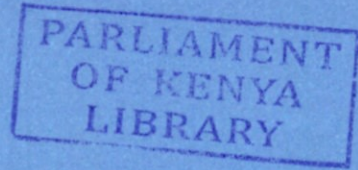


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 AUG 2024	DAY: Tuesday
TABLED BY: Hon. Naomi Wago, MP	THE AUDITOR-GENERAL
CLEAR AT THE TABLE: Deputy Majority Party Whip A. Shabuka	

ON

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

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





OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
28 MAR 2024
RECEIVED
P. O. BOX 88-70100 GARISA



LAFEY CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

Table of Content	Page
I.Acronyms and Glossary of terms.....	ii
II.Key Constituency Information and Management.....	iv
III. NG-CDFC Chairman’s Report	viii
IV.Budget Performance.....	viii
V.Statement of Performance against Predetermined Objectives for FY2022/23	xii
VI.Governance statement.....	xiv
VII.Environmental and Sustainability Reporting.....	xxi
VIII.Statement of Management Responsibilities	xxv
IX.Report of the Independent Auditors on the NGCDF- Lafey Constituency.....	xxvii
X.Statement Of Receipts and Payments for the Year Ended 30th June 2023	1
XI.Statement of Assets and Liabilities as At 30th June, 2023.....	2
XII.Statement of Cash Flows for the Year Ended 30th June 2023	3
XIII.Summary Statement of Appropriation for the Year Ended 30 th June 2023	4
XIV.Budget Execution by Sectors and Projects for the Year Ended 30 th June 2023	6
XV.Significant Accounting Policies.....	12
XVI.Notes to the Financial Statements	18

I. Acronyms and Abbreviations

Provide a list of all applicable acronyms and abbreviation e.g.

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

NSCA- National Sub County Accountant

ARMC- Audit and Risk Management Committee

COC- Constituency oversight Committee

NG-CDFC-National Government Constituency Development Fund Committee

Ksh. –Kenya Shillings

DCC- Deputy County Commissioner

OSHA- Occupational Safety and Health Act

CSR- Corporate Social Responsibility

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

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Abdikarim Ibrahim Hassan
2.	Sub-County Accountant	Bosco Kyalo Kilonzo
3.	Chairman NG-CDFC	Derow Abdi Omar
4.	Member NG-CDFC	Nasra Samow Bare

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Lafey 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) Lafey Constituency NGCDF Headquarters

P.O Box 12-70300
Opposite Lafey Safaricom Mast
MANDERA.

(e) Lafey Constituency NGCDF Contacts

Telephone: (254) 720409988
E-mail: cdfLafey@cdf.go.ke
Website: www.cdf.go.ke

(f) Lafey Constituency NGCDF Bankers

Equity Bank
Mandera Branch
P.o Box 536-70300
MANDERA, KENYA

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



DEROW ABDI OMAR

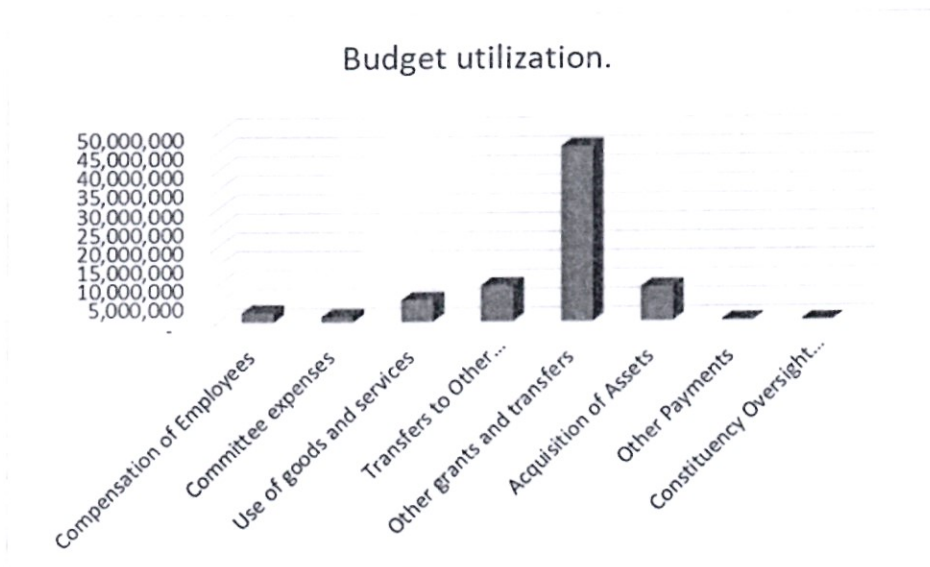
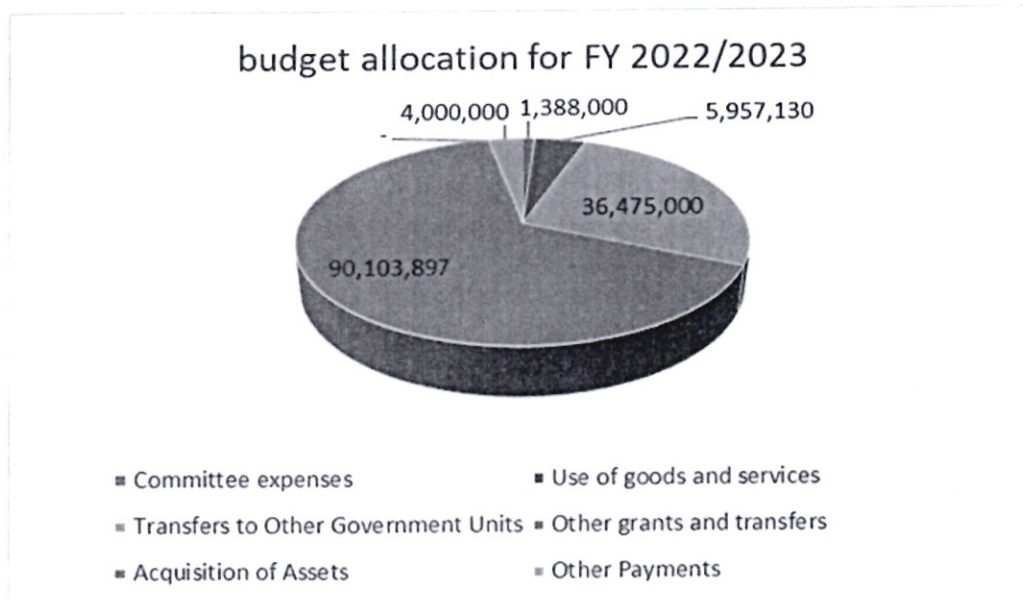
CHAIRPERSON - Lafey NG-CDF

About Lafey Constituency:

Lafey Constituency is an electoral constituency in Kenya. The constituency is among one of the newly created eighty (80) constituencies after the promulgation of the new constitution in August 2010. Lafey Constituency is in Lafey Sub-County of Mandera County. Lafey was carved out from the larger Mandera East Constituency. It's composed of **five wards** namely; **Warangara, Lafey, Sala, Alungu-Gof and Fino**. Lafey Constituency had a population of 83,149 inhabitants as per the figures of the last census in 2019. It has borders with Mandera East from North, Mandera South from south, Mandera North from West and is about 20km from the border of Somalia from East. The Constituency was allocated Ksh.145,807,603 for the financial year 2022/2023

BUDGET PERFORMANCE

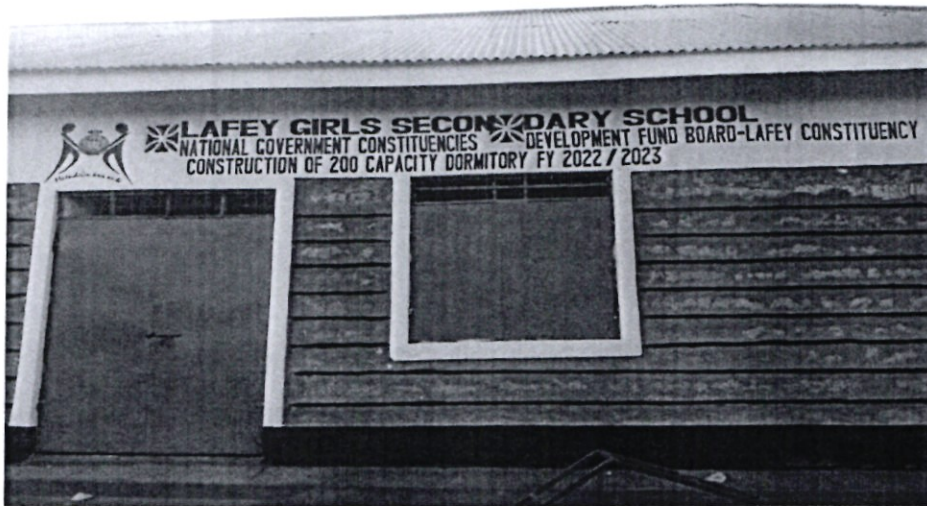
The percentage of budgeted amount received for Lafey NG-CDF for the year was 66.2.0%. This means out this is however, a tremendous reduction on the amount received from the board as compared to last year which was 100.0%. This happened because all the funds for the financial year were not released by the board on time. However, by the end of the financial year 40% of the allocation for the year were not received which translated to 58 Million. In fact 30 million was received ten days to the end of the financial year. The percentage budget utilization was 43.3 % of the funds received during the year. The non-utilization was as a result of funds disbursed from the NG-CDF Board almost toward the closure of the financial year. The Budget performance of the constituency was not impressive and the committee will have to make improvements on that. The budget performance was really affected in the sense that the constituting of the committee and change of government also had impact on the timelines of the project implementation by high inflation and taxation also made sky rocketing of materials prices and labour cost.



KEY ACHIEVEMENTS

During the year Lafey NG- CDF had achieved a lot in the implementation of projects in different sectors. The fund has developed schools, security Housing, water services in Schools, bursary for needy students in secondary Schools and universities. NG-CDF funds have really elevated the livelihoods of the constituents in the sense that its implemented at the grassroots level where all levels of the community participate and benefit in one way or another. For instance labour force and provision of materials and the middle level also benefited by getting contracts. The constituency constructed two dormitories at Lafey Girls and Lafey boys.

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



EMERGING ISSUES

The electioneering period really affected the implementation of the projects on time. The funds were released on piecemeal and projects could not have started simultaneously. In fact the committee were gazetted on December 2022 and that means they had a very short period to implement projects.

IMPLEMENTATION CHALLENGES

The high rate of insecurity in the constituency still remains a major challenge in the constituency. The Al-shabab menace and inter clan conflict was really an impediment for project implementation. The Project management committee have no adequate capacity in implementing the projects as per the required regulations. Lack of procurement personnel at the Sub-county level to guide the committee on procurement procedures. Electricity and lack skilled manpower was also another factor. Accessibility of the constituency from the county headquarters was also a challenge due to poor and unsafe roads. The NG-CDF Board should Fars track and ensure adequate procurement personnel are posted to the sub-county. Lack of public works officers in the sub-county was also a challenge. The Member of Parliament to follow up with Kenya Power and Lightening Company and Kenya rural roads Authority to provide electricity and proper roads respectively in the whole Constituency.

National government through the Ministry of interior to provide proper security for easy implementation of NG- CDF project.

Signature-----



**Name: DEROW ABDI OMAR
CHAIRMAN NGCDF COMMITTEE**

IV. Statement of Performance against Predetermined Objectives for FY2022/23

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 *Lafey Constituency 2022-/23-2027/2028* plan are to:

- a) To improve access to quality education.
- b) To empower the youth and harness their talent.
- c) To enhance security in the constituency for better service delivery.
- d) To promote environmental sustainability.
- e) To improve tracking of Implementation NG-CDF programmes at the right time and information used in decision making.

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	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary's beneficiaries at all levels.	In FY 2022/23 we increased number of classrooms by 1 in Digdar Primary school 2 dormitories in Lafey Boys and Lafey Girls Secondary schools. A total of 1,515 students benefited from bursary 1,200 in Tertiary institutions and 315 in secondary schools. Total Bursary issued amounted to ksh.46,000,000
Security	Enhance security in the constituency for better service delivery	Construction/Renovation of administration chief's offices - Fencing of security offices, Construction of housing units, offices	-Number of usable physical infrastructure built in locations,	We allocated funds for Construction of staff offices and staff houses for senior police officers. Police stations have

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

		and fencing of police stations	sub locations and police stations -Number of police stations offices	been also been proposed for fencing and construction of houses and water tanks
Environment	To promote environmental sustainability.	- Construction of water tanks and installation of gutters for rain water harvesting.	-Number of institutions with water harvesting facilities.	In the financial year 2022/2023 we allocated fund to three schools for purchase and installation of water harvesting. The implementation is currently underway.
Sports	To empower the youth and harness their talent and to encourage them to do sports activities	Creating awareness among the youth on the establishment of football teams, and accessing sports tournaments funds at national governments. - Funding of youth sporting initiatives	- Number of football teams funded.	-Sports fund just disbursed. We have placed request for team's tournament and received several. About 5 teams expected to benefit from the fund.
Tracking of results	To improve tracking of Implementation NG-CDF programmes at the right time and information used in decision making.	- Capacity Building of NG-CDFC's and PMC's. -Organising regular projects monitoring field visits	-Number of times capacity building of PMC's and NG-CDF'S was done. -Number of time project monitoring is done.	- The capacity building of PMCS and NG-CDF's has been improved from one in a year to two times in a year. -Monitoring of Projects and field visits has improved from quarterly monitoring to monthly monitoring

V. Governance statement

Appointment of NGCDF Committee

The NGCDF Regulation 2016 on appointment of NGCDFC members states; the members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya

Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the

Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members.

Lafey NGCDF Appointment Process

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement in DCC notice boards and other public areas in the constituency.

Out of the total 15 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Lafey Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Noor Dibit Adan	Male (Adult)	Warangara
2.	Derow Abi Omar	Male (Youth)	Lafey
3.	Rukia Farah Abdullahi	Female (Adult)	Warangara
4.	Amal Osman Haji	Female (Youth)	Lafey

Nominee of the body representing persons with disability

S/N	Name	Nominating Organisation	Nature of physical Impairment	Ward
1.	Hussein Bulle Hassan	Lafey Sub-county Disable group	Physical – Leg with support of a crutch	Fino

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Dakane Maalim Adan	Male representative	Alungu
2	Nasra Samow Bare	Female Representative	Fino

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Zeittun Raga Madey	Female	Sala

After wards the names of the above nominee were submitted to the board for Gazzetement.

The members were gazzetted through gazette notice Vol CXXIV No. 266 on 9th December, 2022.

The Deputy county commissioner and in consultation with fund account manager called for the first inauguration meeting on 28th December, 2022.

The members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson position – Derow Abdi Omar
2. Secretary position – Dakane Maalim Adan elected as the secretary to the committee.

During its first meeting, a Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution and corruption committee.

The following were appointed to the different committee

i. Bursary committee

- 1) Rukia Farah Abdullah-----Member
- 2) Zettun Raga Madey ----- Member
- 3) Noor Dibit Adan-----Member

ii. Complaints resolution and Corruption committee

1. Hussein Bulle Hassan-----Chairman
2. Noor Dibit Adan- -----Member
3. Nasra Samow Bare-----Member
4. Rukia Farah Abdullahi.-----Member

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

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

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Lafey the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members and the sub- county accountants between 28th April and 2nd May 2023 at Garissa. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NGCDF Lafey.

Number of meetings held

According to the NGCDF Act 2015 amended in 2022, the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any sub-committee meetings. The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 NGCDFC Lafey held nine meetings and two sub committee. and the attendance was as follows

S/NO.	NG-CDFC COMMIKTTEE MEMBERS	DEC 28 th 202	JAN 5 th 202	FEB 17 th 2023	MAR 15 th 2023	APRIL 3 rd 2023	MAY 15 th 2023	May 26 th 2023	JUNE 5 th 2023	JUNE 20 th 2023
1	Derow Abdi Omar- Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Dakane Maalim Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Noor Dibit Adan member	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Nasra Samow Bare-youth representative.	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Rukia Farah- member	✓	✓	✓	✓	✓	✓	✓	✓	✓

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

6	Zeitun Raga- member	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Hussein Bulle Hassan -PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Amal Osman - youth representative	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Abdikarim Ibrahim-FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Bakari Juma- DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Lafey adhered to the above ethical issues.

Members remuneration

According to Circular from the Board NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act. The committee were remunerated as per their sitting days.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Lafey contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Lafey has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

Lafey 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 Lafey NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Lafey 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; Lafey 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, Lafey 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

- Lafey NG-CDF supported students carry out environmental conservation activities e.g. construction of water harvesting tanks.
- Lafey NG-CDF had sensitized the youth/ community on the impact of drugs during ward forums and by construction of police stations at each ward
- Lafey NG-CDF had sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- Lafey 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. Lafey 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. Lafey 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-

Lafey NG-CDF 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.

Lafey 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-

Lafey 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

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

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

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

Public Awareness

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

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



Name CPA ABDIKARIM IBRAHIM HASSAN

Fund Account Manager.

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

The Accounting Officer in charge of the NGCDF-Lafey 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Lafey Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

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

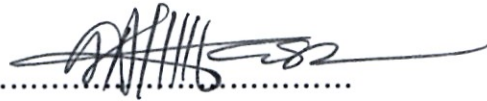
Approval of the financial statements

The NGCDF- Lafey Constituency financial statements were approved and signed by the Accounting Officer on 25th March, 2024.



.....

**Name: Derow Abdi Omar
Chairman – NGCDF Committee**

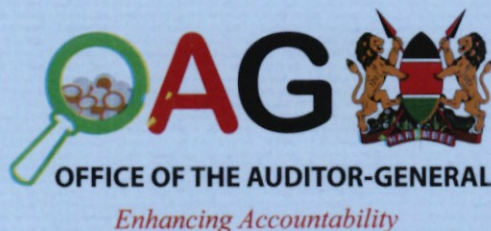


.....

**Name: CPA Abdikarim Ibrahim Hassan
Fund Account Manager**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAFEY CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and 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 the National Government Constituencies Development Fund - Lafey Constituency set out on pages 1 to 39, which

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

comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and 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 - Lafey Constituency as at 30 June, 2023 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 the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.46,093,000 which, as disclosed in Note 6 to the financial statements, includes bursary payments to secondary schools and tertiary institutions of Kshs.8,525,000 and Kshs.37,568,000, respectively. However, bursary payments amounting to Kshs.1,520,000 disbursed to various institutions were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy and completeness of bursary disbursements amounting to Kshs.1,520,000 could not be confirmed.

2. Unsupported Fixed Assets Balance

The summary of fixed assets register and as detailed in Annex 2 to the financial statements reflects a historical cost balance of Kshs.33,123,200. Included in the balance, are buildings and structures with a historical cost balance of Kshs.27,003,750. However, the value of the land on which the Fund's offices are located was not disclosed in the financial statements and ownership documents for the land were not provided for audit. Further, the fixed assets register of the Fund, did not have all the information required by the International Public Sector Accounting Standard 17 such as identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation and net book value.

In the circumstances, the accuracy, completeness and ownership of fixed assets balance of Kshs.33,123,200 could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 10.2 and Annex 3 to the financial statements reflect Project Management Committee (PMC) account balances of Kshs.4,088,264. However, the cash books, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.4,088,264 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 - Lafey Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final budget and actual on comparable basis of Kshs.171,853,131 and Kshs.113,765,528 respectively resulting to an under-funding of Kshs.58,087,603 or 34% of the budget. However, the Fund spent Kshs.74,465,769 against actual receipts of Kshs.113,765,528, resulting to an under-utilization of Kshs.39,299,759, or 35% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the previous year's audit report several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

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. Failure to Open Deposit Holding Account

The Fund did not open a deposit holding account as required by Section 7(1)(A) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which provides that each constituency shall open one deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency for which it is opened.

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

2. Delay in the Implementation of Projects

Analysis of the Project Implementation Status report for the year under review revealed that the Fund had planned to implement fifty (50) projects with a total allocation of Kshs.85,878,482. However, only fourteen (14) projects with a contract sum of Kshs.17,825,000 were completed while thirty-six (36) projects with a budget of Kshs.68,053,482 had not started.

In the circumstances, the public was denied benefits that would have accrued from the completed projects.

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, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 June, 2024

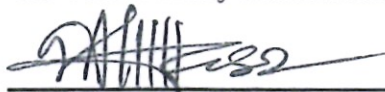
Lafey Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023

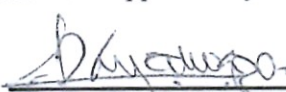
	Note	2022 – 2023	2021 – 2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Total Receipts		87,000,000	182,177,966
Payments			
Compensation Of Employees	2	2,514,476	5,090,569
Committee expenses	3	1,443,000	-
Use Of Goods and Services	4	5,907,143	7,241,286
Transfers To Other Government Units	5	9,491,000	94,400,000
Other Grants and Transfers	6	46,093,000	69,256,000
Acquisition Of Assets	7	9,017,150	2,419,430
Total Payments		74,465,769	178,407,285
Surplus/(Deficit)		12,534,231	3,770,681

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

The Constituency financial statements were approved by the NGCDFC on 25th March 2024 and signed by:



Fund Account Manager



National Sub-County
Accountant



Chairman NG-CDF
Committee

Name: CPA Abdikarim Ibrahim

Name: Bosco Kyalo Kilonzo

Name: Derow Abdi Omar

ICPAK M/No: 28279

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

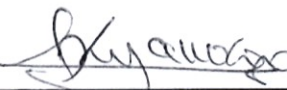
	Note	2022 – 2023	2021 – 2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	8A	39,299,759	26,765,528
Cash Balances (Cash at Hand)	8B	-	-
Total Cash and Cash Equivalents		39,299,759	26,765,528
Total Financial Assets		39,299,759	26,765,528
Financial Liabilities			
Total Financial Liabilities		-	-
Net Financial Assets		39,299,759	26,765,528
Represented By			
Fund Balance B/Fwd	9	26,765,528	22,994,847
Surplus/Deficit for The Year		12,534,231	3,770,681
Net Financial Position		39,299,759	26,765,528

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

The Constituency financial statements were approved by NG CDFC on 25th March, 2024 and signed by:



Fund Account Manager



National Sub-County
Accountant



Chairman NG-CDF
Committee

Name: CPA Abdikarim Ibrahim

Name: Bosco Kyalo Kilonzo

Name: Derow Abdi Omar

ICPAK M/No: 28279

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


XI. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022 – 2023	2021 – 2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Total Receipts			
Payments			
Compensation Of Employees	2	2,514,476	5,090,569
Committee Expenses	3	1,443,000	-
Use Of Goods and Services	4	5,907,143	7,241,286
Transfers To Other Government Units	5	9,491,000	94,400,000
Other Grants and Transfers	6	46,093,000	69,256,000
Total Payments		65,448,619	175,987,855
Total Receipts Less Total Payments			
Net Cash Flow from Operating Activities		21,551,381	6,190,111
Cashflow From Investing Activities			
Acquisition Of Assets	7	(9,017,150)	(2,419,430)
Net Cash Flows from Investing Activities		(9,017,150)	(2,419,430)
Net Increase In Cash And Cash Equivalent		12,534,231	3,770,681
Cash & Cash Equivalent at Start Of The Year	8	26,765,528	22,994,847
Cash & Cash Equivalent At End Of The Year	8	39,299,759	26,765,528

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

The Constituency financial statements were approved by NG CDFC on 25th March, 2024 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: CPA Abdikarim Ibrahim
ICPAK M/No: 28279

Name: Bosco Kyalo Kilonzo
ICPAK M/No:

Name: Derow Abdi Omar

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

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	<i>2022-2023</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2022-2023</i>	<i>2022-2023</i>		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	26,765,528	-	171,853,131	113,765,528	58,087,603	66.2%
Proceeds From Sale of Assets	-	-	-	-	-	-	
Other Receipts	-	-	-	-	-	-	
Totals	145,087,603	26,765,528	-	171,853,131	113,765,528	58,087,603	66.2%
Payments							
Compensation Of Employees	5,712,706	2,344,349	-	8,057,055	2,514,476	5,542,579	31.2%
Committee Expenses	1,388,000	608,295	-	1,996,295	1,443,000	553,295	72.3%
Use Of Goods and Services	5,957,130	1,332,284	-	7,289,414	5,907,143	1,382,271	81.0%
Transfers To Other Government Units	36,475,000	16,000	-	36,491,000	9,491,000	27,000,000	26%
Other Grants and Transfers	90,103,897	13,298,540	-	103,402,437	46,093,000	57,309,437	44.6%
Acquisition Of Assets	-	9,018,950	-	9,018,950	9,017,150	1,800	100%
Oversight Committee Expenses	1,450,870	-	-	1,450,870	-	1,450,870	0 %
Other Payments	4,000,000	147,110	-	4,147,110	-	4,147,110	0%
Totals	145,087,603	26,765,528	-	171,853,131	74,465,769	97,387,362	43.3%

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

Explanatory Notes.

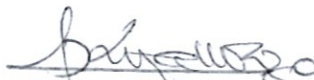
- There was no AIA for the fund for the financial year 2022/2023
- There was underutilization in four of the respective categories (i.e. below 90 %) Except **Acquisition of Assets which was 100%** this happened due to the following reasons:-
- The NG-CDF board disbursed funds toward the end of the financial year and a very short time for it to be utilized.
- Six (6) of the categories are below the required utilization of 90% as above.
- Compared to the previous year 2021/2022 the overall percentage of utilization has tremendously reduced from **87.5%** to **43.3%**.
- The adjustments are unutilized funds and were the closing balances for the financial year ended 30th June, 2022 of **Ksh.26,765,528**.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	97,387,362
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,087,603
	39,299,758
Cash and Cash Equivalents at the end of the 30 th June 2023	39,299,758

The Constituency financial statements were approved by NG CDFC on **25th March, 2024** and signed by:


 Fund Account Manager

Name: CPA Abdikarim Ibrahim
 ICPAK M/No: 28279


 National Sub-County Accountant

Name: Bosco Kyalo Kilonzo
 ICPAK M/No:


 Chairman NG-CDF Committee

Name: Derow Abdi Omar

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

XIII. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,712,706	2,344,349	-	8,057,055	2,514,476	5,542,579
1.2 Committee allowances	1,388,000	65,400	-	1,453,400	1,443,000	10,400
1.3 Use of goods and services	1,604,518	91,159	-	1,695,677	1,004,518	691,159
Totals	8,705,224.00	2,500,908.00	-	11,206,132.00	4,961,994.00	6,244,138.00
2.0 Monitoring and evaluation						
2.1 Capacity building	1,030,000	845,307	-	1,875,307	1,736,807	138,500
2.2 Committee allowances	-	542,895	-	542,895	-	542,895
2.3 Use of goods and services	3,322,612	395,818	-	3,718,430	3,018,062	700,368
2.3 Use of goods and services	3,322,612.00	395,818.00	-	3,718,430.00	3,018,062.00	700,368.00
2.4 Sala Dispensary	-	41,380.00	-	41,380.00	41,380.00	-
2.5 Warankara - Damasa	-	12,000.00	-	12,000.00	12,000.00	-
2.6 Warankara - Gari	-	9,140.00	-	9,140.00	9,140.00	-
2.8 Fino -Dawaduba	-	2,800.00	-	2,800.00	2,800.00	-
2.9 Constituency Audit	-	79,936.00	-	79,936.00	79,936.00	-
Total	4,352,612.00	1,931,776.00	-	6,284,388.00	4,902,625.00	1,381,763.00
3.0 Emergency						
3.1 Emergency Reserve	7,636,190	192,207	-	7,828,397	-	7,828,397

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.2 Primary Schools	-	607	-	607	-	607
Total	7,636,190	192,814	-	7,829,004	-	7,829,004
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	7,000,000	1,526,230	-	8,526,230	8,525,000	1,230
4.3 Tertiary Institutions	26,064,225	11,568,936	-	37,633,161	37,568,000	65,161
4.4 Social Security	3,000,000	4,800	-	3,004,800	-	3,004,800
4.5 Special Needs	-	-	-	-	-	-
Totals	36,064,225	13,099,966	-	49,164,191	46,093,000	3,071,191
5.0 Sports						
5.1 Constituency Sports	2,301,741	-	-	2,301,741	-	2,301,741
5.2 Lafey Football Association	-	1,307	-	1,307	-	1,307
Total	2,301,741	1,307	-	2,303,048	-	2,303,048
6.0 Environment						
6.1 Lafey Environmental Group	-	702	-	702	-	702
6.2 Damasa Primary School	1,000,000	-	-	1,000,000	-	1,000,000
6.3 Bambo Primary School	901,741	-	-	901,741	-	901,741
6.4 Megag Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Totals	2,901,741	702	-	2,902,443	-	2,902,443
7.0 Primary Schools Projects (List all the Projects)						
7.1 Alungu Primary School	1,200,000	-	-	1,200,000	-	1,200,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.2 Alungu Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.3 Kahare Primary School	650,000	-	-	650,000	650,000	-
7.4 Kahare Primary School	300,000	-	-	300,000	300,000	-
7.5 Digdar Primary School	1,200,000	-	-	1,200,000	1,200,000	-
7.6 Digdar Primary School	650,000	-	-	650,000	650,000	-
7.7 Digdar Primary School	800,000	-	-	800,000	-	800,000
7.8 Digdar Primary School	800,000	-	-	800,000	-	800,000
7.9 Kamorliban Primary school	650,000	-	-	650,000	650,000	-
7.10 Kabo Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.11 Kabo Primary School	650,000	-	-	650,000	650,000	-
7.12 Damasa primary school	1,200,000	-	-	1,200,000	-	1,200,000
7.12 Fino Primary school	600,000	-	-	600,000	-	600,000
7.14 Fino Primary school	1,200,000	-	-	1,200,000	-	1,200,000
7.15 warankara primary school	1,200,000	-	-	1,200,000	-	1,200,000
7.16 warankara primary school	650,000	-	-	650,000	650,000	-
7.17 Gari primary School	650,000	-	-	650,000	650,000	-
7.18 Gari primary School	1,600,000	-	-	1,600,000	1,600,000	-
7.19 Bambo Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.20 Bambo Primary School	650,000	-	-	650,000	650,000	-
7.21 Sala Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.22 Sala Primary School	2,000,000	-	-	2,000,000	-	2,000,000
7.23 Megag Primary School	1,200,000	-	-	1,200,000	-	1,200,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
7.24 Megag Primary School	325,000	-	-	325,000	325,000	-
7.25 Kheira Ali Primary School	-	16,000	-	16,000	16,000	-
Total	22,775,000	16,000	-	22,791,000	7,991,000	14,800,000
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Lafey Boys Secondary schools	2,500,000	-	-	2,500,000	-	2,500,000
8.2 Lafey Boys Secondary schools	750,000	-	-	750,000	750,000	-
8.3 Lafey Girls Secondary school	6,500,000	-	-	6,500,000	-	6,500,000
8.4 Lafey Girls Secondary school	1,200,000	-	-	1,200,000	-	1,200,000
8.5 Lafey Girls Secondary school	750,000	-	-	750,000	750,000	-
8.6 Lafey Girls Secondary school	2,000,000	-	-	2,000,000	-	2,000,000
Total	13,700,000	-	-	13,700,000	1,500,000	12,200,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1	-	-	-	-	-	-
Total	-	-	-	-	-	-
10.0 Security Projects						
10.1 Alungu police station	2,500,000	-	-	2,500,000	-	2,500,000
10.2 Alungu police station	800,000	-	-	800,000	-	800,000
10.3 Lafey police station	3,000,000	1	-	3,000,001	-	3,000,001
10.4 Lafey Deputy County Commissioner	2,000,000	1,250	-	2,001,250	-	2,001,250
10.5 Critical Infrastructure Project Unit(CIPU) -Lafey	5,000,000	-	-	5,000,000	-	5,000,000

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.6 Fino Police Station	2,000,000	-	-	2,000,000	-	2,000,000
10.7 Fino Kenya Police Reserve Camp	1,600,000	-	-	1,600,000	-	1,600,000
10.8 Fino Kenya Police Reserve Camp	2,000,000	-	-	2,000,000	-	2,000,000
10.9 Sheikh barrow police post	8,000,000	-	-	8,000,000	-	8,000,000
10.10 Warankara police Post	3,000,000	-	-	3,000,000	-	3,000,000
10.11 Warankara police Post	800,000	-	-	800,000	-	800,000
10.12 Warankara police Post	3,000,000	-	-	3,000,000	-	3,000,000
10.13 Warankara police Post	800,000	-	-	800,000	-	800,000
10.14 Warankara police Post	2,500,000	-	-	2,500,000	-	2,500,000
10.15 Sala police station	4,200,000	-	-	4,200,000	-	4,200,000
Total	41,200,000.00	1,251.00		41,203,751.00	-	41,201,251.00
11.0 Acquisition of assets						
11.2 Construction of CDF office	-	9,013,400	-	9,013,400	9,011,600	1,800
11.3 Purchase of furniture and equipment	-	5,550	-	5,550	5,550	-
Total	-	9,018,950	-	9,018,950	9,017,150	1,800
12.5 Strategic Plan	4,000,000	-	-	4,000,000	-	4,000,000
12.4 Alungu Borehole	-	1,000	-	1,000	-	1,000
12.5 Damasa Borehole	-	420	-	420	-	420
12.6 Kabo Borehole	-	20	-	20	-	20
12.7 Fino Borehole	-	35	-	35	-	35
12.9.2 Damasa Dispensary	-	379	-	379	-	379

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

Programme/Sub-programme	Original Budget	Adjustments			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Actual on comparable basis	Budget utilization difference
		Final Budget						
Total	4,000,000.00	1,854.00	4,001,854.00	-	4,001,854.00	-	4,001,854.00	
14.0 unallocated fund								
Funds pending approval**	-	-	-	-	-	-	-	
14.2 Unapproved projects	-	-	-	-	-	-	-	
14.3 PMC Savings	-	-	-	-	-	-	-	
14.4 AIA	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	
TOTALS	145,087,603	26,765,528	171,853,131	-	171,853,131	74,465,769	97,387,362	

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 202x.

14. Errors

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

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

15. Related Party Transactions

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

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

XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
Normal Allocation	Kshs	Kshs
AIE NO. B185137 2022-2023	7,000,000	-
AIE NO. B185388 2022-2023	7,000,000	-
AIE NO. B185673 2022-2023	14,000,000	-
AIE NO. B206172 2022-2023	5,000,000	-
AIE NO. B206437 2022-2023	12,000,000	-
AIE NO. B205948 2022-2023	12,000,000	-
AIE NO. B207828 2022-2023	15,000,000	
AIE NO. B207668 2022-2023	15,000,000	
AIE NO. B140970 2020/2021	-	33,000,000
AIE NO. B105487 2021/2022		44,000,000
AIE NO. B105834 2021/2022	-	22,000,000
AIE NO. B128581 2021/2022	-	5,000,000
AIE NO. B128893 2021/2022		12,000,000
AIE NO. B154090 2021/2022	-	12,000,000
AIE NO. B164426 2021/2022	-	18,000,000
AIE NO. B155861 2021/2022		24,088,879
AIE NO. B155979 2020/2021		12,088,879
TOTAL	87,000,000	182,177,758

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

Notes To the Financial Statements (Continued)

2. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,257,220	2,822,298
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	1,958,257
Employer Contributions Compulsory national social security schemes	257,256	310,014
Total	2,514,476	5,090,569

3. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,183,000	-
Other committee expenses	260,000	-
Total	1,443,000	-

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

4. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	747,756	-
Committee Expenses	1,443,000	3,001,600
Communication, supplies and services	-	-
Domestic travel and subsistence	2,039,093	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,736,807	800,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	600,000
Office and general supplies and services	1,323,487	2,290,000
Fuel, oil & lubricants	-	-
Other operating expenses	-	509,450
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Bank Service Commission and	60,000	40,236
Total	5,907,143	7,241,286

5. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools	7,991,000	55,800,000
Transfers To Secondary Schools	1,500,000	23,600,000
Transfers To Tertiary Institutions	-	15,000,000
Total	9,491,000	94,400,000

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

Notes To The Financial Statements (Continued)

6. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools	8,525,000	5,474,400
Bursary – tertiary institutions	37,568,000	8,432,000
Bursary – special schools	-	-
Mock & CAT	-	-
Social Security programmes (NHIF)	-	99,600
Sports project	-	1,700,000
Environment projects	-	3,200,000
Emergency projects	-	7,000,000
Roads projects	-	-
Total	46,093,000	69,256,000

7. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	9,017,150	599,430
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	1,820,000.00
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	9,017,150	2,419,430

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

Notes To The Financial Statements (Continued)

8. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023 30/06/2023	2021-2022 30/06/2023
	Kshs	Kshs
8A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank- Account No. 1000261220622 (Main account)</i>	39,299,759	26,765,528
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	39,299,759	26,765,528
8 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

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

Notes To The Financial Statements (Continued)

9. Fund Balance B/F

	2022-2023 (1 st July 2022)	2021-2022 (1 st July 2021)
	Kshs	Kshs
Bank accounts	26,765,528	22,994,847
Cash in hand	-	-
Imprest	-	-
Total	26,765,528	22,994,847
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	26,765,528	22,994,847

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

10. Other Important Disclosures

10.1: Unutilized Fund (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	5,542,579	2,344,349
Committee expense	553,295	-
Use of goods and services	1,530,027	1,940,579
Amounts due to other Government entities	27,000,000	16,000
Amounts due to other grants and other transfers	57,306,937	13,298,540
Acquisition of assets	1,800	9,018,950
Oversight Committee Expenses	1,450,870	-
Other Payments (specify)	4,001,854	147,110
Total	97,387,362	26,765,528

Lafey Constituency

National Government Constituencies Development Fund (NGCDF)

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

Notes to the Financial Statements (Continued)

10.2: PMC account balances (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	4,088,264	19,123,183
Total	4,088,264	19,123,183

Lafey Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Payment of salaries and Gratuity	5,542,579	2,344,349	Balances include unpaid gratuity.
Committee Expenses	Committee sitting allowances, transport for trainings,	553,295	-	Delay disbursement from Board.
Use of goods & services	General office expenses for goods and services	1,530,027	1,940,579	Delay disbursement from Board.
Amounts due to other Government entities				
Alungu Primary School	Construction to completion of one classroom	1,200,000	-	Delay disbursement from Board
Alungu Primary School	Purchase and Installation to completion of Solar Systems to four classrooms	1,200,000	-	Delay disbursement from Board
Digdar Primary School	Construction of 2 twin pit latrines	800,000	-	Delay disbursement from Board
Digdar Primary School	Construction to completion of Underground Water tank (25,000 litres)	800,000	-	Delay disbursement from Board
Kabo Primary School	Construction to completion of one classroom	1,200,000	-	Delay disbursement from Board
Damasa primary school	Purchase and Installation to completion of Solar Systems to four classrooms.	1,200,000	-	Delay disbursement from Board
Fino Primary school	Water piping system from Fino Water point to school (Laying of Pipes, Fixing gate valves, Tabs, gate valve control until (1km) to completion.	600,000	-	Delay disbursement from Board
Fino Primary school	Purchase and Installation to completion of Solar Systems for four classrooms	1,200,000	-	Delay disbursement from Board
warankara primary school	Construction to completion of one classroom	1,200,000	-	Delay disbursement from Board
Bambo Primary School	Purchase and Installation to completion of Solar Systems to four classrooms	1,200,000	-	Delay disbursement from Board
Sala Primary School	Purchase and supply of office furniture.	1,000,000	-	Delay disbursement from Board

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-20222	Comments
Sala Primary School	Renovation to completion of 5 Classrooms.	2,000,000	-	Delay disbursement from Board
Megag Primary School	Construction to completion of one classroom	1,200,000	-	Delay disbursement from Board
Kheira Primary School	Construction of 2 no. toilets	-	16,000	Delay disbursement from Board
Lafey Girls Secondary school	Construction to completion of one classroom	1,200,000	-	Delay disbursement from Board
Lafey Girls Secondary school	Construction of Dormitory	2,500,000	-	Delay disbursement from Board
Lafey Girls Secondary school	Purchase and supply of Laboratory Equipment	2,000,000	-	Delay disbursement from Board
Lafey Girls Secondary school	Construction of Dormitory	6,500,000	-	Delay disbursement from Board
Sub-Total		27,000,000	4,300,928	
Amounts due to other grants and other transfers				Delay disbursement from Board
Alungu police station	Digging of trenches to completion around the compound (perimeter 700m, depth 1.8m, and diametre 1.8m)	2,500,000	-	Delay disbursement from Board
Alungu police station	Construction of 2 twin pit latrines (with one chamber to take care of people living with disability) to completion	800,000	-	Delay disbursement from Board
Lafey police station	Construction to completion of 3 Cells. Male, Female and Juvenile With booking office and waiting space.	3,000,001	1	Delay disbursement from Board
Lafey Deputy County Commissioner	Erecting elevated water tank tower and installation to completion of 2,000 litres plastic tank at Deputy county Commissioner residence	2,001,250	1,250	Delay disbursement from Board
Critical Infrastructure Project Unit(CIPU)-Lafey	Construction to completion of Sub- County Critical Infrastructure Protection Unit (CIPU) Commander Residence.	5,000,000	-	Delay disbursement from Board
Fino Police Station	Digging of trenches to completion around the compound (perimeter 500m, depth 1.8m, and diameter 1.8m)	2,000,000	-	Delay disbursement from Board
Fino Kenya Police Reserve Camp	Renovation to completion of 4 No.Single Staff	1,600,000	-	Delay disbursement from Board

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	houses (re-plastering, Fixing of doors & windows, re-flooring and re-painting)			
Fino Kenya Police Reserve Camp	Digging of trenches to completion around the compound (perimeter 500m, depth 1.8m, and diameter 1.8m)	2,000,000	-	Delay disbursement from Board
Sheikh barrow police post	Drilling to completion of Borehole at the Police Post.	8,000,000	-	Delay disbursement from Board
Warankara police Post	Construction to completion of Armoury	3,000,000	-	Delay disbursement from Board
Warankara police Post	Construction of 2 twin pit latrines (with one chamber to take care of people living with disability) to completion	800,000	-	Delay disbursement from Board
Warankara police Post	Fencing to completion of Compound measuring 700 meters with Chain Link fence and Concrete Posts with Barbed wire	3,000,000	-	Delay disbursement from Board
Warankara police Post	Construction to completion of underground water tank(25,000 litres)	800,000	-	Delay disbursement from Board
Warankara police Post	Digging to completion of trenches around the compound(perimeter 700m, depth 1.8m, and diameter 1.8m)	2,500,000	-	Delay disbursement from Board
Sala police station	Construction to completion of a building comprising of 4 no. offices at the police station.	4,200,000	-	Delay disbursement from Board
Kamorliban police post	Fencing to completion of Compound with Chain Link fence and Concrete Posts	-	2,500	Delay disbursement from Board
Sports	Carry out Constituency Sports tournament (Kshs.1,500,000) and the winning teams/Schools to be awarded with trophies, balls, goal nets and games kits(Kshs.800,000)	2,303,048	1,307	Delay disbursement from Board
Damasa Primary School	Construction of Concrete water tank to completion(25,000 liters Ksh.900,00) and installation of gutters (Ksh.100,000)for rain water harvesting	1,000,000	-	Delay disbursement from Board
Bambo Primary School	Construction of Concrete water tank to completion(25,000 liters Ksh.900,00) and	1,000,00	-	Delay disbursement from Board

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-20222	Comments
	installation of gutters (Ksh.100,000)for rain water harvesting			
Megag Primary School	Construction of Concrete water tank to completion(22,000 liters Ksh.800,000 and installation of gutters(101,741) for rain water harvesting	901,741	-	Delay disbursement from Board
Environment	Planting of trees at public institutions	702	702	
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	7,829,004	192,814	Delay disbursement from Board
Bursary -Secondary	Payment of bursary to needy students	1,230	1,526,230	
Bursary -Tertiary	Payment of bursary to needy students	65,161	11,568,936	Delay disbursement from Board
Social Security programme(NHIF)	Provision of annual medical insurance cover for 500 no. vulnerable families	3,004,800	4,800	Delay disbursement from Board
Sub-Total		57,306,937	13,298,540	
Acquisition of assets	Construction of Lafey NG-CDF Office	1,800	9,018,950	
Others (specify)				
Warankara - Damasa Rd	Bush Clearing and grading(3KM)	-	12,000	
Warankara - Gari Rd	Gravelling and grading(5km)	-	9,140	
Fino -Dawaduba Rd	Bush clearing and grading(15km)	-	2,800	
Alungu Borehole	Fencing works of compound	1,000	1,000	
Damasa Borehole	Construction of Elevated Water Tank	420	420	
Kabo Borehole	Construction of Elevated Water Tank	20	20	
Fino Borehole	Construction of Trough	35	35	
Constituency Audit	Constituency Audit fees	-	79,936	
Damasa Dispensary	Construction of prefabricated Houses	379	379	
Sala Dispensary	Construction of prefabricated Houses	-	41,380	
Strategic Plan	Preparation of 5 year strategic plan	4,000,000		
Sub-Total			147,110	

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
		4,001,854		
Constituency Oversight Committee	Payment of Committee allowances and trainings	1,450,870	-	Delay disbursement from Board
Funds pending approval	-	-	-	
Grand Total		<u>97,387,362</u>	<u>26,765,528</u>	

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

Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) FY 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End FY 2021-2022
Land	-	-	-	-
Buildings and structures	17,986,600	9,017,150	-	27,003,750
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	5,719,450	-	-	5,719,450
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	400,000	-	-	400,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	24,106,050	9,017,150	-	33,123,200

Lafey Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 3 –PMC Bank Balances As At 30th June 2023

PMC	Account number		Bank Balance 2022-2023	Bank Balance 2021/22
Alungu Primary School PMC	1000264393327	Equity Bank-Mandera	-	58,834
Lafey Primary School pmc	1000264387057	Equity Bank-Mandera	-	2,935
Kahare Primary School Pmc	1000264380640	Equity Bank-Mandera	7,743	7,113
Digdar Primary School	1000278998193	Equity Bank-Mandera	2,503	1,123
Kamorliban Primary School	1000264521931	Equity Bank-Mandera	4,545	1,303,425
Kabo Primary School	1000264381552	Equity Bank-Mandera	7,305	7,125
Damasa Primary School	1000264386660	Equity Bank-Mandera	-	2,620
Fino Primary School	1000264394249	Equity Bank-Mandera	-	102,483
Warankara Primary School	1000264392933	Equity Bank-Mandera	4,655	5,380
Gari Primary School	1000264393942	Equity Bank-Mandera	6,026	2,320
Bambo Primary School	1000264394783	Equity Bank-Mandera	2,480	2,040
Kheira Primary School	1000166032087	Equity Bank-Mandera	-	1,317
Jabi East Primary School	1000279002353	Equity Bank-Mandera	-	368.35
Sala Primary School	1000264391985	Equity Bank-Mandera	-	11,857
Megag Primary School	1000279004031	Equity Bank-Mandera	1,375	51,303
Lafey Boys Secondary School	1000264420854	Equity Bank-Mandera	4,032,433	4,031,993
Lafey Girls Secondary School	1000279576204	Equity Bank-Mandera	19,199	1,403,739
Gari Secondary School	1000264393942	Equity Bank-Mandera	-	2,801,000

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

PMC	Account number		Bank Balance 2022-2023	Bank Balance 2021/22
Alungu Police Station PMC	1000180408816	Equity Bank-Mandera	-	2,801,000
Lafey Deputy County Commissioner PMC	1000181786538	Equity Bank-Mandera	-	250,830
Lafey Police Station PMC	1000171749007	Equity Bank-Mandera	-	950,544.60
Fino police station PMC	1000265968469	Equity Bank-Mandera	-	5,300,155
Warankara Assistant County Commissioner	1000279639616	Equity Bank-Mandera	-	700
Lafey Football Association PMC	1000181160153	Equity Bank-Mandera	-	760
Lafey Sub-County Education PMC	1000181417072	Equity Bank-Mandera	-	4,760
Sala Police Post PMC	1000280394381	Equity Bank-Mandera	-	318
Sheikh Barrow Police post	1000182418309	Equity Bank-Mandera	-	380
Lafey- Gari Road	1000182378890	Equity Bank-Mandera	-	16,760
Nurulyaqin Integrated Primary School PMC	1000278998060	Equity Bank-Mandera	-	-
Sala Community Dev Pmc	1000266002899	Equity Bank-Mandera	-	-
Gari Community Pmc	1000264392161	Equity Bank-Mandera	-	-
Sheikh Barrow Primary School	1000180431963	Equity Bank-Mandera	-	-
Gari Police Station PMC	1000280440836	Equity Bank-Mandera	-	-
Gari Chief's Office Pmc	1000180423673	Equity Bank-Mandera	-	-
TOTAL			4,088,264	19,123,183

Lafey Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 4: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
AOG/NERO/AUD/CDF/ MDR/LAFEY/4(9)	<p>1.Cash and Cash Equivalent The statement of assets and liabilities reflects cash and cash equivalents of Kshs.26,765,528 as disclosed in Note 10 to the financial statements. Review of the bank reconciliation statement for the month of June, 2022 revealed unrepresented cheques totalling Kshs.12,776,146 out of which cheques amounting to Kshs.41,724 had gone stale and had not been reversed in the cash book.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs. 26,765,528 could not be confirmed.</p>	<p>-Most of the unrepresented cheques were for bursaries which were disbursed on June, 2022 and were not yet stale at the time of Audit review. The only stale cheques were totalling to ksh. 41,724.00 and were for commissioner of taxes. The management will put mechanisms to ensure there will be no stale cheques and update the cash book by the end of the financial year from now henceforth.</p> <p>For ascertained of the bank balance reported in the financial statement we have attached certificate of bank balance as at ending 30th June 2022.</p>	Not Resolved	December 2024

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
.AOG/NERO/AUD/CDF/MDR/LAFEY/4(9)	<p>2.Unsupported Bursaries</p> <p>The statement of receipts and payments reflects other grants and transfers balance of Kshs. 69,256,000 as disclosed in Note 7 to the financial statements. Included in the balance are bursary payments of Kshs.5,474,400 and Kshs.8,432,000 disbursed to various secondary schools and tertiary institutions respectively. Review of the payment records revealed that payments amounting to Kshs.1,607,000 were not supported with acknowledgements from the beneficiary institutions confirming receipts of the amounts.</p> <p>In the circumstances, the accuracy and completeness of bursary disbursements amounting to Kshs.1,607,000 could not be confirmed.</p>	<p>The bursary committee and the management had followed the laid down procedures and guidelines set down by the NG-CDF Board. The guidelines were clearly outlined in the minutes of the bursary committee. The management will put in place the necessary measures and mechanisms to follow up with the institutions which had not sent the receipts and acknowledgment letters. Some of the institutions did not send the acknowledgment letters and receipt. However, the deductions of the amount sent to the institutions is clearly reflected in the bank statement which is an assertion that the bursary was actually received by the institution despite of lack of acknowledgement letters.</p>	Not Resolved	December 2024

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>3.Budgetary control and performance The summary statement of appropriation reflects the funds actual expenditure of Ksh.178,407,285 an approved budget of Ksh. 205,172,813 resulting to an under expenditure of Kshs. 26,765,528 or 13 % of the budget</p> <p>The under expenditure may have affected implementation of the fund's planned activities and may have impacted negatively on service delivery to the public.</p>	<p>As per the observation of the auditor, Lafey NG-CDFC utilized 87 % of the total funds received of Ksh.205,172,813 and the balance which was not utilised was Ksh. 26,765,528 and out of this Ksh. 12,088,879.30 was received towards the end of the financial ending 30th June 2022 as per the last A.I E dated on 9th June 2022 and we received it on 15th June, 2020 only fifteen (15) days to the end of the financial year which was not possible to utilize within this short period.</p>	<p>Not Resolved</p>	<p>December 2024</p>
	<p>4..Project Implementation Status</p> <p>The National Government Constituencies Development Fund Committee (CDFC) budgeted for implementation of Forty-five (45) projects at a total cost of Kshs. 93,825,000 during the year under review. However, CDFC implemented and completed thirty-four (34) projects at a cost of Kshs. 71,525,000 ten (10) projects with a total of Kshs. 18,300,000 were ongoing while one (1) project with a budget amount of Kshs. 4,000,000 had not been started by the end of the year.</p>	<p>As per the analysis all the projects for the financial year under review were either completed or ongoing. The only disbursement which was made towards the end of the financial year ending 30th June, 2022 was ksh. 12,088879.30 was undisbursed funds from the board for the</p>	<p>Not Resolved</p>	<p>December 2024</p>

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

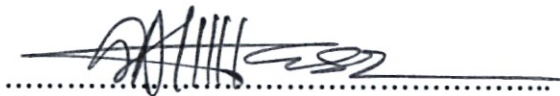
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Failure to complete projects as planned lead to cost escalations and may have resulted to a negative impact on service delivery to the public	<p>financial year 2020/2021 which were outstanding and it was supposed to be implemented by the constituency development fund unlike other funds which are released to Project Management committees for implementation. The project that was not started is because of under costing by the public works engineer. The committee requested for more funding for the project for it to be completed.</p> <p>The management of Lafey NG-CDF will ensure that all projects are implemented and completed within the financial year when funds are disbursed on time by the board.</p>		
	<p>5. Transfers to primary Schools The statement of receipts and payments reflects</p>		Not Resolved	December 2024

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>reflects transfers to other government entities of Kshs. 94,400,000 as disclosed in note 6 to the financial statements. Included in the amount are transfers to primary schools projects of Kshs. 55,800,000 out of which Ksh 20,000,000 was paid in respect to construction of classrooms. However, review of the procurement records revealed that the tender opening committee members did not append signatures or initials on or more pages of the bill of quantities and tender documents as required by section 78(9) of the public procurement and Asset Disposal Act ,2015. Further, the summary pages of bill of quantities did not have the address, date and signature of the witness. In the circumstances, Management was in breach of the law.</p>			
	<p>6. Fixed Asset Register The summary of fixed asset register attached disclosed at Annex 4 of the financial statements reflects a non – current assets balance of Kshs. 24,106,050 as at 30 June 2022. However, the fund did not maintain the</p>	<p>The Management of Lafey NG-CDF will implement the recommendations of the auditor will make sure the assets are recorded and valued as per the set requirements in IPSAS 17and maintain the Fixed Asset Register.</p>	<p>Not Resolved</p>	<p>December 2024</p>

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>asset register contrary to Regulation 143(2) of the public finance Management (National Government) Regulations, 2015. Further, the valuation report of major assets such as land and Buildings as well as the ownership documents were not provided for audit.</p> <p>In the circumstances, the effectiveness of internal controls over non- current assets and their continuous application could not be confirmed.</p>	<p>The offices are on a government land and they are no tittle deed for for that matter. As the management we shall follow up to acquire the necessary land ownership documents and valuation of the land.</p>		



Name CPA Abdikarim Ibrahim
ICPAK M/No: 28279
Fund Account Manager