

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT OF KENYA LIBRARY

PARLIAMENT OF KENYA LIBRARY

THE NATIONAL ASSEMBLY  
PAPERS LAID  
DATE: 17 SEP 2024  
TUESDAY  
TABLED BY: HON. OWEN BAYA  
CLERK AT THE TABLE: MRS. R. M. B. M.B.

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

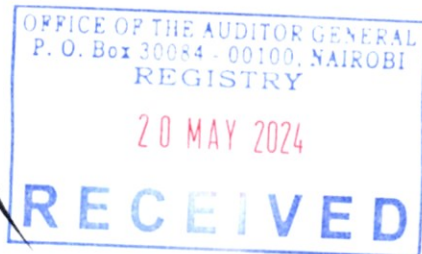
**ON**

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

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







---

**LARI CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

---

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

<b>Table of Content</b>	Page
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report .....	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	xi
V. Statement of Governance .....	xiii
VI. Environmental and Sustainability Reporting.....	xviii
VII. Statement Of Management Responsibilities .....	xxii
VIII. Report Of the Independent Auditors On The NGCDF- Lari Constituency .....	xxiv
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2023 .....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023 .....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	8
XIV. Significant Accounting Policies .....	12
XV. Notes To the Financial Statements .....	18
XVI. Annexes.....	29



## **I. Acronyms and Abbreviations**

NGCDF-National Government Constituency Development Fund  
PFM-Public Finance Management  
IPSAS-International Public Sector Accounting Standards.  
PMC-Project Management Committee  
FY-Financial Year

## **II. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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



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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

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

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

### **Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	FLORENCE NJUGUNA
2.	Sub-County Accountant	EMMA KURIA
3.	Chairman NGCDFC	JAMES NJURU
4.	Member NGCDFC	MARY KAGWA

### **(c) Fiduciary Oversight Arrangements**

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

### **(d) Lari Constituency NGCDF Headquarters**

P.O. Box 71  
DCC OFFICE COMPOUND  
Nairobi-Nakuru Highway  
Matathia, KENYA

### **(e) Lari Constituency NGCDF Contacts**

Telephone: (254) 768981691  
E-mail: [cdflari@cdf.go.ke](mailto:cdflari@cdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)



**(f) Lari Constituency NGCDF Bankers**

Lari National Government Development Fund Equity Bank  
Acc 1110295360924  
Kimende Branch  
P.O. Box 245  
Matathia

**(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**

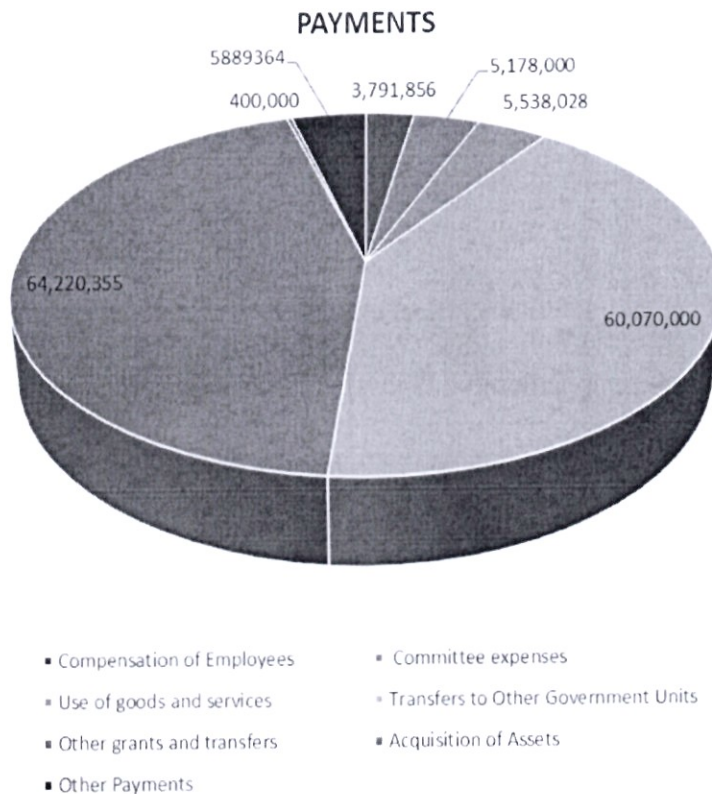
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**III. NG-CDFC Chairman’s Report**



**James N. Njuru**

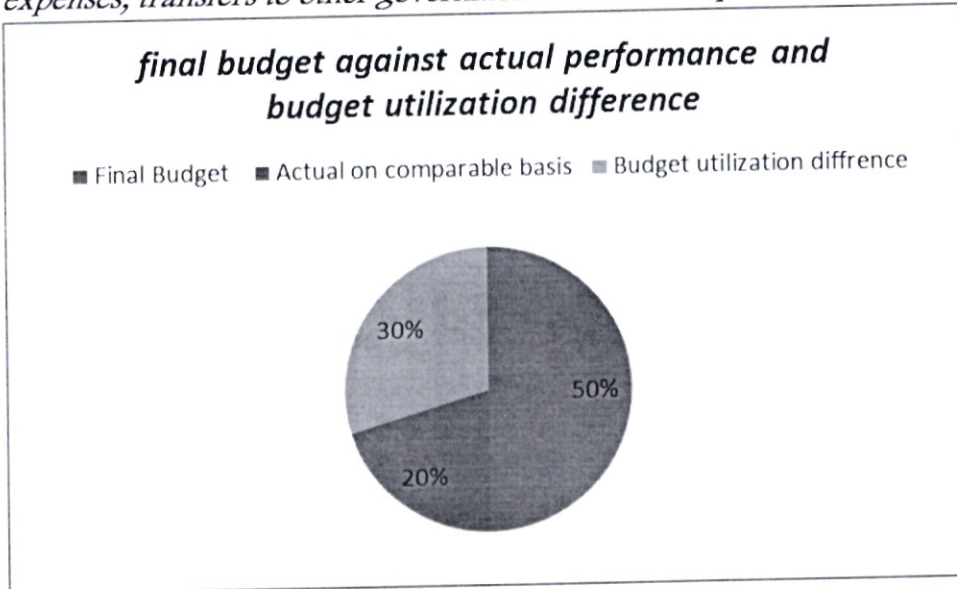
Through Lari NGCDFC we are able to gear up the Government’s Bottom-Up Economic Transformation Agenda towards economic turnaround and inclusive growth. Special focus is on interventions that: reduce the cost of living; increase employment; incentivize investment and production; achieve more equitable distribution of income; enhance social security, expand tax base for more revenue.



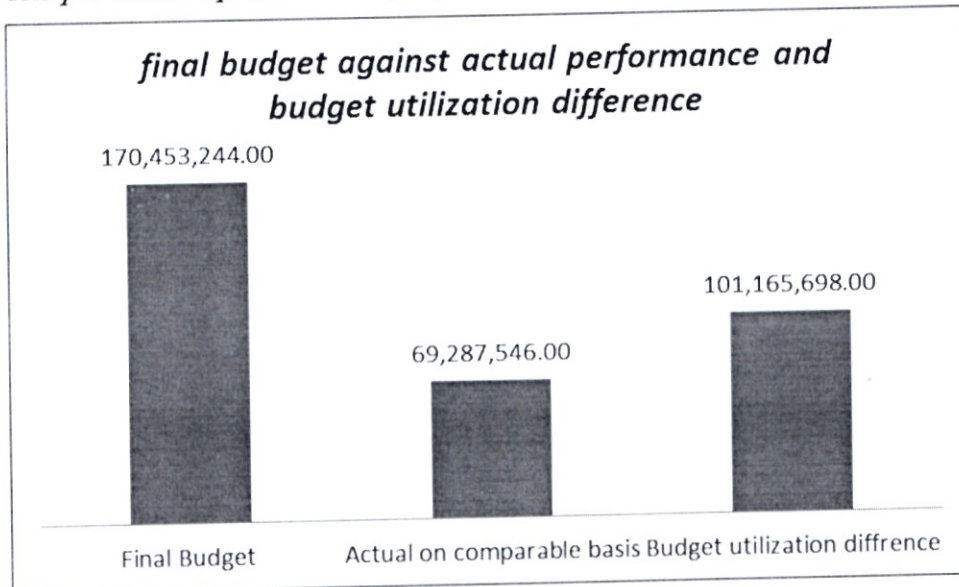
*The pie chart represents payments made during the financial year 2022-2023 as -;*



*Compensation of employees, use of goods, other grants transfer, other payments, committee expenses, transfers to other government units and acquisition assets.*



*The pie chart represents budget performance against actual amount as a percentage.*



*The graph above shows final budget against actual performance and budget utilization difference*

*The variance between the final budget and actual expenditure was occasioned by -;*

- 1. Delay of funds – We recommend timely release of funds to ensure timely implementation of projects.*
- 2. Due to the delayed actions by the court ruling that the act unconstitutional it made the process of appointing the committees to delay and hence delayed the entire project implementation process.*

**CONSTRUCTION TO COMPLETION OF 2NO.CLASSROOM**



**SPORTS**





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

---



*Jr*

.....  
Name James Njuru  
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 *Lari Constituency 2022-2027* plan are to:

1. *Improve the quality of education and management of public learning institutions in the constituency.*
2. *Improve the transport infrastructure so as to ease mobility within the constituency*
3. *Broaden the local security and administration system to create a conducive environment for communities and business to thrive.*
4. *Equip local farmers to embrace value addition practices with aim to create jobs and increase the national market share of farm produce.*
5. *Environment and natural resources conservation through restoration and maintenance of forest cover by planting trees, protection of rivers and water catchment areas*
6. *Initiate economic income generating activities by planting avocado seedlings in public schools for self-sustaining lunch programs.*
7. *Promotion of sports as a way of nurturing talents and maintaining body fitness to the constituents by engaging in annual sports activities.*

##### 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:

S	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2022/23 -we increased number of classrooms, increased from 416 to 418 - Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	<i>To equip, facilitate and enhance capacity of provincial</i>	<i>Develop and enhance provisional administration and other</i>	<i>Number of usable physical infrastructure has been built including chief's offices,</i>	<i>Number of assistant chiefs offices increased from 6 to and built 10 police quotas</i>

*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

	administration and other security organs in order to improve service delivery	security organs infrastructure to enhance service delivery	assistant chief's offices, police station quotas	from 2 and increased chief's offices from
Environment	To improve on conservation of environment through natural resources conservation initiatives	Construct and Equip schools and communities' utilities with sanitization and restoration of forest covers	Sanitization facilities built in schools and avocado trees planted in schools	<b>Natural resources conservation initiatives and provision of proper sanitary facilities to schools and community</b>
Sports	To empower and develop skills by identifying and nurturing talent	Spur economic growth through sports	Various groups benefiting from sports activities	<b>Increased number of constituents whose talents have been identified and nurtured</b>
Emergency	To utilize resources for any unforeseen occurrences	Use of emergency funds to cater for unplanned occurrences in schools and communities	Number of schools and communities benefitting from unplanned high risk events	<b>Increased number of unfit to use school sanitary blocks and installation of CCTV cameras at NGCDF office to counter on intrusion</b>
Others(Specify)				



## **V. Statement of Governance**

### *Appointment of NGCDFC members*

(1) The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) 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 43(2)(b)(c) and (d) of 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 section 43(2) (g) of 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 section 43(2)(b),(c),(d) and (e) of the Act to the National Assembly for approval. (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 of a Constituency Committee. The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing. A member of a Constituency Committee who is appointed under section 43 (2) (b), (c), (d), (e) and (g) may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board. At least one of the Constituency Committee members appointed under section 43(2)(b)(c) or (d) shall be a mandatory signatory to the Constituency accounts.

### **Removal of ng-cdf members**

(1) The members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member. A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint referred to in paragraph (2) shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If, at a meeting held pursuant to paragraph (4), members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued under paragraph (5). The member against whom the complaint is raised may be required to respond to the complaint in writing. The member against whom a complaint is raised may, in addition to the written response required under paragraph (7), elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complaint is made may call witnesses. If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter. Notwithstanding paragraph (10), a Constituency Committee may summon the member against whom the complaint is made to clarify any issue, and such member shall attend the hearing. Kenya Subsidiary Legislation, 2016 1955 If the member against whom a complaint is made fails to respond to the complaint as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available. A Constituency Committee shall issue its decision on the complaint within seven days after the

conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complaint is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under paragraph (14) shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication in paragraph (14), consider the matter and issue a final declaration which shall be binding on all parties. A member against whom a complaint is made shall not, participate in the deliberations and activities of a Constituency Committee from the time the Constituency Committee starts considering the complaint. If a member against whom a complaint is made responds to the allegations to the satisfaction of a Constituency Committee and the committee makes a determination in favour of such member, the member shall resume duties as a member of the Committee. A Constituency Committee may remove the Chairperson or secretary from their respective positions for failing to perform their functions, under regulations 8 and 9 respectively. A Constituency Committee shall inform the Chairperson or Secretary of the reasons for the proposed removal, and shall give the Chairperson or Secretary reasonable opportunity to be heard. A Chairperson or secretary who is removed pursuant to paragraph (19) shall continue to discharge duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office.

#### *Roles and functions of the Committee*

The functions of a Constituency Committee shall be to –

- build the capacity of project management committees and Committee. sensitize the Community on the operations of the Fund; consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016 ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;



- consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- rank projects proposals in order of priority while ensuring that on-going projects take precedence; ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building,
- ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (I) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act; Kenya Subsidiary Legislation, 2016 1957 (r) collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act; (s) recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act; (t) submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status; (u) enter into performance contracting with the Board on an annual basis; (v) in exercising its



discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution; (w) receive returns from project management committees in accordance with regulation 15; (x) maintain a database of project management committees and reports from the respective committees; (y) ensure that the reports referred to in paragraph (x) are received before funding is released for each phase of the project being implemented; (z) record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office; (aa) receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level; (bb) ensure that the committee does not enter into commitments for which funding has not been allocated; (cc) ensure projects are labelled in accordance with the guidelines issued by the Board; and (dd) perform any other function assigned to it by the Board.

#### *Members remuneration*

Chairman: 7,000/= per sitting, Members: 5,000/= per sitting

Currently we haven't received any conflict of interest

#### **Code of conduct**

Integrity, Objectivity, Professional competence and Confidentiality, and Professional behaviour

## **VI. Environmental and Sustainability Reporting**

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

### **1. Sustainability strategy and profile -**

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

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



To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid-19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

- Through the N-GCDF Lari we have planted more than one million trees over the years in various learning institutions and have continuously engaged the BOM and school heads to support the program by involving the students in watering and nurturing the trees
- Constructions of police stations on various wards has helped to reduce crime related to drugs and substance abuse. The area DCC has played a big role on sensitizing the youths in the various public participation forums.
- Through the sports allocation from the N-GCDF the youth are engaged in various tournaments and have embraced tree planting as a CSR.

## **3. Employee welfare**

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

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

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



#### **4. Market place practices-**

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

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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



.....  
Name *Florence Mburungi*  
Fund Account Manager.

LARI NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
10 MAY 2024  
P.O. Box 71 - 00221  
MATATHIA



## **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 NGCDF-Lari Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Lari Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Lari 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 Lari Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form

that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Lari Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2023.

  
.....  
Name:  
Chairman – NGCDF Committee

  
.....  
Name: FLORENCE NJUGUNA  
Fund Account Manager

LARI NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
10 MAY 2024  
P.O. Box 71 - 00221  
MATATHIA



# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LARI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 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 Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lari Constituency set out on pages 1 to 40, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of

---

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



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

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

### **Basis for Qualified Opinion**

#### **1. Lack of Ownership Documents**

Annex 4 to the financial statements reflects the summary of fixed asset register with a historical cost of Kshs.6,118,250 which includes buildings and structures valued Kshs.1,650,000. However, the ownership documents for the land where the buildings and structures have been constructed were not been provided for audit review.

In the circumstances, the ownership of the land and buildings could not be confirmed.

#### **2. Failure to Return PMC Bank Balances on Completed Projects**

Included in Annex 5 to the financial statement are Project Management Committee (PMC) bank balances amounting to Kshs.19,254,086. However, review of bank statements and cash book revealed that no PMC had returned unutilized balances on completed projects during the year under review by the time of audit.

In the circumstances, the accuracy and completeness of the Project Management Committee bank balances of Kshs.19,254,086 could not be confirmed.

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

### **Emphasis of Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects final budget and actual on comparable basis of Kshs.170,453,244 and Kshs.116,365,641 respectively resulting to



an under-funding of Kshs.54,087,603 or 32% of the budget. Similarly, the Fund spent Kshs.69,287,546 against actual receipts of Kshs.116,365,641 resulting to an under-utilization of Kshs.47,078,095 or 41% of the receipts.

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

## **2. Unutilized Funds**

Annex 3 and Note 19.3 to the financial statements reflect unutilized funds amounting to Kshs.101,165,698 which was an increase of unutilized funds from Kshs.58,094,010 in the previous audited financial year. Management has not provided the measures it has put in place to absorb the funds and address the recurring increase in unutilized funds over the years.

Under the circumstances, it was not possible to ascertain the Fund's capacity to implement overlapping projects and whether the budget was realistic.

### **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 Matters**

In the audit report for the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Report on Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or provided explanation for the failure to implement the recommendations.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for conclusion on Lawfulness and Effectiveness in use of Public Resources, 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 Prepare Bank Reconciliation Statements**

During the year under review, National Constituencies Development Fund - Lari Constituency did not prepare bank reconciliation statements for the months of July, 2022

and August, 2022 as required in Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015.

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

## **2. Delay in the Construction of Two (2) Classrooms at Kagwe Primary School**

The statement of receipts and payments reflects transfer to government entities amounting to Kshs.16,005,131 as disclosed in Note 7 to the financial statements which includes transfers to primary schools amounting to Kshs.13,400,000. Review of the payment documents revealed that the Fund disbursed Kshs.2,400,000 to Kagwe Primary School Project Management Committee (PMC) for construction of two (2) classrooms. However, physical verification on 28 March, 2024 revealed that the project had not commenced.

In the circumstances, value for money on the expenditure totalling Kshs.2,400,000 could not be confirmed.

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

## **REPORT ON 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material



misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness



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

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

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

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


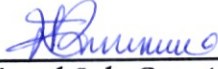

21 May, 2024

**IX. Statement Of Receipts and Payments for the Year Ended 30th June 202X**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	108,261,500	152,827,379
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>108,261,500</b>	<b>152,827,379</b>
<b>Payments</b>			
Compensation Of Employees	4	2,167,102	1,521,360
Committee expenses	5	3,068,580	4,671,400
Use Of Goods and Services	6	6,636,230	8,297,927
Transfers To Other Government Units	7	16,005,131	80,000,597
Other Grants and Transfers	8	41,410,503	112,710,240
Acquisition Of Assets	9	-	-
Oversight Committee expenses	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>69,287,546</b>	<b>207,201,524</b>
<b>Surplus/(Deficit)</b>		<b>38,973,954</b>	<b>(54,374.145)</b>

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 \_\_\_\_\_ 2023 and signed by:

		
<b>Fund Account Manager</b>	<b>National Sub-County Accountant</b>	<b>Chairman NG-CDF Committee</b>
Name: <u>INORENCE NJUGUNA</u>	Name: <u>EMMA KURIA</u> ICPAK M/No: <u>20436</u>	Name: <u>JAMES NJURU</u>



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

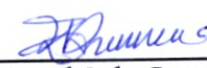
**X. Statement Of Assets and Liabilities As At 30th June, 2023**

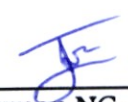
	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	47,078,095	8,104,141
Cash Balances (Cash at Hand)	12B		
<b>Total Cash and Cash Equivalents</b>		<b>47,078,095</b>	<b>8,104,141</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>47,078,095</b>	<b>8,104,141</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b>47,078,095</b>	<b>8,104,141</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	8,104,141	62,478,286
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		38,973,954	(54,374,145)
<b>Net Financial Position</b>		<b>47,078,095</b>	<b>8,104,141</b>

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 \_\_\_\_\_ 2023 and signed by:

  
**LARI NATIONAL GOVERNMENT**  
**Fund Account Manager**  
**CONSTITUENCY DEVELOPMENT**  
 Name: \_\_\_\_\_  
**10 MAY 2024**  
 P.O. Box 71 - 00221  
 MATATHIA

  
**National Sub-County**  
**Accountant**  
 Name: *EMMA KURIA*  
 ICPAK M/No: *20436*

  
**Chairman NG-CDF Committee**  
 Name: *JAMES NJIRU*

*Lari 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 202X**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	108,827,379	152,827,379
Other Receipts	3	-	-
<b>Total Receipts</b>		108,827,379	152,827,379
<b>Payments</b>			
Compensation Of Employees	4	2,167,102	1,521,360
Committee Expenses	5	3,068,580	4,671,399
Use Of Goods and Services	6	6,636,230	8,297,927
Transfers To Other Government Units	7	16,005,131	80,000,597
Other Grants and Transfers	8	41,410,503	112,710,240
Oversight Committee expenses	10	-	-
Other Payments	11		-
<b>Total Payments</b>		(69,287,546)	(207,201,524)
<b>Total Receipts Less Total Payments</b>		38,973,954	54,374,145
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>38,973,954</b>	<b>54,374,145</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
Net Increase In Cash And Cash Equivalent		38,973,954	(54,374,145)
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>12</b>	<b>8,104,141</b>	<b>62,478,286</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>12</b>	<b>47,078,095</b>	<b>8,104,141</b>



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

---

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 \_\_\_\_\_ 2023 and signed by:



---

**Fund Account Manager**

**Name: FLORENCE NJUGUNA**



---

**National Sub-County  
Accountant**

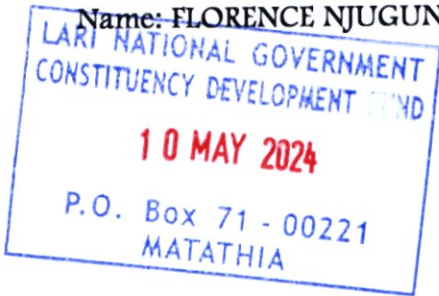
**Name: EMMA KURIA**  
**ICPAK M/No: 20436**



---

**Chairman NG-CDF Committee**

**Name: JAMES NJURU**



**XII. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> 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>Insert current FY</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	145,087,603	8,104,141	17,261,500	170,453,244	116,365,641	54,087,603	63.7%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
<b>Totals</b>	<b>145,087,603</b>	<b>8,104,141</b>	<b>17,261,500</b>	<b>170,453,244</b>	<b>116,365,641</b>	<b>54,087,603</b>	<b>63.7%</b>
<b>Payments</b>							
Compensation Of Employees	3,791,856	918,792		4,710,648	2,167,102	2,543,546	46.36s%
Committee Expenses	3,728,000	57,072		3,785,072	3,068,500	716,492	81.19%
Use Of Goods and Services	5,538,028	2,312,019		7,850,047	6,636,230	1,213,817	84.50%
Transfers To Other Government Units	39,570,000	2,423,800	13,605,131	55,598,931	16,005,131	39,593,800	28.79
Other Grants and Transfers	61,318,602	2,200,075	3,656,369	67,175,047	41,410,503	25,764,544	61.64
Acquisition Of Assets	400,000	-		400,000		400,000	0%
Oversight committee expenses	1,450,000	-	-	1,450,000	-	1,450,000	0%
Other Payments	5,889,364	192,383		6,081,746		6,081,746	0%
Funds Pending Approval**	23,401,698			23,401,753		23,401,753	0%
<b>Totals</b>	<b>145,087,603</b>	<b>8,104,141</b>	<b>17,261,500</b>	<b>170,453,244</b>	<b>69,287,546</b>	<b>101,165,698</b>	<b>40.65%</b>

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



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

*Explanatory Notes.*

Compensation Of Employees	46.36%	2,543,546	Employees were hired for only 5 months and hence the underutilization
Oversight Committee Expenses	0.00%	<b>1,450,000</b>	This is amount for training that had not been used at end of financial year but the training has since been implemented
Transfers To Other Government Units	28.79%	39,593,800	These are amount which were disbursed by the board a weak before closure of the financial year whose implementation is on-going in the 2023-2024 financial year
Other Grants and Transfers	61.64%	25,764,544	The balance is an allocation for training of motorbike riders and social security funds whose implementation is on-going
Acquisition Of Assets	0%	400,000	Purchase of motorbike whose funds had not been disbursed by the board
Other Payments	0%	6,081,746	This is renovation of Ng-cdf Office whose funds had not been disbursed by the board at the end of financial year
Funds Pending Approval**	0%	23,401,753	These are security projects whose funds had not been disbursed by the board because of Boq issues. This was resolved and the amount has been disbursed

*the difference between the original budget and the final budget is as a result of the opening balance of kshs 8,104,141 and amount received from previous year's disbursement for 2020-2021 financial year of Kshs 17,261,500*

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	101,165,698
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 202x	(54,087,603)
	47,078,095
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>47,078,095</b>

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

---

The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_ 2023 and signed by:



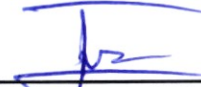
Fund Account Manager

Name: ~~FLORENCE MUGOMA~~



National Sub-County Accountant

Name: Emma Kuria  
ICPAK M/No: 20436



Chairman NG-CDF Committee

Name: James N. Muriu



XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> 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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,791,856	918,792		4,710,648	2,167,102	2,543,546
1.2 Committee allowances	3,728,000	57,072		3,785,072	3,068,580	716,492
1.3 Use of goods and services	5,538,028	2,312,019		7,850,047	6,636,230	1,213,817
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building						
2.2 Committee allowances						
2.3 Use of goods and services						
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,636,190			7,636,190	2,280,000	5,356,190
3.2 Secondary schools		92,207		92,207		92,207
3.3 Tertiary institutions				0		0
3.4 Security projects		2,107,868	3,656,369	5,764,237	1,393,021	4,371,216
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	28,000,000			28,000,000	22,852,000	5,148,000
4.2 Secondary Schools	19,180,661			19,180,661	11,711,730	7,468,931

*Lari 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			
4.3 Tertiary Institutions	3,000,000			3,000,000	0	3,000,000
4.4 Universities						
4.5 Social Security	600,000			600,000	572,000	28,000
<b>5.0 Sports</b>						
5.1	2,901,752			2,901,752	2,601,752	300,000
5.2						
5.3						
<b>6.0 Environment</b>						
6.1						
6.2						
6.3						
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1 Kiriita primary School	2,450,000			2,450,000		2,450,000
7.2 King'atua primary School	3,920,000			3,920,000		3,920,000
7.3 Kago primary school	1,500,000			1,500,000		1,500,000
7.4 Gituamba primary school	3,920,000			3,920,000		3,920,000
7.5 Gitithia primary school	4,900,000			4,900,000		4,900,000
7.6 Kirasha primary school	2,400,000			2,400,000		2,400,000
7.7 Kinale primary school	2,400,000			2,400,000		2,400,000
7.8 Mirangi primary school	2,400,000			2,400,000		2,400,000



*Lari 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			
7.9 Wangware primary school	2,400,000			2,400,000		2,400,000
7.10 Gachoire primary school	3,920,000			3,920,000		3,920,000
7.11 Kariguini primary school	1,200,000			1,200,000		1,200,000
7.12 Iria-ini primary school	1,200,000			1,200,000		1,200,000
7.13 Nyamweru Primary School			3,800,000	3,800,000	3,800,000	0
7.14 Matathia Primary School			3,700,000	3,700,000	3,700,000	0
7.15 Kagwe Township Primary			2,400,000	2,400,000	2,400,000	0
7.16 Iria-ini primary school			3,500,000	3,500,000	3,500,000	0
7.17 Kimende Primary School		5,800	0	5,800		5,800
7.18 Juvenalis Primary School			0	0		0
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1 Nyamweru Secondary	1,000,000			1,000,000		1,000,000
8.2 Kamburu high school	1,960,000			1,960,000		1,960,000
8.3 Kamahindu secondary school	4,000,000			4,000,000		4,000,000
8.4 Juvenalis Secondary		2,400,000	205,131	2,605,131	2,605,131	
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1						
9.2						

*Lari 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			
9.3						
<b>10.0 Security Projects</b>						
10.1 Gitithia assistant chief's office		18,000		18,000		18,000
10.2						
10.3						
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office	3,689,363			3,689,363		
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
<b>12.0 Oversight Committee expenses (itemize)</b>	1,450,000			1,450,000		1,450,000
<b>13.0 Others</b>						
13.1 Strategic Plan	2,200,000			2,200,000		2,200,000
12.2 Innovation Hub		192,383		192,383		192,383
13.2						
Funds pending approval**	23,401,753			23,401,753		23,401,753
<b>Total</b>	<b>145,087,548</b>	<b>8,104,141</b>	<b>17,261,500</b>	<b>170,453,244</b>	<b>69,287,546</b>	<b>101,165,698</b>

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



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

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

*Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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



*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 Equivalents.**

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

*Significant Accounting Policies continued*

**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 30<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> 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 30<sup>th</sup> June 2023.

**14. Errors**

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

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

**15. Related Party Transactions**

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



*Lari 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**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>NGCDF Board</b>	<b>Kshs</b>	<b>Kshs</b>
B105		33,000,000.00
B105494		44,000,000.00
B105842		22,000,000.00
B128590		5,000,000.00
B154099		12,000,000.00
B128902		12,000,000.00
B164434		24,827,379.00
AIE NO A888918	17,261,500	-
AIE NO B185146	7,000,000	-
AIE NO B185548	6,000,000	-
AIE NO B185682	15,000,000	-
AIE NO B206202	5,000,000	-
AIE NO B206447	12,000,000	-
AIE NO B205957	12,000,000	-
AIE NO B207554	18,000,000	-
AIE NO B207837	16,000,000	-
<b>TOTAL</b>	<b>108,261,500</b>	<b>161,367,723</b>

**2. Proceeds From Sale of Assets**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

---

**3. Other Receipts**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



*Lari 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)*

**4. Compensation Of Employees**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	1,413,132	1,417,680
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	513,150	-
Employer Contributions Compulsory national social security schemes	240,820	103,680
<b>Total</b>	<b>2,167,102</b>	<b>1,521,360</b>

**5. Committee Expenses**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	2,536,000	2,828,700
Other committee expenses	532,580	1,842,699
<b>Total</b>	<b>3,068,580</b>	<b>4,671,399</b>

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

**6. Use of Goods and services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	248,950	102,500
Communication, supplies and services	373,573	140,000
Domestic travel and subsistence	1,207,625	55,040
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	624,000	2,759,300
Bank charges	-	126,121
Hospitality supplies and services	1,180,190	-
Insurance costs	-	135,410
Specialized materials and services	-	-
Office and general supplies and services	1,668,456	-
Fuel, oil & lubricants	56,258	4,895,600
Other operating expenses	1,139,378	-
Routine maintenance – vehicles and other transport equipment	37,900	-
Routine maintenance – other assets	99,900	83,957
<b>Total</b>	<b>6,636,230</b>	<b>8,297,928</b>



*Lari 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)*

**7. Transfer To Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	13,400,000	30,660,200
Transfers To Secondary Schools (See Attached List)	2,605,131	49,340,397
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>16,005,131</b>	<b>80,000,597</b>

**8. Other Grants and Other transfers**

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,852,000	25,000,552
Bursary – tertiary institutions (see attached list)	11,711,730	58,247,355
Bursary – special schools (see attached list)	572,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)		18,582,001
Sports projects (see attached list)	2,601,752	2,741,777
Environment projects (see attached list)		4,438,555
Emergency projects (see attached list)	3,673,021	3,700,000
Roads projects (see attached list)		
<b>Total</b>	<b>41,410,503</b>	<b>112,710,240</b>

*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

*Notes To the Financial Statements (Continued)*

**9. Acquisition Of Assets**

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	-	-

**10. Oversight Committee Expenses**

	2022-2023	2021-2022
	Kshs	Kshs
	-	-
	-	-
	-	-

**11. Other Payments**

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-



*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank, Account No. 11110295360924(Main account)</i>	47,078,095	8,104,141
<i>Name of Bank, account No. ( Deposits account)</i>	-	-
<b>Total</b>	47,078,095	8,104,141
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<b>Total</b>	-	-	-	-

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

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

*Notes to the Financial Statement Continued*

**14A. Retention**

	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

**14B. Gratuity**

	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)		
Gratuity held during the year (B)	513,150	-
Gratuity paid during the Year (C)	513,150	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	0	-

**15. Fund Balance B/F**

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	8,104,141	62,478,286
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	8,104,141	62,478,286

*The above figure are the opening balances as recorded in the cash book for the respective years 2021-2022 and 2022-2023.*



### 16. Prior Year Adjustments

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

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

### 17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D – A	-	-

### 18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

*Notes To the Financial Statements (Continued)*

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

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

**19.2: Pending Staff Payables (See Annex 2)**

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**19.3: Unutilized Fund (See Annex 3)**

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,542,086	-
Committee expense	2,166,492	-
Use of goods and services	1,219,335	5,000,000
Amounts due to other Government entities (see attached list)	39,593,800	25,000,000
Amounts due to other grants and other transfers (see attached list)	25,764,544	28,094,010
Acquisition of assets	400,000	-
Other Payments (Strategic Plan-2,200,000 Ict hub 192,384)	2392384	-
Funds pending approval	23,401,752	-
<b>Total</b>	<b>101,165,698</b>	<b>58,094,010</b>



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

---

18.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	19,254,086.18	6,257,018.45
Total	<b>19,254,086.18</b>	<b>6,257,018.45</b>

**XVI. Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

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



**Annex 2 - Analysis of Pending Staff Payables**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	Employee gratuity, staff salaries	2,542,086	-	Delayed in hiring of staff led to un-utilization of the full year salaries
Use of goods & services	Administration and monitoring expenses	3,385,827	5,000,000	Delayed in hiring of staff led to un-utilization of the full year use of goods
<b>Amounts due to other Government entities</b>				
Kiriita primary School	Renovation to completion of 5 no. classrooms	2,450,000	25,000,000	Delayed disbursement of funds by the board made the implementation of projects difficult
King'atua primary School	Renovation to completion of 8 no. classrooms	3,920,000		
Kago primary school	Fencing of the school compound 1acre	1,500,000		
Gituamba primary school	Renovation to completion of 8no	3,920,000		
Gitithia primary school	Renovation to completion of 10no.	4,900,000		
Kirasha primary school	Construction to completion of 2no	2,400,000		
Kinale primary school	Construction to completion of 2no. Classrooms	2,400,000		
Mirangi primary school	Construction of 2no. Classrooms	2,400,000		
Wangware primary school	Construction of 2no. Classrooms	2,400,000		



*Lari 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 Current FY	Outstanding Balance Previous FY	Comments
Gachoire primary school	Renovation of 8 no. classrooms to completion	3,920,000		
Kariguini primary school	Construction of 1 no. classrooms	1,200,000		
Iria-ini primary school	Construction of 1no. Classrooms.			
Kimende primary	School desks	5,800		
<b>SECONDARY SCHOOL PROJECTS</b>				
Nyamweru Secondary	Purchase and installation of School generator	1,000,000		
Kamburu high school	Renovation of 4no. classrooms to completion:	1,960,000		
Kamahindu secondary school	Construction to completion of administration block	4,000,000		
<b>Amounts due to other grants and other transfers</b>				
BURSARY	SECONDARY SCHOOLS	5,148,000.00	28,094,010	Delayed disbursement of funds by the board made the implementation of projects difficult
	TERTIARY INSTITUTIONS	7,468,931.00		
	SPECIAL SCHOOLS	28,000.00		
	SOCIAL SECURITY -NHIF	3,000,000.00		
	EMERGENCY	9,819,613.00		
sports	SPORTS	300,000.00		
Sub-Total				
Acquisition of assets	Motor bike	400,000		Delayed disbursement of funds by the board made the implementation of projects difficult

**Lari 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 Current FY	Outstanding Balance Previous FY	Comments
Others ( <i>specify</i> )	Ng-cdf office	3,689,363		Delayed disbursement of funds by the board made the implementation of projects difficult
Strategic plan	2023-2027 strategic plan	2,200,000		Delayed disbursement of funds by the board made the implementation of projects difficult
Ict Hubs		192,384		
Sub-Total				
Funds pending approval	Environment, power house and security projects	23,401,753	-	Un-approved projects
Grand Total		101,165,698	58,094,010	



**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	-	-	-	-
Buildings and structures	1,650,000	-	-	1,650,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	867,620	-	-	867,620
ICT Equipment, Software and Other ICT Assets	2,524,750	1,035,880	-	3,560,630
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>5,082,370</b>	<b>1,035,880</b>	<b>-</b>	<b>6,118,250</b>

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

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

Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
LARI NGCDF UPLANDS POLICE STATION	FAMILY BANK	49000027373	47.10	980,157.00
LNGCDF KAGWE ICT HUB	FAMILY BANK	49000027222	148,646.44	515,949.00
LNGCDF KIRENGA ASSISTANT CHIEF'S OFFICE	FAMILY BANK	49000027295	160,252.42	479,375.00
LARI NGCDF KIJABE PRIMARY SCHOOL	FAMILY BANK	49000026878	57.00	368,272.00
LARI NGCDF MIRANGI PRIMARY SCHOOL	FAMILY BANK	49000026990	125,716.00	339,418.00
LNGCDF KINALE ASSISTANT COUNTY COMMISSIONER OFFICE	FAMILY BANK	49000027245	20,875.41	228,223.41
LCDF EMERGENCY	FAMILY BANK	49000026585	15,072.74	215,136.74
LARI LCDF KAMAE SECONDARY SCHOOL	FAMILY BANK	49000027194	51,444.21	209,976.21
LARI NGCDF KIMENDE HIGH SCHOOL	FAMILY BANK	49000026880	180,418.31	182,818.31
LARI NGCDF KIRENGA PRIMARY SCHOOL-RENOVATION	FAMILY BANK	49000026655	174,491.00	174,491.00
LCDF RAGIA FOREST PRIMARY SCHOOL	FAMILY BANK	49000027198	4,728.44	163,583.44
LNGCDF GITHIRIONI CHIEF'S OFFICE	FAMILY BANK	49000027236	42.41	159,442.41
LARI NGCDF CROSSROAD PRIMARY SCHOOL	FAMILY BANK	49000026991	149,509.00	155,509.00
KAMBURU PRIMARY SCHOOL	FAMILY BANK	49000026296	144,356.00	144,356.00
LNGCDF KIMENDE ICT HUB	FAMILY BANK	49000027247	136,875.00	139,875.00
LARI NGCDF ENVIRONMENT	FAMILY BANK	49000027021		



*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
			128,924.06	135,524.06
LNGCDF KAGAA CHIEF'S OFFICE	FAMILY BANK	49000027244	120,622.41	127,222.41
LNGCDF ESCARPMENT SECONDARY SCHOOL	FAMILY BANK	49000027220	122,832.44	127,032.44
LCDF SCHOOL FIELDS	FAMILY BANK	49000027534	115,246.65	121,846.65
MBAU-INI PRIMARY SCHOOL	FAMILY BANK	49000026584	100.00	116,943.00
LARI NGCDF MUGIKO PRIMARY SCHOOL	FAMILY BANK	49000026879	384.31	116,234.31
NYAMUTHANGA PRIMARY SCHOOL	FAMILY BANK	49000026295	111,356.00	111,356.00
LARI NGCDF UTUGI SECONDARY SCHOOL	FAMILY BANK	49000027006	3.65	110,783.65
LARI NGCDF GITHOGOIYO PRIMARY SCHOOL-RENOVATION	FAMILY BANK	49000026654	103,533.00	103,533.00
LARI NGCDF SULMAC PRIMARY SCHOOL	FAMILY BANK	49000026989	3.44	90,983.44
KIBATHITHI PRIMARY SCHOOL	FAMILY BANK	49000026304	90,078.00	90,078.00
LARI NGCDF SULMAC SECONDARY SCHOOL	FAMILY BANK	49000026987	3.93	82,237.93
IRIA-INI CHIEF'S OFFICE	FAMILY BANK	49000026301	74,640.00	74,640.00
LARI NGCDF KABUNGE PRIMARY SCHOOL	FAMILY BANK	49000026984	-	65,934.00
LARI NGCDF NGECHU PRIMARY SCHOOL	FAMILY BANK	49000026882	190.73	63,310.73
KIRENGA GIRLS SECONDARY SCHOOL	FAMILY BANK	49000026302	47,368.00	47,368.00
LCDF KINALE CHIEF'S OFFICE	FAMILY BANK	49000026504	42,958.97	42,958.97
LCDF KAMAE PRIMARY SCHOOL	FAMILY BANK	49000026583		

Lari Constituency

National Government Constituencies Development Fund (NGCDF)

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
			40,872.00	40,872.00
LARI NGCDF MAGINA PRIMARY SCHOOL-RENOVATION	FAMILY BANK	49000026652	39,531.00	39,531.00
LARI NGCDF ST AUGUSTINE SECONDARY SCHOOL	FAMILY BANK	49000026986	-	20,205.93
MUNYAKA PRIMARY SCHOOL	FAMILY BANK	49000026297	19,475.00	19,475.00
LARI NGCDF UTUGI PRIMARY SCHOOL	FAMILY BANK	49000026992	371.74	17,293.74
GACHEMA SECONDARY SCHOOL	FAMILY BANK	49000026305	16,857.00	16,857.00
KIBAGARE PRIMARY SCHOOL	FAMILY BANK	49000026298	8,516.00	8,516.00
LCDF GATHATTI PRIMARY SCHOOL	FAMILY BANK	49000027197	48.44	7,670.44
LCDF SPORTS	FAMILY BANK	49000026485	228.23	2,028.23
LCDF MUKEU PRIMARY SCHOOL	FAMILY BANK	49000026585	162,614.00	162,614.00
LCDF KWAREGI PRIMARY SCHOOL	FAMILY BANK	49000027590	114,282.00	114,282.00
LCDF KAMBAA PRIMARY SCHOOL	FAMILY BANK	49000027623	119.00	119.00
LCDF GATHIMA PRIMARY SCHOOL	FAMILY BANK	49000027607	137,958.00	137,958.00
LCDF GAKENGE PRIMARY SCHOOL	FAMILY BANK	49000027594	120,389.00	120,389.00
NGCDF ST JOSEPH THE WORKER HIGH SCHOOL	FAMILY BANK	49000027668	760.00	760.00
LARI NGCDF NYAMWERU PRIMARY SCHOOL	EQUITY BANK	1110284241515	3,800,000.00	-
LARI NGCDF MATATHIA PRIMARY SCHOOL	EQUITY BANK	1110284216121	3,700,000.00	
LARI NGCDF KAGWE TOWNSHIP PRIMARY SCHOOL	EQUITY BANK	1110284215680	2,400,000.00	



*Lari Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
LARI NGCDF JUVENALIS GITAU SECONDARY SCHOOL	EQUITY BANK	1110284215588	2,605,130.70	
LARI NGCDF IRIA-INI PRIMARY SCHOOL	EQUITY BANK	1110284076949	1,214,405.00	
LARI NG-CDF SPORTS	EQUITY BANK		2,601,752.00	
Total			19,254,086.18	6,793,140.45

## Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF/LARI/2021-2022/(26)	<p>i. Unsupported transfers to other government units. Note six of financial statements indicates an amount of Ksh 79,260,240 resulting to unexplained variance of ksh 33,450,000</p> <p>ii. Transfers to secondary schools ledgers amounting to 3,600,000 were not provided</p>	<p>i. The variance amount of ksh 33,450,000 was as a result of mis-classification under transfers to other government units instead of other grants and transfer</p> <p>ii. The Ledgers are available and will be provided</p>	<p>Resolved</p> <p>Resolved</p>	<p>Resolved on 29<sup>th</sup> August 2023</p> <p>Resolved on 29<sup>th</sup> August 2023</p>
OAG/NRO/NGCDF/LARI/2021-2022/(26)	<p>i. <b>Inaccuracies in kshs and cash equivalents</b> The statement of assets and liabilities and note 10 to the financial statement reflects a balance of 8,104,114 however the corresponding cash book balance</p>	<p>i. The statement of assets and liabilities and note 10 of financial statements have been rectified and reflect a balance of ksh 8,104,141</p>	Resolved	Resolved on 12 <sup>th</sup> May 2023



*Lari 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)	Date of resolution
	<p>was 7,950,141 resulting to unexplained variance of ksh 153,973</p> <p>ii. <b>Certificate of bank balance reflected a balance of 11,516,846 resulting in a variance of ksh 3,412,732</b></p>	<p>The certificate of bank balance and the bank reconciliation statement have been reconciled and reflects the corrected cash book balance of kshs 8104141</p>	Resolved	31 <sup>st</sup> august 2023
OAG/NRO/NGCDF/LARI/2021-2022/(26)	<p><b>A payment of kshs 3,700,000 in respect to payment of emergency project whose supporting schedules / ledgers were not provided for audit.</b></p>	<p>The management is in the process of providing the supporting schedules and ledgers</p>	Resolved	December 2023

*FLORENCE NJUGUNA*  
 Name  
 Fund Account Manager.

LARI NATIONAL GOVERNMENT  
 CONSTITUENCY DEVELOPMENT FUND  
**10 MAY 2024**  
 P.O. Box 71 - 00221  
 MATATHIA