

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS AND

REPORT

DATE: 27 SEP 2023

DAY:

Wednesday

TABLED
BY:

Hon. Owen Baya (Deputy
Leader of
the Majority Party)

OF

Anne Shibuko

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

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

**FOR THE YEAR ENDED
30 JUNE, 2022**

200





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P. O. Box 30084 - 00100, NAIROBI
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LARI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(a) Key Management

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

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

(b) Fiduciary Management

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The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	JOSEFRIDA KAMETI
2.	Sub-County Accountant	NANCY MUGOI
3.	Chairman NGCDFC	EVAN KARANJA
4.	Member NGCDFC	PAUL WAINAINA

(c) Fiduciary Oversight Arrangements

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

(d) Lari Constituency NGCDF Headquarters

P.O. Box 71 Matathia
Lari Sub County Head Quarters
DCC OFFICE COMPOUND
NAIROBI NAKURU HIGH WAY

(e) Lari Constituency NGCDF Contacts

Telephone: (254) 0720120932
E-mail: cdfhari@cdf.go.ke
Website: www.go.ke

(f) Lari Constituency NGCDF Bankers

(g) Constituency NGCDF equity bank
Acc no. 1110295360924

Bank (equity bank Kimende branch)

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 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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National Government Constituencies Development Fund (NGCDF)
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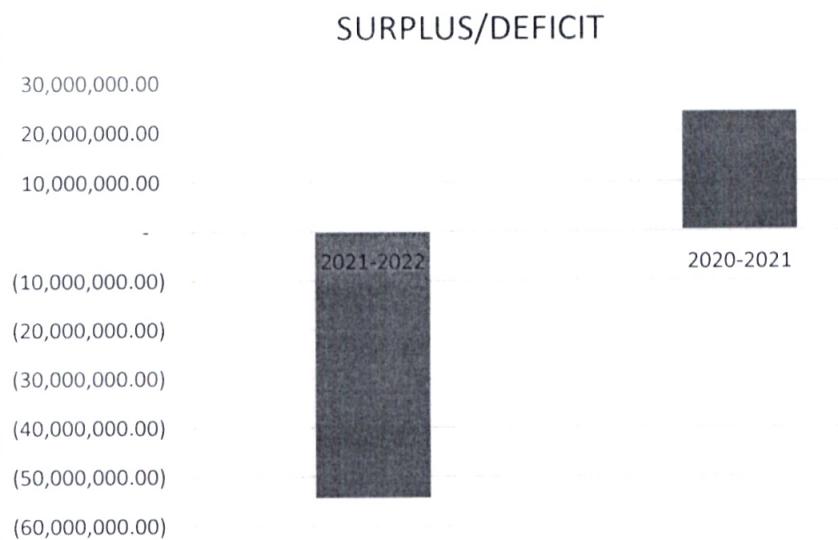
ING-CDFC Chairman's Report

Include among others the following:



The people of Lari constituency are determined to participate effectively in domesticating objectives of the big Four in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

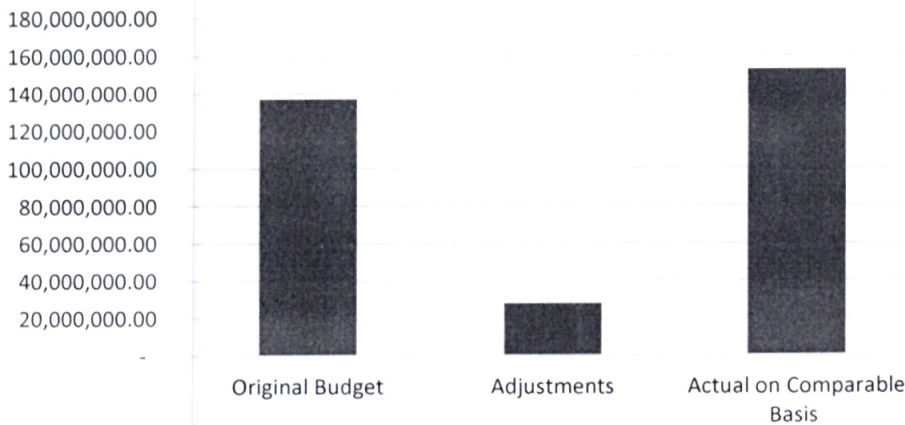
Summary of the budget performance against actual amounts for current year based on economic classification and programmes.



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This is an indicator that less funds were received and absorbed in Year 2021/2022 compared to 2020/2021. This was a result of a number projects were not approved for that financial year, thus less funds released.

Original Budget, Adjustments Against Actual Utilization of Funds



Key

Original Budget – Original Budget Allocation for the FY 2021/2022

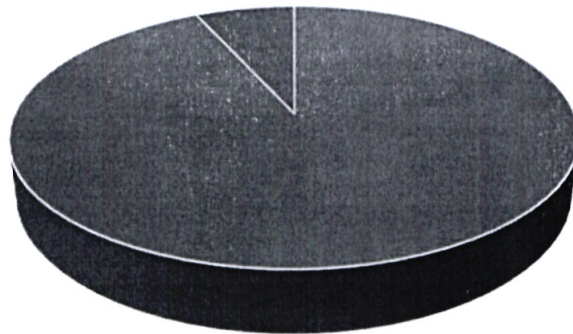
Adjustments – Total Adjustments Allocation during the Year 2021/2022

Actual on Comparable Basis – Total actual on comparable basis i.e The Total Funds allocated during the year was implemented at 92.5% comparatively.

Financial year budget

In the financial year 2021/2022 the NG-CDF Lari was allocated Ksh. 137,088,878.99 in which the office has since received Ksh. **128,000,000.00**. The utilization was effectively done giving priority to Projects which is at 100% utilization.

FY 2021\2022 COMPARED TO FY 2020\2021
 ALLOCATION

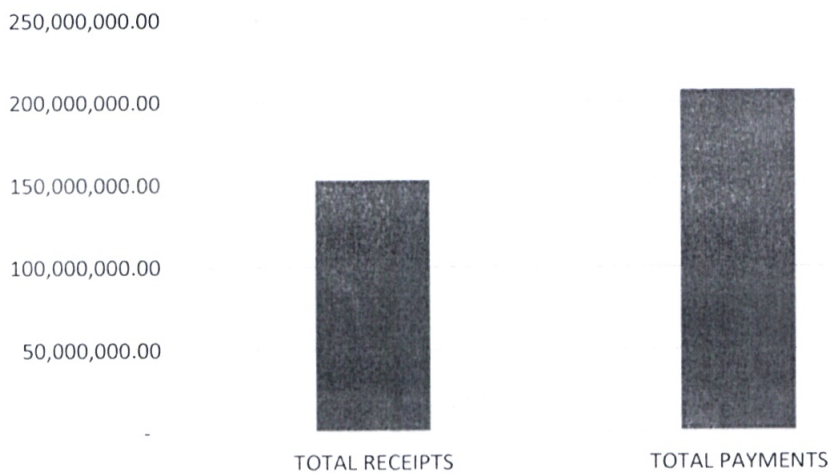


■ 2021\2022 ■ 2020\2021

KEY

2021/2022 – Showing great improvement on financial year allocation
 2020/2021– Allocation which shows less funds than the current year allocation

STATEMENT OF RECEIPTS AND PAYMENT



KEY

2021/2022 - Total receipts during the year from the NGCDF board
 2021/2022 - Total expenditure during the year in NG-CDF Lari

Key achievements

Làri Constituency

National Government Constituencies Development Fund (NGCDF)

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The constituency has managed to train in driving, catering, dress making and masonry. These has helped the youth to use the skilled they learned to earn a living.

Several Assistance County Commissioner's and chief's camp have being constructed so as to enhance security in the area.

Covid-19 regulations is to have all individuals to keep distance so the constituency has built up more classrooms in several schools.



KARENGE PRIMARY SCHOOL

Construction Of Two Classrooms To Completion Including



KAMAE PRIMARY SCHOOL

Renovation Of The Whole School .

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MUGIKO PRIMARY SCHOOL
Renovation of the whole school.



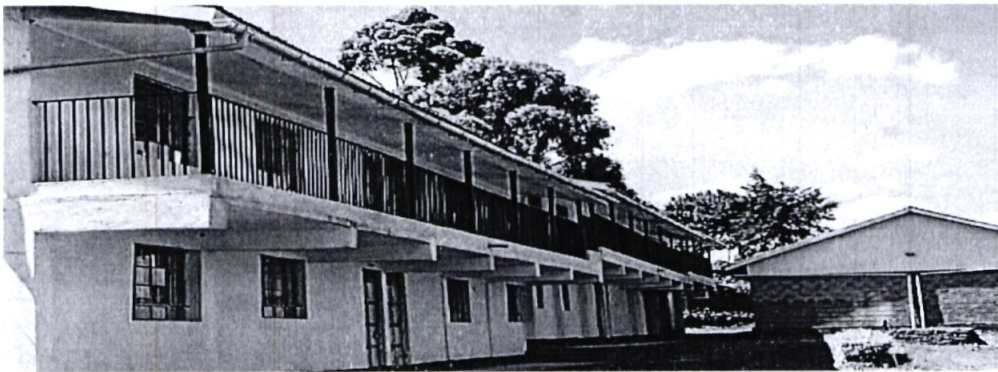
Lare primary school
Renovation and construction of the school



KIAMBOGO PRIMARY SCHOOL
RENOVATION OF THE WHOLE SCHOOL



Kimende high school
Renovation of the whole school



Gachema secondary school

Construction of classrooms to completion.

Emerging Issues

Disbursement of funds from the NGCDF BOARD was delayed during this financial year with only 70% received within the financial year. However, despite the late disbursement of funds from the NGCDF-BOARD, fifteen projects had not started by 30th June 2021

Implementation challenges

1. Delay in release of funds
2. Transfer of FAM
3. Funds allocated not sufficient to implement projects
4. Proposals are forwarded to the NGCDFC from ward forums without realistic cost estimates from Public Works officer.
5. Covid -19 Pandemic

Signature

CHAIRMAN NGCDF COMMITTEE

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

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I. Statement Of Performance Against Predetermined Objectives for FY2021/22

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 Lari Constituency According to the strategic Plan 2018-2022

Lari is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-LARI Constituency's 2018 - 2023 plan are to: In underscoring the above, the key development objectives of NGCDFC-Lari

Introduction

Strategic Area One:

strategic Area One:

Education Objective:

Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates. Initiative: Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children. Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two:

Water and Environment Objective:

Improve access to clean water and a more sustainable and conserved environment in Lari through natural resources conservation initiatives Initiative: Initiate and enhance conservation programs within the constituency Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

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Strategic Area Three:

Security Objective:

Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure Initiative: Improving infrastructure and service delivery

Strategic Area Four:

Sports Objective:

Empower and develop youth and special groups to reduce dependence and spur economic growth through sports Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five:

Information Communication and Technology (ICT) Objective:

Enhance access to information and technology by Lari residents and use ICT to enhance service delivery and spurring development. Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

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:

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	Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	<ul style="list-style-type: none"> - Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels 	Number of classrooms increased from 320 to 416 Number of laboratories increased from 8 to 9 Number of dormitories increased from 5 to 10 Number of administration blocks increased 17 to 19

	transition rates			
Security	quip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service deliver	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	umber of usable physical infrastructure built in locations, sub locations and police station	umber of renovated chiefs' offices increased from 2 to 6 Number of assistant chiefs' offices increased from 1 to 6
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives Drill	Buying of water tanks to for various schools Equip schools and public facilities with sanitation	Number of sanitation facilities built in primary and secondary and trees planted in various schools	Environment Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives Water tanks to provide clean water to schools Equip schools and public facilities with sanitation Number of water tanks bought from 0 to 8 tanks Increased Number of sanitation facilities built in primary and secondary from 15 to 27 Number of trees From in primary and secondary schools increased from 0 trees to 20,000 trees

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Sports	Empower and develop youth and special groups through sports	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youths groups benefitting from the sports programme increased from 15 to 45 teams
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery	Equip youths with computers and internet connectivity to enable them	Number of usable chiefs' offices with computers and internet connectivity	Number of ICT centres at the chiefs' offices increased from 0 to 4

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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 21/22 we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules

I. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

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

2. Environmental performance

- Lari constituency in this financial year erected water harvesting points in schools. This has helped in preventing soilerosion and conserving water.
- The constituency has helped in construction of chiefs and assistance chiefs camp so as to bring nearer administration which helps in maintaining law and order.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

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

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and

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the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

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

LARI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
FLORENCE MAY 2023
P.O. Box 71 - 00221
MATITHIA
FAM

I. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Lari 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, 2022. 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-Lari Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- LariConstituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF LariConstituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the

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

Approval of the financial statements

The NGCDF- Lari Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.



.....
Name: JAMES N. NJIRU
Chairman – NGCDF Committee

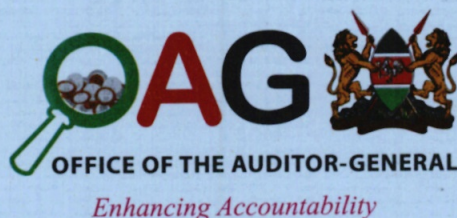
FLORENCE NJUGUNA

Name: _____
Fund Account Manager

LARI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
12 MAY 2023
P.O. Box 71 - 00221
MATATHIA

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LARI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lari Constituency set out on pages 1 to 48, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Lari Constituency as at 30 June, 2022, 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported Transfers to Other Government Units

The statement of receipts and payments reflects payments amounting to Kshs.112,710,240 in respect of transfers to other Government units. However, the Note 6 to the financial statements indicates an amount of Kshs.79,260,240 resulting to an unexplained variance of Kshs.33,450,000. Further, ledgers to support transfers to secondary schools amounting to Kshs.3,600,000 were not provided for audit.

In the circumstances, the accuracy and completeness of transfers to other Government units amount of Kshs.112,710,240 could not be confirmed.

2. Inaccuracies in Other Grants

The statement of receipts and payments reflect payments totalling to Kshs.80,000,597 in respect of other grants and transfers. However, the Note 7 to the financial statements indicates an amount of Kshs.113,450,597 resulting to an unexplained variance of Kshs.33,450,000. Further, included in these payments is Kshs.3,700,000 in respect of payments on emergency projects whose supporting schedules/ledgers were not provided for audit.

In the circumstances, the accuracy and completeness of other grants amount of Kshs.80,000,597 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities and Note 10 to the financial statements reflects a balance of Kshs.8,104,114 in respect of cash and cash equivalents. However, the corresponding cash book bank balance was Kshs.7,950,141, resulting in an unexplained variance of Kshs.153,973. Further, the certificate of bank balance provided reflected a balance of Kshs.11,516,846, resulting in a variance of Kshs.3,412,732.

In addition, bank reconciliation statements, bank statements and board of survey reports were not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.8,104,114 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 - Lari Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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.

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. Irregular Implementation of Emergency Projects

The statement of receipts and payments and Note 7 to the financial statements reflects payments amounting to Kshs.80,000,597 in respect of other grants and other transfers which included an amount of Kshs.3,700,000 in respect of emergency projects. However, no documentary evidence was provided to confirm that Management had reported any of the emergency expenditure to the Board using the prescribed format and within the stipulated period of 30 days. This was contrary to Regulation 20 of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall ensure that the emergency reserve is utilized in accordance with the provisions of sections 24, 25 and 48 of the Act and that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

Further, minutes on the implementations and justification that the projects were urgent, unforeseen and that the expenditure could not be delayed were not provided as per the requirements of Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

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

2. Late Remittance of Statutory Deductions

The statement of receipts and payments and Note 4 to the financial statements reflect payments amounting to Kshs.1,521,360 in respect of compensation of employees. Included in these payments are statutory deductions of National Social Security Fund (NSSF), Pay as You Earn (PAYE) and National Hospital Insurance Fund (NHIF). However, remittances in respect of these statutory deductions were made late, resulting to penalties amounting to Kshs.45,359 in respect of NSSF. The late remittance of funds to statutory bodies was not explained.

In the circumstances, Management would have avoided payment of the penalties had the remittances been made within the statutory deadlines.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters 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

1. Unsupported Budget Balances for Implementation Status

The summary statement of appropriation under the adjustment's column reflects Kshs.45,088,879 which relates to undisbursed funds received from the Board. However, the amount was not disclosed as amounts pending approval neither were the supporting schedules provided for audit. Therefore, it was not possible to confirm the total number of projects and corresponding amounts approved in the final budget figure. In addition, the accuracy of previous years outstanding disbursements could not be ascertained.

2. Incomplete Assets Register

Review of the fixed asset register revealed that the register maintained listed buildings, desktop and laptop computers, printers, tables, seats, filing cabinets, televisions and generators only. The details of the land which was donated to the Fund by the County Commissioner were not included in the fixed asset register for tracking and control purposes.

In the circumstances, the effectiveness of the fixed assets register in tracking and control of the assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's

ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

18 July, 2023

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

I. Statement Of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021 Kshs
RECEIPTS			
Transfers from NGCDF Board	1	152,827,379	161,367,724
Proceeds from Sale of Assets	2	-	100,000
Other Receipts	3	-	-
TOTAL RECEIPTS		152,827,379	161,467,724
PAYMENTS			
Compensation of employees	4	1,521,360	2,805,117
Use of goods and services	5	12,969,327	9,958,337
Transfers to Other Government Units	6	80,000,597	46,300,000
Other grants and transfers	7	112,710,240	42,915,208
Acquisition of Assets	8	-	95,120
Other Payments	9	-	2,320,000
TOTAL PAYMENTS		207,201,524	104,393,782
SURPLUS/DEFICIT		(54,374,145)	57,073,942

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

The Constituency financial statements were approved on _____ 2022 and signed by:

Florence Njucuna
Fund Account Manager

Emma N. Kudia
National Sub-County Accountant

[Signature]
Chairman NG-CDF Committee

Name: _____
12 MAY 2023
P.O. Box 71-00211
NAT. GOVT.

NATIONAL SUB-COUNTY ACCOUNTANT
Name: [Signature]
ICPAK M/No: _____
P.O. BOX 220-00221,
KIMENDE - KENYA

Name: JAMES N NJURO

II. Statement of Assets and Liabilities As At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	8,104,141	67,913,616
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		8,104,141	67,913,616
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		8,104,141	67,913,616
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		8,104,141	67,913,616
Represented By			
Fund Balance B/Fwd	13	62,478,286	10,839,674
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(54,374,145)	57,073,942
Net Financial Position		8,104,141	67,913,616

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

The Constituency financial statements were approved on _____ 2022 and signed by:

FLORENCE WIGUNA

Emma N. KURIA

[Signature]

Fund Account Manager

LARI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
12 MAY 2023
Name:
P.O. Box 71 - 00221
MATATHIA

**National Sub-County
Accountant**

NATIONAL SUB-COUNTY ACCOUNTANT
[Signature]
P. O. BOX 220 - 00221,
Name: KIMENDE - KENYA

ICPAK M/No:

**Chairman NG-CDF
Committee**

Name: James N. NJURU

III. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 – 2022	2020 – 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	152,827,379	161,367,724
Other Receipts	3	-	100,000
Total Receipts		152,827,379	161,467,724
Payments for Operating Systems			
Compensation Of Employees	4	1,521,360	2,805,117
Use Of Goods and Services	5	12,969,327	9,958,337
Transfers To Other Government Units	6	80,000,597	46,300,000
Other Grants and Transfers	7	112,710,240	42,915,208
Other Payments	9	-	2,320,000
Total Payments		207,201,524	104,298,662
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(54,374,145)	57,169,062
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	(95,120)
Net Cash Flows from Investing Activities		-	(95,120)

*Lari Constituency
National Government Constituencies Development Fund (NGCDF)
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Net Increase In Cash And Cash Equivalent		(54,374,145)	57,073,942
Cash & Cash Equivalent At Start Of The Year	10	62,478,286	10,839,674
Cash & Cash Equivalent At End Of The Year	10	<u>8,104,141</u>	<u>67,913,616</u>

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

The Constituency financial statements were approved on _____ 2022 and signed by:

LARI NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
Fund Account Manager
12 MAY 2023
P.O. Box 71 - 00221
MATATHIA

Name:

[Signature]
National Sub-County
NATIONAL SUB-COUNTY ACCOUNTANT
LARI SUB-COUNTY
P. O. BOX 220 - 00221,
KIMENDE - KENYA
Name: *EMMA KURIA*

ICPAK M/No:

[Signature]
Chairman NG-CDF
Committee
Name: *JAMES W. NJIRO*

IV Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b		c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	62,478,286	45,088,879	244,656,045	215,305,665	29,350,379	88.0%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	
TOTAL RECEIPTS	137,088,879	62,478,286	45,088,879	244,656,045	215,305,665	29,350,379	88.0%
PAYMENTS							
Compensation of Employees	2,403,982	0	0	2,403,982	1,521,360	882,622	63.3%
Use of goods and services	9,934,017	5,000,000	542,525	15,476,542	12,969,327	2,507,189	83.8%
Transfers to Other Government Units	64,094,010	25,000,000	29,800,000	118,894,010	80,000,597	6,183,770	94.8%
Other grants and transfers	60,656,870	32,478,286	14,746,354	107,881,510	112,710,240	27,880,912	74.2%
Acquisition of Assets					-		
Other Payments	0			0	-	-	
TOTAL	137,088,879	62,478,286	45,088,879	244,656,044	207,201,524	37,454,493	84.7%

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Annual Report and Financial Statements for The Year Ended June 30, 2022

Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.

Explanatory Notes .

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Compensation of Employees	63.3%	There was unpaid Gratuity by the end of the year.
Use of goods and services	86.8%	Some goods and services where pending procurement
Other grants and transfers	82.7%	Some emergency projects where waiting approval

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The Constituency financial statements were approved on _____ 2022 and signed by:

PROFESSOR MUGUWA

Fund Account Manager

Name:



EMMA N. KURIA

National Sub-County Accountant

Name:

ICPAK M/No: P.O. BOX 220 - 00221, KIMENDE - KENYA

[Signature]

Chairman NG-CDF Committee

Name:

JAMES N. NJURU

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

V. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,403,982			2,403,982	1,521,360	882,622	63
1.2 Committee allowances	3,498,977			3,498,977	2,828,700	670,277	81
1.3 Use of goods and services	2,322,374			2,322,374	2,222,704	99,670	96
Total	8,225,333		-	8,225,333	6,572,764	1,652,569	80
2.0 Monitoring and evaluation				-		-	
2.1 Capacity building	1,600,000.00			1,600,000	1,600,000	-	100
2.2 Committee allowances	1,256,333			1,256,333	1,142,700	113,633	91
2.3 Use of goods and services	1,256,333	5,000,000.00		6,256,333	5,175,250	1,081,083	83
Total	4,112,666		-	9,112,666	7,917,950	1,194,716	87
3.0 Emergency				-		-	
3.1 Primary Schools	7,192,207	3,500,000.00	3,656,369	14,348,576	3,700,000	10,648,576	26

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3.2 Secondary schools		28,978,283.00		28,978,283		28,978,283	-
3.3 Tertiary institutions				-		-	
3.4 Security projects			-	-		-	
3.5 Unutilised				-		-	
Total	7,192,207	32,478,283		39,670,490	3,700,000	35,970,490	9
4.0 Bursary and Social Security				-		-	
4.1 Secondary Schools	23,990,554			23,990,554	25,000,552	(1,009,998)	104
4.2 Tertiary Institutions	23,990,555			23,990,555	24,797,355	(806,800)	103
4.3 Social Security				-		-	
4.4 Special Needs				-	-	-	
Total	47,981,108	-	-	47,981,108	49,797,907	(1,816,799)	104
5.0 Sports	2,741,778			2,741,778	2,741,778	(0)	100
5.1				-		-	
Total	2,741,778			2,741,778	2,741,778	(0)	100
				-		-	
6.0 Environment				-		-	
Gitithia Primary	342,722.20			342,722	342,722	-	100
Muthai-ini Primary	342,722.20			342,722	342,722	-	100

Lari Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Mukeu School for mentally challenged	342,722.20			342,722	342,722	-	100
Kimende Primary	342,722.20			342,722	342,722	-	100
Gatamaiyu Primary	342,722.20			342,722	342,722	-	100
Kwaregi Primary	342,722.20			342,722	342,722	-	100
Sulmac Primary	342,722.20			342,722	342,722	-	100
Bathi Primary	342,722.18			342,722	342,722	-	100
Environment 19\20		2,747,354.00		2,747,354	2,437,135	310,219	89
Total	2,741,778	2,747,354	-	5,489,132	2,741,778	2,747,354	50
				-		-	
7.0 Primary Schools Projects				-		-	
KIJABE PRIMAARY SCHOOL		3,700,000.00		3,700,000		3,700,000	-
NGECHU PRIMARY		2,400,000.00		2,400,000		2,400,000	-
MUGIKO PRIMARY		3,700,000.00		3,700,000		3,700,000	-
MUTHAI -INI PRIMARY SCH		2,400,000.00		2,400,000		2,400,000	-
SULMAC PRIMARY		2,400,000.00		2,400,000		2,400,000	-
Gakenge Primary	3,600,000.00			3,600,000	3,600,000	-	100
Kambaa Primary	3,400,000.00			3,400,000	3,400,000	-	100
Gathima Primary	3,600,000.00			3,600,000	3,600,000	-	100

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Mukeu Primary	3,500,000.00			3,500,000	3,500,000	-	100
Kwaregi Primary	3,160,000.00			3,160,000	3,160,000	-	100
Munyaka Primary	1,200,000.00			1,200,000		1,200,000	-
Mirangi Primary	1,500,000.00			1,500,000		1,500,000	-
Muthai-ini Primary	1,000,000.00			1,000,000		1,000,000	-
Kagwe Township Primary school			2,400,000.00	2,400,000		2,400,000	-
Iria-ini Primary school			3,500,000.00	3,500,000		3,500,000	-
Nyamweru primary school			3,800,000.00	3,800,000		3,800,000	-
Cross Road primary school			3,600,000.00	3,600,000		3,600,000	-
Sulmac primary school			3,600,000.00	3,600,000		3,600,000	-
Matathia Primary School			3,700,000.00	3,700,000		3,700,000	-
KABUNGE PRIMARY SCHOOL		2,400,000.00		2,400,000		2,400,000	-
KARENGE PRIMARY SCHOOL		2,400,000.00		2,400,000		2,400,000	-
Gathaiti Primary					3,000,000.00	(3,000,000)	
Ragia Primary School					3,200,200.00	(3,200,200)	
Primary School Desks					2,000,000.00	(2,000,000)	
				-		-	
8.0 Secondary school Projects				-		-	

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Utugi Secondary	7,520,000.00			7,520,000	7,500,000.00	20,000	100
Kamahindu Secondary	7,520,000.00			7,520,000	7,500,020.00	19,980	100
Juvenalis Secondary			694,010.10	694,010		694,010	-
Bathi Secondary School			3,000,000.00	3,000,000		3,000,000	-
School Buses					30,000,020.00	(30,000,020)	
Escarpment Secondary					3,600,000.00	(3,600,000)	
						-	
Total		-	3,694,010	3,694,010	48,600,040	(44,906,030)	
9.0 Tertiary institutions Projects				-		-	
SHORT COURSES				-	33,450,000	(33,450,000)	
Total	-		-	-	33,450,000	(33,450,000)	
10.0 Security Projects				-		-	
CHIEF OFFICE FURNITURE				-	1,191,000	(1,191,000)	
CHIEF OFFICE FURNITURE		2,852,648.32		2,852,648	1,191,000	1,661,648	42
UPLAND POLICE STATION					3,000,000	(3,000,000)	
KIRENGA ACC OFFICE					3,600,000	(3,600,000)	
KAGAA CHIEF OFFICE					3,000,000	(3,000,000)	
GITHIRION CHIEFS OFFICE					3,000,000	(3,000,000)	

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KINALE ACC OFFICE					3,600,000	(3,600,000)
						-
						-
						-
						-
						-
Total	-	2,852,648	-	2,852,648	18,582,000	(15,729,352)
11.0 Acquisition of assets				-		-
	-			-		-
	-		-	-	-	-
	-		-	-	-	-
	-		-	-		-
Total	-		-	-		-
12.0 Other payments				-		-
NG-CDF Office			1,400,000.00	1,400,000		1,400,000
ICT Kagwe				-	2,600,000	(2,600,000)
ICT Kimende				-	2,600,000	(2,600,000)
				-		-

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				-		-	
				-		-	
				-		-	
				-		-	
Total		-	1,400,000	1,400,000	5,200,000	(3,800,000)	
13.0 unallocated fund				-		-	
Unapproved projects				-		-	
King'atua Primary	4,738,500.00			4,738,500		4,738,500	-
Utugi Primary	4,993,200.00			4,993,200		4,993,200	-
Matathia Primary	4,000,000.00			4,000,000		4,000,000	-
Kirasha Primary	1,652,000.00			1,652,000		1,652,000	-
Juvenalis Secondary	3,094,010.10			3,094,010		3,094,010	-
Bathi Secondary	3,000,000.00			3,000,000		3,000,000	-
Magina Secondary	4,056,100.00			4,056,100		4,056,100	-
Kamae Secondary	2,560,200.00			2,560,200		2,560,200	-
				-		-	
AIA				-		-	
PMC savings				-		-	

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Total	137,088,879	62,478,285	29,350,379	228,917,544	207,201,551	21,715,992	91
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STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference
	a		b	c=a+b	d	e=c-d
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
PAYMENTS						
Compensation of Employees	2,403,982	-	-	2,403,982	1,521,360	882,622
Use of goods and services	9,934,017	5,000,000	-	14,934,017	12,969,327	1,964,690
Transfers to Other Government Units	64,094,010	25,000,000	25,694,010	114,788,020	112,710,240	2,077,780
Other grants and transfers	60,656,870	32,478,286	3,656,369	96,791,525	80,000,597	16,790,928
Acquisition of Assets	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
UNALLOCATED FUND	28,094,010	-	-	-	-	-
TOTAL	137,088,880	62,478,286	29,350,379	117,794,870	207,201,524	21,716,020

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

XI Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

1. In-kind contributions

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

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Significant Accounting Policies continued

2. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

3. 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.

4. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

Significant Accounting Policies continued

5. Pending Bills

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

6. 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

7. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

8. Comparative Figures

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

9. 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 2022.

Significant Accounting Policies continued

10. Errors

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

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

11. Related Party Transactions

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

XI. Notes to the Financial Statements

1. Transfers from NGCDF Board

	2021-2022	2020 - 2021
	Kshs	Kshs
AIE NO B 32747354		32,747,354
AIE NO. B 104862		36,620,369
AIE NO. B 128484		7,000,000.
AIE NO. B 126485		11,600,000
AIE NO. B 124589		9,000,000
AIE NO. B 119540		8,500,000
AIE NO. B 119930		12,000,000
AIE NO. B 128171		6,900,000
AIE NO.B132228		6,000,000
AIE NO B138896		12,000,000
AIE NO B126190		7,000,000
AIE NO B126190		12,000,000
B105	33,000,000.00	
B105494	44,000,000.00	
B154099	22,000,000.00	
B 104322	5,000,000.00	
B 096578	12,000,000.00	
B128902	12,000,000.00	
B164434	24,827,379.00	
TOTAL	152,827,379.00	161,367,723

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2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	100,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	100,000

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,417,680.00	1,171,080.00
Personal allowances paid as part of salary		
House Allowance	-	176,000.00
Transport Allowance	-	184,000.00
Leave allowance	-	1,222,197.00
Gratuity to contractual employees	-	
Employer Contributions Compulsory national social security schemes	103,680.00	51,840.00
Total	1,521,360.00	2,805,117

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	102,500	599,347.00
Electricity	-	80,500.00
Water & sewerage charges	-	102,000.00

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Office rent	-	
Communication, supplies and services	140,000	96,700.00
Domestic travel and subsistence	55,040	36,200.00
Printing, advertising and information supplies & services	-	732,360.00
Rentals of produced assets	-	
Training expenses	2,759,300	2,161,000.00
Hospitality supplies and services	-	126,000.00
Other committee expenses	1,842,699	4,572,220.00
Committee allowance	2,828,700	1,117,000.00
Insurance costs	135,410	
Specialised materials and services	-	40,000.00
Office and general supplies and services	-	120,200.00
Fuel , oil & lubricants	-	68,000.00
Other operating expenses	4,895,600	79,010
Bank service commission and charges	126,120	
Security operations		13,800.00
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets	83,957	14,000.00
TOTAL	12,969,327	9,958,337

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	30,660,200.00	33,800,000.00
Transfers To Secondary Schools (See Attached List)	49,340,397.00	12,500,000.00
Total	80,000,597	46,300,000

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7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	25,000,552.00	18,956,500.00
Bursary – tertiary institutions (see attached list)	24,797,355.00	18,464,000.00
Transfers To Tertiary Institutions (See Attached List)	33,450,000.00	
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	
Security projects (see attached list)	18,582,001.00	-
Sports projects (see attached list)	2,741,777.00	2,747,354.00
Environment projects (see attached list)	4,438,555.00	2,747,354.00
Emergency projects (see attached list)	3,700,000.00	-
Total	112,710,240.00	42,915,208

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	95,120.00

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Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	95,120

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	2,320,000.00
ICT Hub	-	-
	-	2,320,000

10. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	Kshs (30/6/2022)	Kshs (30/6/2021)
<i>Equity Bank</i> , Account No. 1110295360924	8,104,141	67,913,616.00
Total	8,104,141	67,913,616.00
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11. Outstanding Imprests

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

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<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Total</i>	-	-	-	-

12A. Retention

[Provide short appropriate explanations as necessary.]

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	8,104,141.11	67,913,616.00
Cash in hand	-	-
Imprest	-	-
Total	8,104,141.11	67,913,616.00

[Provide short appropriate explanations as necessary]

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	10,839,674.00	-	10,839,674.00
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	10,839,674.00	-	10,839,674.00

****** *The adjusted balances are not carried down on the face of the financial statement.*

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(Entity to provide disclosure on the adjusted amounts)

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	5,000,000	-
Amounts due to other Government entities (see attached list)	25,000,000	-
Amounts due to other grants and other transfers (see attached list)	28,094,010	-
Acquisition of assets	-	-
Funds pending approval	-	-
Total	58,094,010	-

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	6,740,793.41	21,136,900
Total	6,740,793.41	21,136,900

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	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.					

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees				
Use of goods & services	5,000,000			
Amounts due to other Government entities	25,000,000			
Sub-Total				
Amounts due to other grants and other transfers				
King'atua Primary	4,738,500.00			
Utugi Primary	4,993,200.00			
Matathia Primary	4,000,000.00			
Kirasha Primary	1,652,000.00			
Juvenalis Secondary	3,094,010.10			

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bathi Secondary	3,000,000.00			
Magina Secondary	4,056,100.00			
Kamae Secondary	2,560,200.00			
Sub-Total	28,094,010			
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval				
Grand Total	58,094,010			

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land		-	-	
Buildings and structures	1,650,000.00	-	-	1,650,000.00
Transport equipment	0	-	-	0
Office equipment, furniture and fittings	867,620.00	-	-	867,620.00
ICT Equipment, Software and Other ICT Assets	2,524,750.00	-	-	2,524,750.00
Other Machinery and Equipment	40,000.00	-	-	40,000.00
Heritage and cultural assets	0	-	-	0
Intangible assets	0	-	-	0
Total	5,082,370.00	-	-	5,082,370.00

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Annex 5 –PMC Bank Balances As At 30th June 2022

NO.	PMC NAME	Account number	Bank	Bank Balance	Bank Balance
				2021/22	2020/21
1	LARI NGCDF UPLANDS POLICE STATION	49000027373	Family Bank	980,157.10	-
2	LNGCDF KAGWE ICT HUB	49000027222	Family bank	515,949.44	-
3	LNGCDF KIRENGA ASSISTANT CHIEFS OFFICE	49000027295	Family Bank	479,375.42	-
4	LARI NG-CDF KIJABE PRIMARY SCHOOL	49000026878	Family bank	368,272.00	-
5	LARI NGCDF MIRANGI PRIMARY SCHOOL	49000026990	Family Bank	339,418.00	-
6	LARI NGCDF MIRANGI PRIMARY SCHOOL	49000026990	Family bank	339,418.00	-
7	LNGCDF KINALE ASSISTANT COUNTY COMMISSONER OFFICE	49000027245	Family Bank	228,223.41	-
8	LCDF EMERGENCY	49000026585	Family bank	215,136.74	3.00
9	LARI LCDF KAMAE SECONDARY SCHOOL	49000027194	Family bank	209,976.21	-
10	LARI NGCDF KIMENDE HIGH SCHOOL	49000026880	Family Bank	182,818.31	610,270.31
11	LARI-NGCDF KIRENGA PRIMARY SCHOOL(RENOVATION)	49000026655	Family bank	174,491.00	175,091.00
12	LCDF RAGIA FOREST PRIMARY SCHOOL	49000027198	Family bank	163,583.44	-
13	LNGCDF GITHIRIONI CHIEFS OFFICE	49000027236	Family Bank	159,442.41	-
14	LARI NGCDF CROSSROAD PRIMARY SCHOOL	49000026991	Family bank	155,509.00	-
15	KAMBURU PRIMARY SCHOOL	49000026296	Family Bank	144,356.00	144,356.00

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17	LNGCDF KIMENDE ICT HUB	49000027247	Family Bank	139,875.00	-
18	LARI NGCDF ENVIRONMENT	49000027021	Family Bank	135,524.06	137,654.51
19	LNGCDF KAGAA CHIEFS OFFICE	49000027244	Family Bank	127,222.41	-
20	LNGCDF ESCARPMENT SECONDARY SCHOOL	49000027220	Family Bank	127,032.44	-
21	LCDF SCHOOL FIELDS	49000027534	Family Bank	121,846.65	-
22	MBAU INI PRIMARY SCHOOL	49000026584	Family Bank	116,943.00	119,943.00
23	LARI NGCDF MUGIKO PRIMARY SCHOOL	49000026879	Family Bank	116,234.31	1,530,270.31
24	NYAMUTHANGA PRIMARY SCHOOL	49000026295	Family Bank	111,356.00	111,356.00
25	LARI NGCDF UTUGI SECONDARY SCHOOL	49000027006	Family Bank	110,783.65	2,365,825.65
26	LARI-NGCDF GITHOGOIYO PRIMARY SCHOOL(RENOVATION)	49000026654	Family Bank	103,533.00	108,933.00
27	LARI NGCDF SULMAC PRIMARY SCHOOL	49000026989	Family Bank	90,983.44	90,983.44
28	KIBATHITHI PRIMARY SCHOOL	49000026304	Family Bank	90,078.00	90,078.00
29	LARI NGCDF SULMAC SECONDARY SCHOOL	49000026987	Family Bank	82,237.93	82,237.93
30	IRIA-INI CHIEFS	49000026301	Family Bank	74,640.00	74,640.00
31	LARI NGCDF KABUNGE PRIMARY SCHOOL	49000026984	Family Bank	65,934.00	65,934.00
32	LARI NGCDF NGECHU PRIMARY SCHOOL	49000026882	Family Bank	63,310.73	760,352.73
33	KIRENGA GIRLS SECONDARY SCHOOL	49000026302	Family Bank	47,368.00	47,368.00

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34	LCDF KINALE CHIEFS OFFICE	49000026504	Family Bank	42,958.97	45,958.97
35	LCDF KAMAE PRIMARY SCHOOL	49000026583	Family Bank	40,872.00	40,872.00
36	LARI-NGCDF MAGINA PRIMARY SCHOOL(RENOVATION)	49000026652	Family Bank	39,531.00	39,531.00
37	LARI NGCDF ST AUGUSTINE SECONDARY SCHOOL	49000026986	Family Bank	20,205.93	20,205.93
38	MUNYAKA PRIMARY SCHOOL	49000026297	Family Bank	19,475.00	19,475.00
39	LARI NGCDF UTUGI PRIMARY SCHOOL	49000026992	Family Bank	17,293.74	904,046.74
40	GACHEMA SECONDARY SCHOOL	49000026305	Family Bank	16,857.00	16,857.00
41	KIBAGARE PRIMARY SCHOOL	49000026298	Family Bank	8,516.00	8,516.00
42	LCDF GATHAITI PRIMARY SCHOOL	49000027197	Family Bank	7,670.44	7,670.44
43	LCDF SPORTS ACTIVITIES	49000026485	Family Bank	2,028.23	62,198.55
44					14,385,900
				6,740,793.41	21,136,900

Annex 6: Progress On Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
4.1	Presentation and Disclosure Errors on the Financial Statements	The issues have been rectified and correct formatted financial statement was submitted	Resolved	
4.2	<p style="text-align: center;">Stale Cheques</p> <p>Observations</p> <p>The statement of assets and liabilities reflects bank balance of Kshs. 67,913,616 as disclosed in Note 10A to the Financial Statements. Review of the bank reconciliation statements for the year ended 30 June, 2021 showed stale cheques amounting to Kshs.855,566 which relate to unbanked bursary cheques and</p>	The stale cheques were revised during the month of July and a correct balance was indicated in the financial statement.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	statutory deductions that are accruing interests and penalties on the entity.			
4.3	<p style="text-align: center;">Unreconciled Cash and Cash Equivalents</p> <p>The statement of assets and liabilities reflects a bank balance of Kshs. 67,913,616 as disclosed in Note 10A to the Financial Statements. However, the bank reconciliation statement for 30 June, 2021 reflects a bank balance of Kshs. 62,478,286 resulting to an unreconciled variance of Kshs. 5,435,330.</p>	The unreconciled variances were due to overstating the cash book balance, bank balances were used instead of cash book balances. However the corrected financial statement that reflects the correct position was prepared	Resolved	
4.4	<p style="text-align: center;">Failure to Submit Bank Reconciliation Statements to the Auditor-General</p>	Monthly reconciliation statements are sent the Ng-cdf board on monthly basis as	Not Resolved	NG-CDF to advise on this issue.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	The statement of assets and liabilities reflects a bank balance of Kshs. 67,913,616 as disclosed in Note 10A to the Financial Statements. Review of bank reconciliations provided for audit showed that although the Accounting Officer ensured bank reconciliations on a monthly basis were prepared, copies of the bank reconciliations prepared were not submitted to the Auditor-General.	attached email correspondences		
4.5	<p>Failure to Provide Prequalified List of Suppliers and Tender Minutes</p> <p>The statement of receipts and payments reflects other payments of Kshs.2,320,000 as disclosed in Note 7 to the</p>	A prequalified list of the contractors and suppliers has been updated	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	Financial Statements which relate to the purchase of 40 desktop computers and the accessories. However, the prequalified list of suppliers and tender opening and evaluation minutes were not provided for audit hence it was not possible to confirm whether procurement procedures were followed in procuring of the goods and services.			
4.6	<p style="text-align: center;">Under-allocation of Bursary Funds</p> <p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs.42,915,208 as disclosed in Note 7 to the financial statements which includes bursaries to secondary and</p>	In this case the bursary budget is allocated based on the financial budget but not what the NG-CDF Board will transfer to the constituen	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	tertiary amounting to Kshs. 18,956,500 and Kshs. 18,464,000, respectively. However, review of bursaries disbursed amounting to Kshs. 37,420,500 against the total receipts transferred from NGCDF board amounting to Kshs. 161,367,724 showed that the NGCDF had only allocated 23.19% as compared to the 25% which is contrary to Regulation 21(5) of the NGCDF Regulations, 2016.			

LARI NATIONAL GOVERNMENT
 CONSTITUENCY DEVELOPMENT FUND
 12 MAY 2023
 Name: FLORENCE NJUGUNA
 P.O. BOX 71 - 00221
 MATITHIA

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Fund Account Manager.*
