655.09. We received Kshs 40,948,275 being allocation of 2016/17 financial year ,Kshs. 2,514,034 as the opening balance and Kshs.43,405,172 for 2017/2018 financial year. We managed to spend Kshs. 77,232,162 on different items such as;compensation of employees,use of goods and services,other grants and transfers e.g disbursing bursaries and Transfers to other government entities e.g funding primary,tertiary and secondary projects as reflected in Fig 2 and 3 respectively.

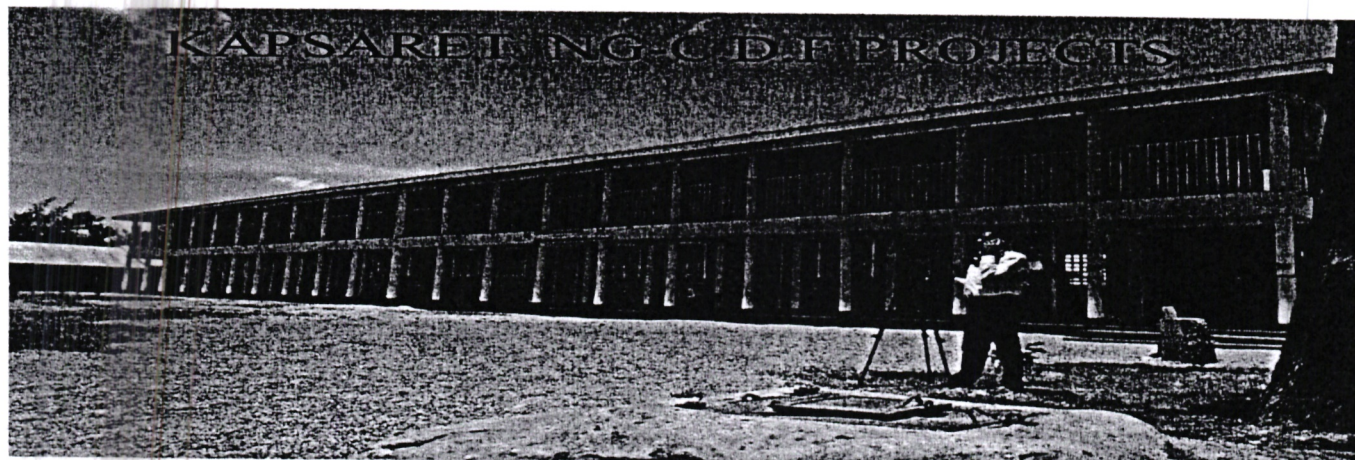
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSARET CONSTITUENCY

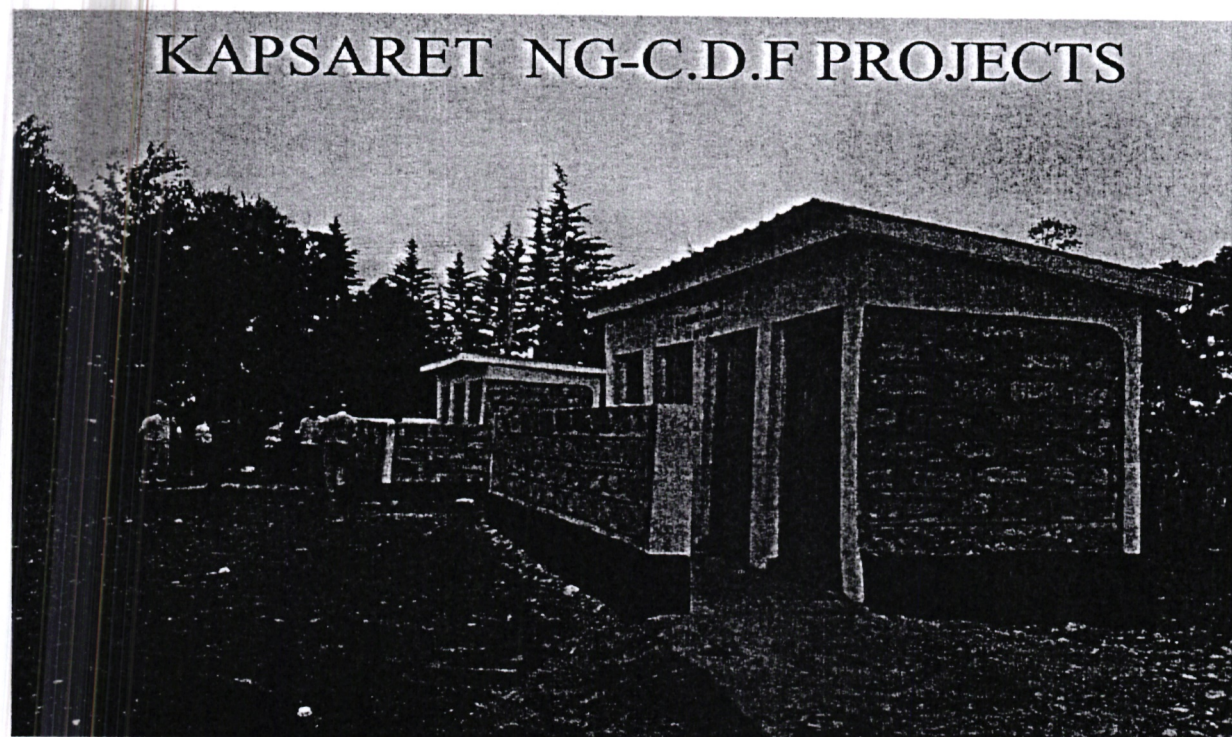
Reports and Financial Statements

For the year ended June 30, 2018

KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2017/2018



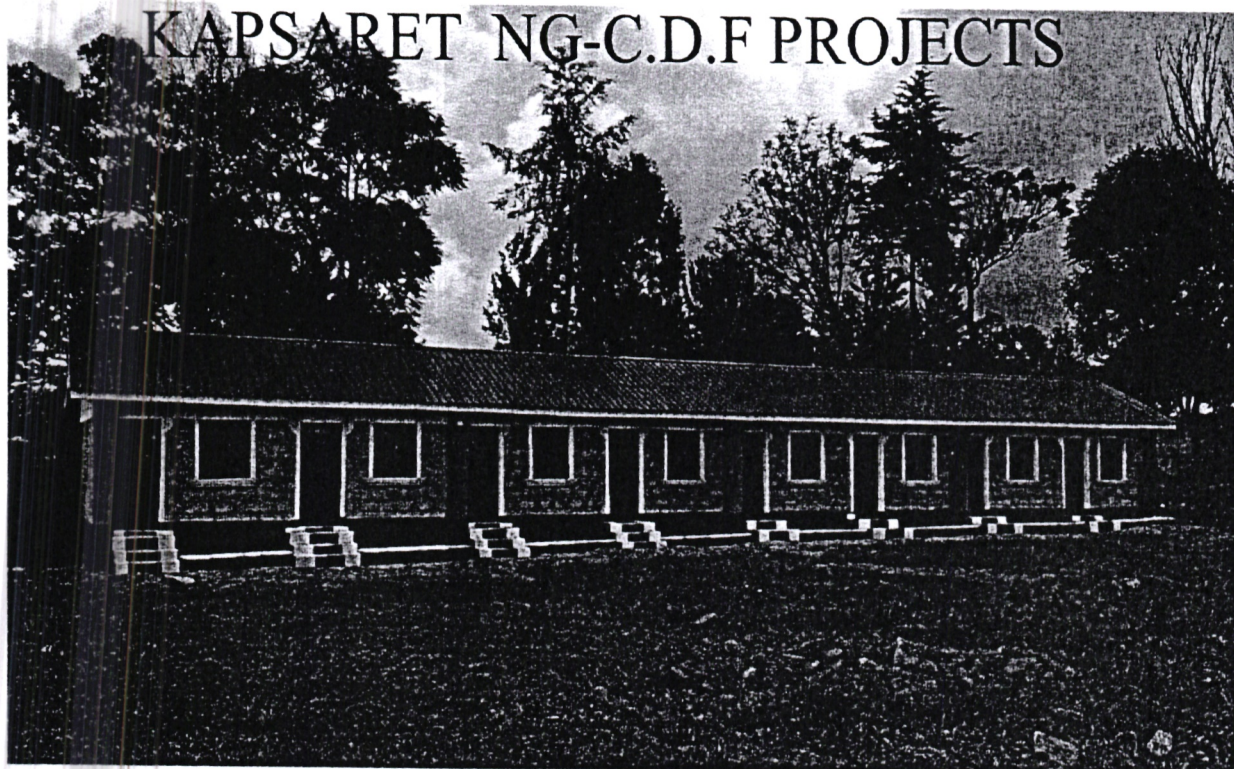
**LANGAS PRIMARY SCHOOL CONSTRUCTION OF
12 CLASSROOMS ,TOTAL COST 15.6 M**



INDER PRIMARY SCHOOL,COST 1M



**LEMOOK PRIMARY SCHOOL, RENOVATION OF
CLASSROOMS 400,000**



**LANGAS POLICE STATION POLICE QUARTERS
PROJECT COST 4.1M**

IMPLEMENTATION CHALLENGES

There was late disbursement of funds from the board leading to delay of projects implementation and underutilization of funds.

Most areas in Kapsaret constituency are swampy and marshy hence sinking of toilets especially during rainy season.

The NG-CDFC has to consider having sewer lines during construction of pit latrines to avoid such cases in future.

Reduced allocation in some projects resulting to incomplete projects, for example; construction of a classroom. Therefore committee agreed to allocate reasonable amount to enable completion of the said projects

SAMMY K. RUTTO

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the NGCDF-KAPSERET Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

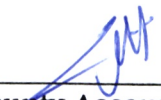
The Accounting Officer in charge of the NGCDF-KAPSERET Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KAPSERET Constituency further confirms the completeness of the accounting records maintained for the *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-KAPSERET 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-KAPSERET Constituency financial statements were approved and signed by the Accounting Officer on 30/5/2019.


Fund Account Manager
MAMKA SAINARE


Sub-County Accountant
LUCAS OKECH OPONDO
ICPAK Member Number: 17541



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPSERET CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kapseret Constituency set out on pages 10 to 32, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kapseret Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Unsupported Project Management Committee Account Balance

Note 15.4 on other important disclosures to the financial statements reflects Project Management Committee (PMC) bank account balances figure Kshs.8,171,816 in respect of funds disbursed to PMCs which remained unutilized as at 30 June 2018 as disclosed in Annex-4 on pages 29 to 31 of the financial statements. However, the bank reconciliation statements and cashbooks were not made available for audit review. Consequently, the accuracy, validity and existence of the Project Management Committee bank account balance of Kshs.8,171,816 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kapseret NGCDF in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

*Report of the Auditor-General on the Financial Statements of National Government Constituency Development Fund –
Kapseret Constituency for the year ended 30 June 2018*

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. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

During the year under review, the fund had expenditure budget of Kshs.141,651,961 against actual expenditure of Kshs.77,232,162 resulting to an under expenditure of Kshs.64,419,799 or approximately 45% of the approved budget as shown below:

S/No.	Expenditure	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Utilization Kshs.	Under Utilization %
1	Compensation of Employees	2,596,000	1,003,978	1,592,022	61.33
2	Use of Goods & Services	8,258,309	7,718,524	539,785	6.54
3	Transfer to other Government units	60,893,276	28,050,000	32,843,276	53.94
4	Other Grants and transfers	53,891,212	40,459,660	13,431,552	24.92
5	Acquisition of Assets	8,136,137	0	8,136,137	100
6	Other Payments	7,877,027	0	7,877,027	100
	Total	141,651,961	77,232,162	64,419,799	45.4

Funds not utilized is an indication of approved programs not being implemented, hence an implication that budget has not fully met the intended objectives of improving delivery of goods and services to the residents of Kapseret constituency.

In two instances nil expenditure was reported i.e. acquisition of assets and other payments and it was not clear as to why there was budgetary provision for the two items.

2.0 Project Implementation

Kapseret NG CDF had a total of 72 projects in their records which had been done to various stages of completion as at the time of audit in April 2019. Some of the projects had been started in the year 2016 but had not been completed. The projects not completed were thirty-five (35) and the amount which had been disbursed was Kshs.50,726,814. The projects which had not started were five (5) with total disbursement of Kshs.5,700,000. Completed projects over the same period were 32 with the total disbursement of Kshs.26,078,022. No reasons were provided as to why the forty (40) projects were not executed to completion when funds for the same had been disbursed.

The details of the projects are tabulated below:

KAPSERET NGCDF							
PROJECT IMPLEMENTATION STATUS REPORT							
Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
Projects not completed							
2016/2017	Kosyin Primary	Construction of three classrooms to completion	1,648,000	1,500,000	1,500,000	7%	Activity changed to purchase of land(1 acre) at a cost of Kshs.1,000,000 and construction of one classroom (Kshs.500,000)
2017/18	Chepyakwai Secondary School	Construction of A Laboratory Hall To Completion	2,759,140	1,000,000	1,000,000	30%	Ongoing
2017/18	Ngarafalls Secondary School	Completion of Dormitory Roofing, Plastering And Painting.	865,000	865,000	865,000	50%	Ongoing
2016/17	St Ann Simat Primary	Construction of 4 Classrooms To Completion	2,000,000	2,000,000	2,000,000	60%	Ongoing
2017/18	St. Johns Kabongo Primary School.	Purchase of Land Two Acres of Land.	1,500,000	1,500,000	1,500,000	60%	Change of activity to purchase of an acre of land
2017/18	St Mary's chelabal Primary School	Construction of 1 Classroom To Completion	500,000	500,000	500,000	70%	Ongoing
2016/17	Kipkaren Primary	Construction of Ablution Block 4 Door To Completion	800,000	800,000	800,000	75%	Complete
2016/17	Jasho Primary	Completion of two classrooms flooring and Painting.	800,000	500,000	500,000	75%	Ongoing
2017/18	St. Johns Kabongo Primary School.	Construction of One Classroom to Completion	650,000	500,000	500,000	75%	Ongoing
2017/18	Megun Chiefs Office	Construction of Three Staff Houses	1,552,900	1,000,000	1,000,000	75%	Ongoing

KAPSERET NGCDF							
PROJECT IMPLEMENTATION STATUS REPORT							
Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
2016/17	Legetet Primary	Construction of Administration Block	1,000,000	1,000,000	1,000,000	80%	Ongoing
2017/18	Konyit Primary School.	Construction of Four Door Girls Toilet	448,276	448,276	448,276	80%	Ongoing
2017/18	Langas Police Station	Completion of Staff Houses Roofing ,Plastering, Painting And Doors	1,632,141	800,000	800,000	80%	Change of activity to construction of ablution block
2017/18	Kipkenyo Secondary School	Completion of Administration Block Roofing And Plastering	500,000	500,000	500,000	85%	Ongoing
2016/17	Simat Primary	Completion of Administration ,Ceiling Boards and Doors and Painting	500,000	500,000	500,000	90%	Changed to roofing ,plastering, doors and window panes.
2017/18	Deb Momoni Primary School	Construction of Four Door Girls Toilet.	400,000	400,000	400,000	90%	Ongoing
2017/18	Kipsamoo Primary School	Renovation of Classrooms	2,450,000	800,000	800,000	90%	Ongoing
2017/18	Kibabet Primary School	Construction of 2 Door Teachers Toilet	321,690	300,000	300,000	90%	Ongoing
2017/18	Kingwal Primary School	Renovation of 8 Classrooms Flooring and Painting	800,000	800,000	800,000	90%	Ongoing
2017/18	Songoliet Primary School	Construction of Two Door Teachers Toilet.	300,000	300,000	300,000	90%	Ongoing
2017/18	Pioneer Chiefs Office	Completion of Chiefs Office Roofing, Plastering, Painting And Doors.	2,191,682	1,000,000	1,000,000	90%	Ongoing

KAPSERET NGCDF							
PROJECT IMPLEMENTATION STATUS REPORT							
Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
2017/18	Legetet Primary School	Construction of Both Boys & Girls Toilet	530,200	500,000	500,000	95%	Ongoing
2017/18	Kapseret Primary School	Construction of Four Door Toilet With One Urinal	444,100	400,000	400,000	97%	Ongoing
2016/17	Kaptinga Primary	Construction of One Classroom To Completion	460,430	500,000	500,000	98%	Ongoing
2016/17	Kamuzee Primary	Construction of One Classroom To Completion	708,000	500,000	500,000	98%	Ongoing
2017/18	Songoliet Secondary School	Completion of Administration Block Roofing And Plastering	1,000,000	1,000,000	1,000,000	ongoing	Ongoing
2017/18	Aic Lemook Secondary School.	Completion of One Classroom Plastering and Painting	700,000	200,000	200,000	ongoing	Ongoing
2017/18	Ngeria Girls Secondary School	Construction of Second Phase Multipurpose Hall	7,187,880	1,000,000	1,000,000	ongoing	Ongoing
2017/18	Aturei Secondary School	Construction of Laboratory co-funding (painting, doors, flooring, ceiling and walling, mechanical works)	2,277,375	1,000,000	1,000,000	ongoing	Ongoing
2016/17	Ngeria Chief Office	Construction of Office To Completion	1,000,000	1,000,000	1,000,000	87%	Ongoing
2016/17	Ngeria Technical Training Institute	Construction of 1workshop, Measuring 11m, By16m, Three Lecture 8m By 6m And Office Space Measuring 5.5m By 5.4m All Located On The	10,000,000	8,500,000	8,500,000		Ongoing

Report of the Auditor-General on the Financial Statements of National Government Constituency Development Fund – Kapseret Constituency for the year ended 30 June 2018

KAPSERET NGCDF							
PROJECT IMPLEMENTATION STATUS REPORT							
Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
		Ground Floor Respectively					
2016/17	Chepkongi Primary	Purchase of Land 2 Acres	800,000	800,000	800,000		Change of activity to purchase of an acre of land
2016/17	chebarus-Sugutek Water projects	Installation of electricity three face line	900,000	900,000	900,000		Devolved
2016/17	Koibasui water Bore hole	Installation of electricity three face line	250,000	250,000	250,000		Devolved
2016/17	Lemwook spring water project	Installation of electricity three face line	850,000	850,000	850,000		Devolved
			50,726,814				
	Not Started						
2017/18	Kipkenyo Secondary School	Purchase of One Acre of Land	1,000,000	1,000,000	1,000,000	Not started	Ongoing
2017/18	Kipkaren Secondary School	Fencing of School Compound	1,000,000	1,000,000	1,000,000	Not started	Delay of acquisition of title deed of the public land
2017/18	Kipkaren Secondary School	Construction of Classroom	3,000,000	3,000,000	3,000,000	Not started	Delay of acquisition of title deed of the public land
2017/18	Kipkaren Secondary School	Construction of Toilets	500,000	500,000	500,000	Not started	Delay of acquisition of title deed of the public land
2017/18	Kapkagaron Pry School	Completion of One Classroom Plastering and Painting	200,000	200,000	200,000	Not started	Change of activity to construction of 2 doors teachers' pit latrine.
			5,700,000				
	COMPLETED PROJECTS						

KAPSERET NGCDF

PROJECT IMPLEMENTATION STATUS REPORT

Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
2016/17	Deb Mutwot Secondary School	Completion of Administration Block ,Roofing and Plastering	860,000	700,000	700,000	100%	Change of activity to construction of one classroom
2016/17	Lernook Primary	Completion of 3 Classrooms Paintings and Plastering	400,000	400,000	400,000	100%	Complete
2016/17	Simat Chief Office	Construction of Office to Completion	1,000,000	1,000,000	1,000,000	100%	Complete
2016/17	Kimalel Primary	Completion of Dormitory (Plastering and Painting)	509,356	500,000	500,000	100%	Complete
2016/17	Aic Belekanya Primary	Completion of 3 Classrooms Roofing, Windows, and Doors	602,874	500,000	500,000	100%	Complete
2016/17	Aic Belekanya Primary	Completion of 3 Classrooms-Plastering And Painting	500,000	500,000	500,000	100%	Complete
2016/17	Kabongwa Primary	Construction of 4 Door Toilets To Completion	400,000	400,000	400,000	100%	Complete
2016/17	Langas Primary	Completion of 12 Classrooms Roofing And Olastering And Windows/Doors	2,400,000	2,400,000	2,400,000	100%	Complete and in use
2017/18	Inder Primary School.	Completion of One Classroom(Plastering ,Ceiling ,Flooring ,Windows, Doors, and Painting.	250,000	250,000	250,000	100%	Complete
2017/18	Kermetio Primary School	Completion of One Classroom(Plastering ,Ceiling, Flooring,	250,000	250,000	250,000	100%	Complete

KAPSERET NGCDF

PROJECT IMPLEMENTATION STATUS REPORT

Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
		Windows, Doors and Painting.					
2017/18	Borderlands Primary	Construction of 4 Door Toilet To Completion.	464,100	400,000	400,000	100%	Change of activity to construction of 3 door boys and 3 door girls pit latrine Door Toilet to Completion.
2017/18	Aturei Adventist Primary	Construction of Four Door Toilets For Girls	400,000	400,000	400,000	100%	Change of activity to completion of dining Hall (painting, plastering, flooring, ceiling and labelling)
2017/18	Kipkaren Primary School	Construction of Three Door Ablution Block	739,332	600,000	600,000	100%	Complete
2017/18	Koibasui Primary School	Purchase of 96 desks,8 ordinary tables,10 chairs,10 computer tables and 32 computer chairs	200,000	200,000	200,000	100%	Complete
2017/18	Ngarafalls Primary School	Purchase of 55 Lockers And Chairs.	330,000	330,000	330,000	100%	Complete
2017/18	Aturei Secondary School	Construction of Four Door Girls Toilet.	534,430	500,000	500,000	100%	Ongoing
2017/18	Konetik Primary School	Purchase of One Acre Land(1,300,000) & Construction Of Three Classroom (1,500,000)	2,800,000	2,800,000	2,800,000	100%	Change of activity purchase of two acre of land
2017/18	Inder Primary School	Construction of 8 Door Both Boys & Girls Toilet	1,221,430	1,000,000	1,000,000	100%	Complete
2017/18	St Mary's Chebarus Primary School.	Construction of Door Toilets For	976,200	600,000	600,000	100%	Complete

KAPSERET NGCDF

PROJECT IMPLEMENTATION STATUS REPORT

Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
		Both Boys & Girls.					
2017/18	Chepkongi Primary School	Purchase of an Acre Land.	1,200,000	1,000,000	1,000,000	100%	Complete
2017/18	St. Johns Kabongo Primary School.	Purchase of Land one Acre of Land.	1,500,000	1,500,000	1,500,000	100%	Ongoing
2017/18	Simat Primary School	Purchase of 40 Double Decker Beds	550,000	550,000	550,000	100%	Complete
2017/18	Kabongwa Primary School	Construction of Girls Toilet	400,000	400,000	400,000	100%	Complete
2016/17	Ack Aturei Seondary	Purchase of Land 3 Acres	1,500,000	1,500,000	1,500,000	Complete	Complete
2016/17	Kosirai Secondary School	Purchase of Land 1 Acre	400,000	400,000	400,000	Complete	Complete Tittle Deed Pending.
2016/17	Kosirai Secondary School	Completion of Two Classrooms Windows,Paintin g And Plastering	300,000	300,000	300,000	Complete	Complete
2016/17	Davis Primary	Renovation of 8 Classrooms Flooring And Painting	1,000,000	1,000,000	1,000,000	Complete	Complete
2016/17	Nairiri Primary	Purchase of Land 2 Acres	2,000,000	2,000,000	2,000,000	Complete	Complete
2016/17	Kermetio Primary	Construction of One Classroom To Completion	750,000	500,000	500,000	Complete	Complete
2016/17	Kermetio Primary	Construction of 4 Door Toilets To Completion	500,000	500,000	500,000	Complete	Complete
2016/17	Inder Primary	Construction of 1 Classroom To Completion	840,300	500,000	500,000	Complete	Complete
2016/17	Inder Primary	Completion of Administration Office Painting And Shelves	300,000	300,000	300,000	Complete	Complete

KAPSERET NGCDF							
PROJECT IMPLEMENTATION STATUS REPORT							
Financial Year	Project Name	Project Activity	Estimated Cost Kshs.	Allocated Amount Kshs.	Disbursed Amount Kshs.	Implementation Status	Remarks
			26,078,022				

3.0 Project Verification

During the audit, twenty-five (25) projects with total disbursements amounting to Kshs.33,432,030 as summarized in the table below were verified. Sixteen (16) projects with disbursements totalling Kshs.16,282,030 were complete and in use while nine (9) projects with total disbursement of Kshs.17,150,000 were incomplete but the construction was on going. The verification details are as per tabulation below;

	Project Name	Project activity	Disbursed Amount	Implementation Status	Verification results
1	Ngeria Technical Training Institute	Construction of one (1) workshop and office space	8,500,000	Ongoing	Building is behind schedule and contractor was not onsite.
2	Ngarafalls Primary School	Purchase of 55 lockers and chairs	300,000	Complete	Counted and found only 50 lockers and chairs and the rest which were 5 had gone to Ngara Falls Secondary. Also most of the chairs and lockers had already broken down
3	Ngarafalls Primary School	Construction of pit latrines-Emergency	400,000	Complete	Toilets constructed and in use
4	ACK Aturei Secondary School	Purchase of 3 acres of land	1,500,000	Complete	The land had already been fenced and a laboratory and toilets constructed.
5	Kosirai Secondary School	Purchase of 1 acre of land and construction of 2 classrooms	700,000	Complete	Classrooms were complete and branded and the land fenced and trees planted
6	DEB Mutwot Secondary School	Completion of administration roofing and plastering	700,000	On-going	Funds had been used for completion of classrooms and no work had been done on the administration block
7	Legetet Primary School	Construction of administration block	1,000,000	Ongoing	Not complete as no painting, putting up of ceiling or flooring had been done
8	St Ann Primary School	Construction of 4 classroom to completion	2,000,000	Ongoing	Classes not complete and part of walling concrete blocks were used also plastering not done and last time contractor was on site was September 2017.

	Project Name	Project activity	Disbursed Amount	Implementation Status	Verification results
9	Kosyin Primary School	Purchase of land 1 acre	1,500,000	Ongoing	Land purchased and fenced. Sand and Marram on site for construction
10	Langas Primary School	Completion of 12 classrooms roofing, plastering and windows	2,400,000	Complete	Building complete but floors have started developing cracks and holes .Ongoing repair works being done
11	Kipkaren Primary School	Construction of 4-door abolition block to completion	800,000	Complete	Complete and already in use by the staff. Also branding was done
12	Kapsaret Primary School	Construction of pit latrines-Emergency	400,000	Complete	Project complete and in use
13	Nairiri Primary School	Purchase of land 2 acres	2,000,000	Complete	Complete
14	Davis Primary School	Renovation of 8 classrooms flooring and painting	1,000,000	Complete	Already completed but only found 6 classrooms renovated
15	Kimalel Primary School	Completion of dormitory, plastering and painting	500,000	Complete	Complete and already in use by the boys students
16	Inder Primary School	Construction of one classroom to completion and completion of administration block painting and shelves	800,000	Complete	Classroom was completed but being used by ECDE students. Administration block had no ceiling cones but furniture was there but had no branding
17	Simat Primary School	Completion of administration block ceiling, doors and painting and purchase of 40 double decker beds	1,050,000	Ongoing	Double decker beds had been purchased but some have already started squeaking. The administration block had not been painted, no ceiling
18	Kibabet Primary School	Construction of 4 door girls pit latrine,3 door and urinal pit latrine for boys-Emergency	885,370	Complete	Project complete and in use
19	Ochemina Primary School	Construction of 4 door pit latrine-Emergency	448,510	Complete	Project complete and in use
20	Kabongwa Primary School	Construction of 3 door pit latrine	448,150	Complete	Project complete and in use
21	Langas Station	Police Construction of 8staff houses	2,700,000	Complete	Staff houses completed and already in use
22	Langas Station	Police Construction of ablution block-Emergency	500,000	Ongoing	Construction of the ablution block done sewer piping not yet done
23	Langas Station	Police Construction of ablution block-Emergency	900,000	Ongoing	Construction of the ablution block done sewer piping not yet done
24	Simat Office	Chiefs Construction of office to completion	1,000,000	Complete	Construction completed and project already in use

	Project Name	Project activity	Disbursed Amount	Implementation Status	Verification results
25	Ngeria Chiefs Office	Construction of office to completion	1,000,000	Ongoing	Construction of office done, painting not yet done. Project not in use
	Total		33,432,030		

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for [Conclusion on Lawfulness and Effectiveness in Use of Public Resources/ Qualified Opinion] section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Transfers to Other Government Units - Ngeria Technical Training Institute

The statement of receipts and payments reflects transfers to other Government entities amount of Kshs.28,050,000 which include Kshs.8,500,000 as transfer to tertiary institutions in respect of counterpart funding for the proposed construction of Ngeria technical training institution. The Ministry of Education, Science and Technology had written to the National Government Constituency Development Fund Board through a letter dated 1 September 2015, Ref. No MST/DTE/6/5/VOL.VI requesting the Chief Executive Officer NG-CDF Board to budget and disburse Kshs.10,000,000 to benefiting constituencies towards the funding for construction of new Technical Training Institutes in constituencies with none for which the respective members of parliament made commitments to the Ministry to that effect.

Kapseret Constituency was identified as one of the benefiting constituency while Rift Valley Technical Training Institute was to be their mentoring institute. Rift Valley Technical Training Institute entered into a contract no MOEST/28/2015-2016 with Taimel Building & General Contractors on 4 Dec 2015 for the proposed construction of Ngeria Technical Training Institute at a contract price of Kshs.53,251,372.80. The project was to commence from 8 May 2016 for a period of 52 weeks. Kapseret NGCDF made a payment of Kshs.8,500,000 on 6 April 2018 to the special account being managed by Rift Valley TTI. A site verification done on 10 April 2019 revealed that the project had stalled as the contractor was not on site and no activity was ongoing. It was further noted that the workmanship was poor.

Consequently, the propriety of Kshs.8,500,000 under transfers to other Government entities could not be confirmed.

2.0 Previous Year Purchase of land

As reported in the previous year under transfers to other Government entities was an expenditure of Kshs.5,300,000 which was disbursed to various schools, water project and chief's office for the purchase of various parcels of land as detailed below;

No.	Date	Payee/Project Name	Purpose	Amount Kshs
1	31.1.2017	Konetik- Borderland Pri. School	Purchase of 2 acres of Land	1,200,000
2	7.1.2017	Kosyin Ngara Pri School	Purchase of 2 acres of Land	900,000
3	4.7.2016	ACK Aturei Sec. School	Purchase of 5 Acres of Land	2,500,000
4	20.12.2016	Simat Chief s Office		500,000
4	2.2.2017	Kapkagaron Chebarus - Segutec Water project	Purchase of Land and fencing.	200,000
			Total	5,300,000

However, supporting documents as proof of ownership i.e title deeds were not availed for audit verification.

Consequently, the validity of the purchased parcels of land could not be confirmed.

3.0 Purchase of Land

The statement of receipts and payments for the year ended 30 June 2018 reflects transfers to other Government entities figure of Kshs.28,050,000 which includes an amount of Kshs.4,900,000 incurred on the purchase of land for Nairiri Primary School, ACK Aturei Secondary School, AIC Kosirai Secondary School and Kosyin Primary School. However, title deeds for the parcels of land were not provided for audit review.

Consequently, the ownership status of these parcels of land could not be confirmed.

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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

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

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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

Report of the Auditor-General on the Financial Statements of National Government Constituency Development Fund – Kapseret Constituency for the year ended 30 June 2018

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 Kapseret NGCDF ability to continue sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government either intends to liquidate the Kapseret NGCDF or to cease operations, or have no realistic alternative but to do so.

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 Kapseret NGCDF 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 Kapseret NGCDF policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern 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 Kapseret NGCDF ability to continue as a going concern or 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 Kapseret NGCDF to cease to continue as a going concern or 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 Kapseret NGCDF to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

03 June 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY


Reports and Financial Statements


For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	84,353,447	91,889,773
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		84,353,447	91,889,773
PAYMENTS			
Compensation of employees	4	1,003,978	2,256,577
Use of goods and services	5	7,718,524	7,893,707
Transfers to Other Government Units	6	28,050,000	31,200,000
Other grants and transfers	7	40,459,660	61,814,646
Acquisition of Assets	8	-	1,113,863
Other Payments	9	-	-
TOTAL PAYMENTS		77,232,162	104,278,793
SURPLUS/(DEFICIT)		<u>7,121,285</u>	<u>(12,389,020)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAPSERET Constituency financial statements were approved on 9/5/2019 and signed by:


Fund Account Manager
MAMKA SAINARE


Sub-County Accountant
LUCAS OKETCH OPONDO
ICPAK Member Number: 17541



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY


Reports and Financial Statements


For the year ended June 30, 2018

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	10,509,163	2,514,034
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		10,509,163	2,514,034
Current receivables - Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		10,509,163	2,514,034
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	-	-
NET FINANCIAL ASSETS		10,509,163	2,514,034
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,514,034	14,903,054
Surplus/Defict for the year		7,121,285	(12,389,020)
Prior year adjustments	14	873,844	-
NET FINANCIAL POSITION		10,509,163	2,514,034

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAPSERET Constituency financial statements were approved on 9/5/2019 and signed by:


Fund Account Manager
MAMKA SAINARE


Sub-County Accountant
LUCAS OKECH OPONDO
ICPAK Member Number: 17541



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KAPSERET CONSTITUENCY

Reports and Financial Statements

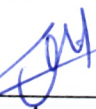
For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	84,353,447	91,889,773
Other Receipts	3	=	=
		84,353,447	91,889,773
Payments for operating expenses			
Compensation of Employees	4	1,003,978	2,256,577
Use of goods and services	5	7,718,524	7,893,707
Transfers to Other Government Units	6	28,050,000	31,200,000
Other grants and transfers	7	40,459,660	61,814,646
Other Payments	9	-	-
		77,232,162	103,164,930
Adjusted for:			
Adjustments during the year	14	873,844	-
Net cash flow from operating activities		7,995,129	(11,275,157)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(1,113,863)
Net cash flows from Investing Activities		-	(1,113,863)
NET INCREASE IN CASH AND CASH EQUIVALENT		7,995,129	(12,389,020)
Cash and cash equivalent at BEGINNING of the year	13	2,514,034	14,903,054
Cash and cash equivalent at END of the year		<u>10,509,163</u>	<u>2,514,034</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAPSERET Constituency financial statements were approved on 9/5/ 2019 and signed by:


Fund Account Manager
MAMKA SAINARE


Sub-County Accountant
LUCAS OKECH OPONDO
ICPAK Member Number: 17541



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCD) KAPSERET CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018(Kshs')

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,344.75	54,841,619	141,651,964	86,867,481	54,784,483	61%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
	86,810,344.75	54,841,619	141,651,964	86,867,481	54,784,483	61%
PAYMENTS						
Compensation of Employees	2,596,000		2,596,000	1,003,978	1,592,022	39%
Use of goods and services	5,216,931.03	3,041,378	8,258,309	7,718,524	539,785	93%
Transfers to Other Government Units	22,645,000	38,248,276	60,893,276	28,050,000	32,843,276	46%
Other grants and transfers	42,175,386.52	11,715,828	53,891,215	40,459,660	13,431,555	75%
Acquisition of Assets	7,500,000	636,137	8,136,137	-	8,136,137	0%
Other Payments	6,677,027.20	1,200,000	7,877,027	-	7,877,027	0%
TOTALS	86,810,344.75	54,841,619	141,651,964	77,232,162	64,419,802	55%

(b) Explanation of underutilization on all items below 90% of utilization

- i. The Total receipt from the Board is 61% due to supplement budget effected in month of May 2018 of Kshs. 11,379,310.34 and second half allocation amounting to Kshs.43,405,172.75.of the original budget yet to be disbursed to the constituency by the end f 30th June 2018*
- ii. Compensation of Employees is 39% because the constituency had anticipated to employ three more staff in addition of the 2 employed staff but we ended up recruiting additional staff end of the financial year leading to under utilization below the pass mark.*
- iii. For Transfers to Other Government Units, Other grants and transfers, Acquisition of Assets and Other Payments the utilization is 46%,75%,0% and 0% respectively leading to underutilization of funds due to delay of funds from the Board which had not been disbursed by the end of June 2018.*

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAPSERET CONSTITUENCY

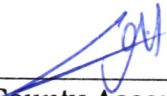
Reports and Financial Statements

For the year ended June 30, 2018

The NGCDF-**KAPSERET** Constituency financial statements were approved on 9/5/ 2018 and signed by:



Fund Account Manager
MAMKA SAINARE



Sub-County Accountant
LUCAS OKECH OPONDO
ICPAK Member Number: 17541



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

Reports and Financial Statements

For the year ended June 30, 2018

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO. A 825930	1		50,941,497
AIE NO. A 829586	2		4,094,827
AIE NO. A 855579	3		36,853,449
AIE NO. A892697	1	40,948,275	
AIE NO. A855844	2	5,500,000	
AIE NO. A892886	3	37,905,172	
TOTAL		84,353,447	91,889,773

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY
**Reports and Financial Statements
For the year ended June 30, 2018****

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	784,178	1,451,105
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	219,800	805,472
Other personnel payments	-	-
Total	1,000,978	2,256,577

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	4,371,595	4,549,660
Utilities, supplies and services	301,825	488,637
Communication, supplies and services	337,500	94,520
Domestic travel and subsistence	435,400	276,000
Printing, advertising and information supplies & services	157,980	282,920
Rentals of produced assets	25,290	-
Training expenses	240,000	345,000
Hospitality supplies and services	872,315	685,000
Insurance costs	-	-
Specialized materials and services	270,420	20,000
Office and general supplies and services	298,935	454,620
Other operating expenses	325,960	283,950
Routine maintenance – vehicles and other transport equipment	81,304	413,400
Routine maintenance – other assets	-	-
Total	7,718,524	7,893,707

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERE CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	16,350,000	20,850,000
Transfers to secondary schools (see attached list)	3,200,000	9,200,000
Transfers to tertiary institutions (see attached list)	8,500,000	-
Transfers to health institutions (see attached list)	-	1,150,000
TOTAL	28,050,000	31,200,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,445,000	15,633,600
Bursary – tertiary institutions (see attached list)	14,872,000	14,000,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	5,600,000	2,300,000
Sports projects (see attached list)	-	4,076,150
Environment projects (see attached list)	-	2,334,520
Emergency projects (see attached list)	4,542,660	4,940,000
Total	40,459,660	61,814,646

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	1,113,863
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	1,113,863

9. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
ICT Innovation Hubs	-	-
	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KAPSEREI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Co-operative Bank, 01141443517600.</i>	10,509,163	2,514,034
	-	-
	-	-
Total	10,509,163	2,514,034
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Total</i>				xxx

[Include an annex of the list is longer than 1 page.]

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
Total	xx	xx

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	2,514,034	14,903,054
Cash in hand	-	-
Imprest	-	-
Total	2,514,034	14,903,054

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAPSERET CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts(Reversed stale cheques not replaced)	873,844	-
Cash in hand	-	-
Imprest	-	-
Total	873,844	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	159,387	-
Use of goods and services	5,670,680	1,200,000
Amounts due to other Government entities (see attached list)	29,743,276	300,000
Amounts due to other grants and other transfers (see attached list)	15,716,226	377,897
Acquisition of assets	8,453,206	636,137
Others (<i>specify</i>)	4,677,027	-
	64,419,802	2,514,034

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	8,171,816	1,739,222.28
	8,171,816	1,739,222.28

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPSERET CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
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.							
12.							
	Sub-Total						
	Grand Total						

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		159,387		
Use of goods & services		5,670,680		
Amounts due to other Government entities				
primary projects		16,348,276		
secondary projects		11,895,000		
tertiary institutions		1,500,000		
Sub-Total		29,743,276		
Amounts due to other grants and other transfers				
Water projects		491,301		
Electricity projects		2,050,000		
Emergency projects		651,088		
Sports activity		2,095,275		
Bursary tertiary		3,064,766		
Bursary secondary		1,000,001		
Environment projects				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPSERET CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		3,563,793		
Security projects		2,800,001		
	Sub-Total	15,716,226		
	Sub-Total			
Acquisition of assets				
purchase of vehicle		7,500,000		
furniture		591,137		
office refurbishment		12,069		
Purchase of motor bike		350,000		
	Sub-Total	8,453,206		
Others (specify)				
Innovation hubs		4,677,027		
	Sub-Total	4,677,027		
	Grand Total	64,419,802		

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs')

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				
Buildings and structures	4,000,000			4,000,000
Transport equipment	3,300,000			3,300,000
Office equipment, furniture and fittings	2,157,493			2,157,493
ICT Equipment, Software and Other ICT Assets	205,690			205,690
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	9,663,183			9,663,183

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

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs')

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
TUIYOBEL PRIMARY SCHOOL	CO-OPERATIVE	01141674221000	1,500	
LANGAS PRIMARY SCHOOL	CO-OPERATIVE	01141672996000	747,285	
KERMETIO PRIMARY SCHOOL	CO-OPERATIVE	01139673530600	25,633	
JASHO PRIMARY SCHOOL	CO-OPERATIVE	01141673980800	1,363	
MEGUN LOCATION CHIEFS OFFICE	CO-OPERATIVE	01141443972900	1370	
TUIYO PRIMARY SCHOOL	CO-OPERATIVE	01141672714700	209	
NGARAFALLS SEC SCHOOL	CO-OPERATIVE	01141086651900	511	
KIPKENYO SECONDARY SCHOOL	CO-OPERATIVE	01141672460300	1,518	
KIPSAMOO PRIMARY SCHOOL	CO-OPERATIVE	01141443076400	2,380	
KAPKENDUIYWO PRIMARY SCHOOL	CO-OPERATIVE	01141443996200	2028	
BARNOTIK PRIMARY SCHOOL	CO-OPERATIVE	01139441402500	1,733	
KIAMBAA PRIMARY SCHOOL	CO-OPERATIVE	01141672725000	555	
AIC BELEKENYA PRIMARY SCHOOL	CO-OPERATIVE	01141674146600	141,655	
NGARAFALLS PRIMARY SCHOOL	CO-OPERATIVE	01141672528400	377	
DEB MUTWOT PRIMARY SCHOOL	CO-OPERATIVE	01139046739301	848	
KANETIK PRIMARY SCHOOL	CO-OPERATIVE	01139674456600	16,414	
AIC KOSIRAI SECONDARY SCHOOL	CO-OPERATIVE	01141440440600	4,278	
NGERIA CHIEFS OFFICE	CO-OPERATIVE	01134673088100	604,925	
NGANIAT PRIMARY SCHOOL	CO-OPERATIVE	01141673100100	25	
CHEPYAKWAI PRIMARY SCHOOL	CO-OPERATIVE	01139672002400	3,280	
NANDI GAA PRIMARY SCHOOL	CO-OPERATIVE	01141598408601	1,478	
KIMALEL PRIMARY SCHOOL	CO-OPERATIVE	01141674337000	17,105	

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

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs')

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
LANGAS POLICE STATION	CO-OPERATIVE	01141761027200	2,275	
ST JOSEPH KAPSERET SECONDARY SCHOOL	CO-OPERATIVE	01139672783600	11,465	
ST.ANN SIMAT PRIMARY	CO-OPERATIVE	01141674247000	1,030,625	
KOSYIN PRIMARY SCHOOL	CO-OPERATIVE	01141673092700	1,633,790	
KABONGWA PRIMARY SCHOOL	CO-OPERATIVE	01141441086800	380,793	
NAIRIRI PRIMARY SCHOOL	CO-OPERATIVE	01141761705700	2,000,000	
SIMAT CHIEFS OFFICE	CO-OPERATIVE	01141673086900	7,260	
ST MARYS CHELABAL PRIMARY SCHOOL	EQUITY	1090297360171	29	
KAPTINGA PRIMARY SCHOOL	EQUITY	1090262605801	185	
KIPKAREN AIRPORT PRIMARY SCHOOL	EQUITY	1090299158371	38	
KIMURI PRIMARY SCHOOL	EQUITY	1090299757831	85	
NGERIA PRIMARY SCHOOL	EQUITY	1090299560612	4,035	
KIMURI PRIMARY SCHOOL	EQUITY	1090299757831	85	
KIPKAREN PRIMARY SCHOOL	EQUITY	1090299149267	799,792	
CHEPKONGI PRIMARY SCHOOL	EQUITY	1090297648452	1,137	
SIMAT PRIMARY SCHOOL	NATIONAL	0122428199002	11,424	
BOARDERLANDS PRIMARY SCHOOL	NATIONAL	01024027563501	372	
SIMAT SECONDARY SCHOOL	NATIONAL	01021028199200	11,214	
MWIRUTI PRIMARY SCHOOL	NATIONAL	01024028048001	859	
DEB MOMONIAT PRIMARY SCHOOL	NATIONAL	01024028538801	420	
NGERIA GIRLS SECONDARY SCHOOL	NATIONAL	01021028066001	50	
KIBABET PRIMARY SCHOOL	NATIONAL	01024027782501	4,941	
ST MARYS CHEBARUS PRIMARY SCHOOL	NATIONAL	01024028714701	99,486	
KONYIT PRIMARY SCHOOL	SIDIAN	008030000596	3	

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

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs')

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
INDER PRIMARY SCHOOL	SIDIAN	01008030000847	255,904	
ST GEORGES SINENDET PRIMARY SCHOOL	SIDIAN	01008030059	48,897	
KOIBASUI PRIMARY SCHOOL	SIDIAN	01008030013329	0	
KAMUZEE PRIMARY SCHOOL	SIDIAN	01008030013450	15,008	
LEGETET PRIMARY SCHOOL	SIDIAN	01008030007752	103,729	
ST JOHNS KABONGO PRIMARY SCHOOL	FAMILY	085000068843	10,317	
KOROS SECONDARY SCHOOL CHEMINA	FAMILY	085000003280	14,041	
ACK ATUREI SECONDARY SCHOOL	KCB	1136514279	145,974	
KAPKAGARON PRIMARY SCHOOL	ABC	005215001002293	758	
KINGWAL PRIMARY SCHOOL	ABC	005215001001168	357	
TOTAL			8,171,816	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KAPSERET CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs')

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)	Time frame: (Put a date when you expect the issue to be resolved)
1.	FMC account balances as 30 June 2017 amounted to Kshs 1,739,960.53 arising from 36 accounts held in various banks.	The management availed the bank statements and returns from the FMC files and will ensure in future that the FMCs are properly trained to enable them maintain proper records.	Mamka Sainare Fund Account Manager	Not resolved	
2.	The statement of receipts and payments reflects transfers from NG-CDF Board amount of Kshs 91,889,773. These funds were all disbursed to various approved projects as per the budget. However, Kshs 40,948,276 was not received from NG-CDF Board therefore could not be spent within the financial year.	The management will liaise with the NG-CDF Board to ensure that all the funds budgeted for within the financial year are disbursed to the constituency and immediately disbursed to the projects for utilization	Mamka Sainare Fund Account Manager	Not resolved	
3.	The amount of Kshs. 31,200,000 which includes an amount of Kshs 4,600,000 on purchase of Land for three schools but supporting documents like valuation report, search certificates, title deeds and purchase agreement were not availed.	The management should ensure that due diligence is exercised in purchase of land to avoid land cases and that the supporting documents are attached	Mamka Sainare Fund Account Manager	Not resolved	
4.	The statement of receipts and payments reflects figure of Kshs. 61,614,646, emergency projects amounting to Kshs. 4,940,000.	The public health reports are attached	Mamka Sainare Fund Account Manager	Resolved	

PREPARED BY:



**MAMKA SAINARE
FUND ACCOUNT MANAGER**

